LEADERS' OPINIONS OF ELEMENTS IN ESTABLISHING A HIGH-PERFORMING, PEOPLE-CENTERED CULTURE

By:

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ABSTRACT

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Leaders' Opinions Of Elements In Establishing A High-Performing, People-Centered Culture
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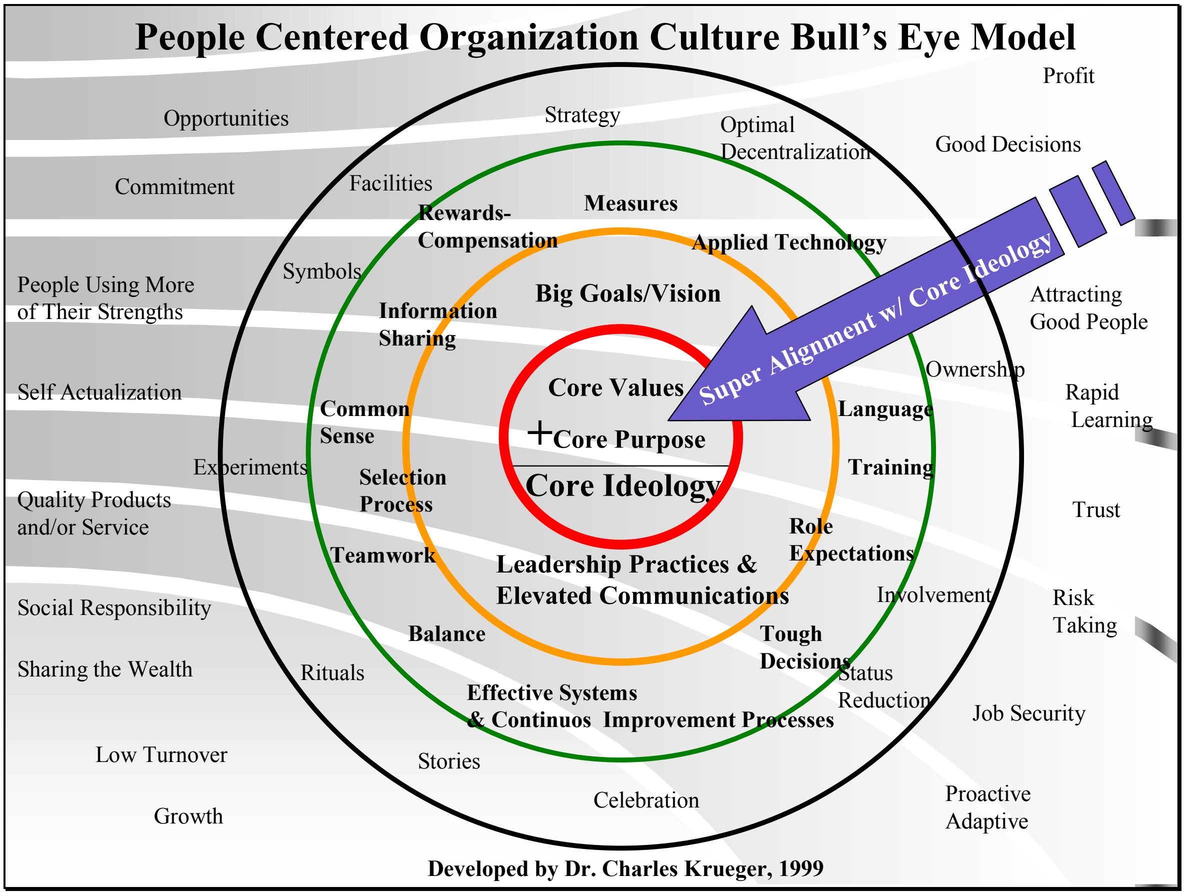
This is phase II of a two-part study. Emily Stump conducted phase I in May 2000. In her research, Stump created a research instrument to determine leaders' opinions of elements that establish and sustain a high-performing, people-centered culture. In phase II, the research instrument was validated by experts and practitioners, modified and sent to leaders of companies to determine their opinion of the variables needed to establish a high-performing, people-centered culture.

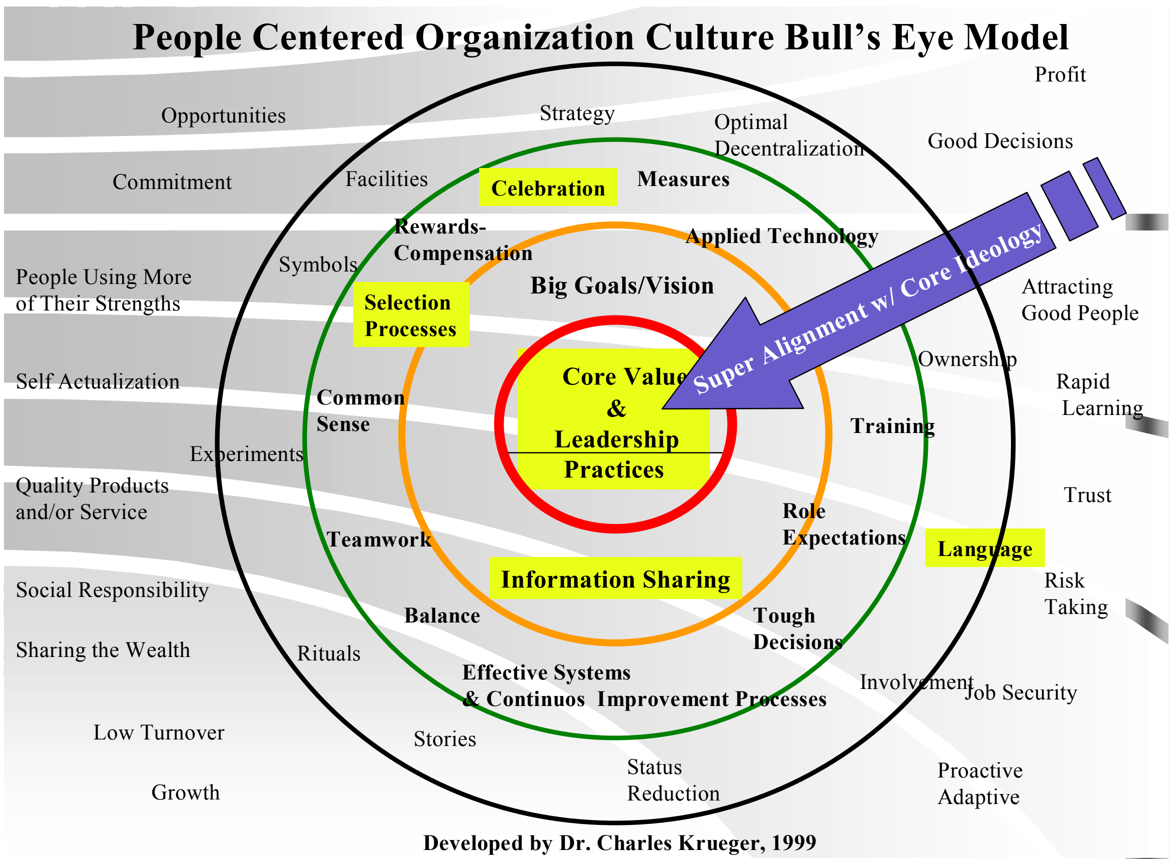
A total of 253 surveys were sent to the leaders of each organization for three separate populations. The first population was represented by five companies within a 60-mile radius of Menomonie, WI known to be high performing, people-centered organizations. The second

population included the 100 companies on Fortune's list of 100 Best Companies to Work For in 2000. The third population included 123 comparison companies. The surveys asked leaders to rate eighteen variables on a scale from 1 to 5 as to how important each variable is in establishing the culture of his/ her organization.

After organizing and collecting the data, the results were analyzed. The analysis included finding the mean and standard deviation for each variable, conducting a cluster analysis on the variables and performing t-tests for statistical significance. "Leaders Practice Values on a Daily Basis" was selected by leaders as the most important variable in establishing a high-performing, people-centered culture. The second and third most important variables selected were: "Leaders follow core values to make tough decisions" and "Core Values". The information learned from the analysis and the review of literature helped the researcher to validate and modify the following People Centered Organization Culture Bull's Eye Model. A copy of the original model and the updated model appear below.



Original Bull's Eye Model



Updated Bull's Eye Model

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I would like to thank Charlie Krueger for the guidance and knowledge that he provided me throughout my research project. Organizational culture has always interested me, but Charlie was able to provide me with new insight and understanding on the subject. Thank you, Charlie! I would like to thank Sharon Thobaben for her assistance with the data analysis for this project. Her knowledge of SPSS and her assistance in understanding the research process was much appreciated. Finally, I would like to thank my family and Adam, who provided me with the time and the support that I needed to complete this project!

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Chapter 1

Introduction

In his book The Corporate Culture Survival Guide**,** Edgar Schein (1999) discusses three levels of culture: artifacts, espoused values and basic underlying assumptions (p. 16). Artifacts are those things easily recognized in an organization such as the company logo, the dress code and office space. Espoused values are those values that an organization is founded on such as its mission, vision and strategy. The first two levels of culture can be discovered through observation. The deeper level, basic underlying assumptions, however, takes further investigation because it is at this level that the organization operates unconsciously. It is also at this level that one begins to uncover why things are done the way that they are in organizations.

> The implications of this way of thinking about culture are profound. For one thing, you begin to realize that culture is so stable and difficult to change because it represents the accumulated learning of a group – the ways of thinking, feeling, and perceiving the world that have made the group successful. For another thing, you realize that the important parts of culture are essentially invisible. Culture at this deeper level can be thought of as the shared mental models that the members of an organization hold and take for granted (Schein, 1999, p. 21).

Research has shown that having an organizational culture that is people-centered can increase an organization's return on investment (Pfeifer and Veiga, 1999). Without the understanding of organizational culture, however, it may not be possible to achieve these results.

Purpose Statement

The concept of culture is difficult to comprehend. The purpose of this paper is to provide a more in-depth look at what culture is and how it is created in organizations. The study will provide insight to leaders as they establish and nourish their current organizational culture.

<u>The People Process Handbook</u> looks at what a People Process Culture is:

> A 1998 Gallop Organization poll matching worker attitudes to company results identified four traits that consistently correlate to People Process Cultures and higher profits. In the high-performing organizations, workers feel: 1) they get to do what they do best – every day; 2) their opinions count; 3) their coworkers share their commitment to quality; and, 4) they feel a personal connection between their work and the company's mission (Carr, 1999, p. 12).

Phillips Plastics Corporation is an example of a People Process Culture. The core values of their corporation are to treat all people with respect and to understand, believe, and practice that people are important. The culture at Phillips Plastics Corporation has helped the company realize a 20 percent growth rate and a 20 percent annual return on equity for over 30 years (Carr, 1999).

In their article, "Putting People First For Organizational Success," Jeffrey Pfeifer and John F. Veiga (1999) state, "…there is a substantial and rapidly expanding body of evidence, some of it quite methodologically sophisticated, that speaks to the strong connection between how firms manage their people and the economic results achieved" (p. 38). They assert that by focusing on the people-side of the business, profits will increase over time.

Research Objectives

One of the primary keys to developing a high-performing, people-centered culture is leadership; therefore, it will be the focus of this research. For this study, the following research question will be answered: What do leaders perceive as being the most important variables in establishing a high-performing, people-centered culture?

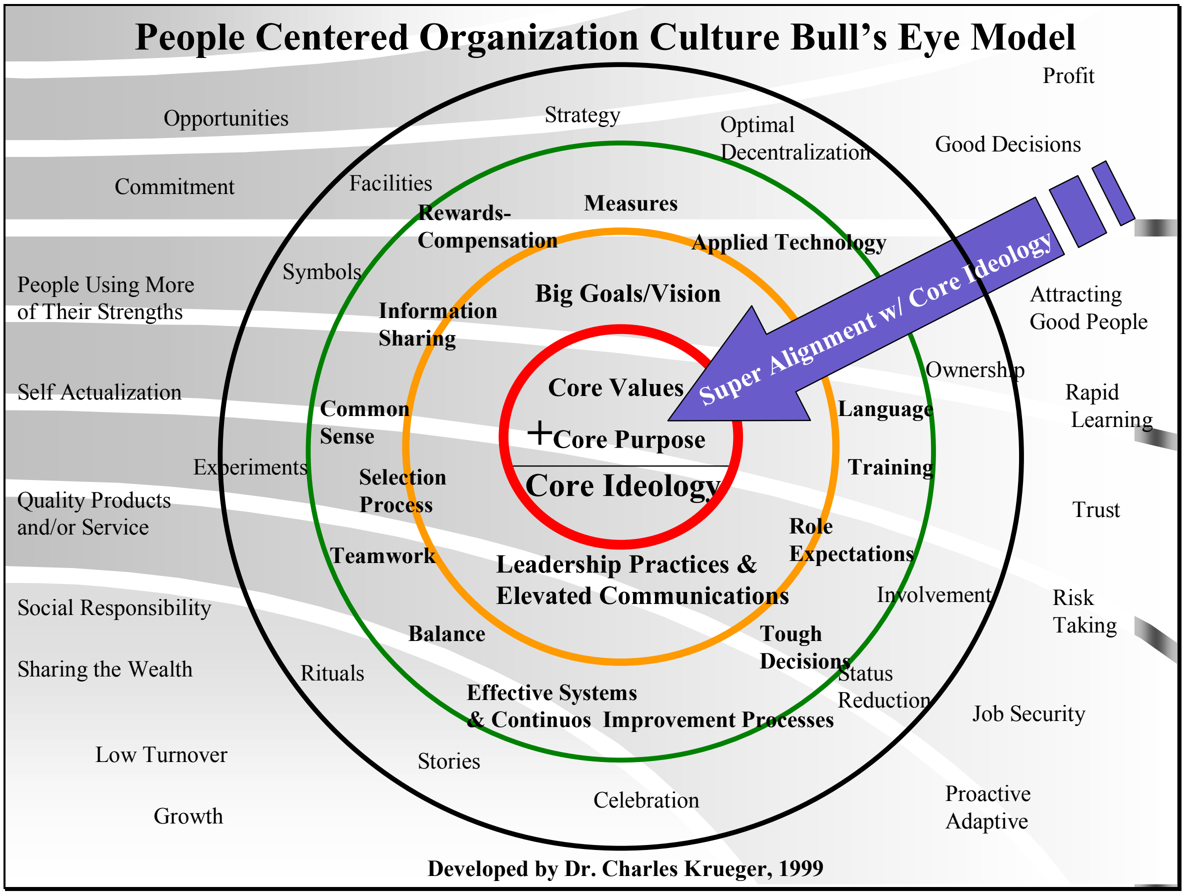
Once the data is collected, the researcher will prove or disprove the following two statements:

1. Core values will not be the most important variables that leaders perceive as being the most critical variable in establishing a high-performing, people-centered culture.
2. Leadership practices will rank below the following cultural variables in establishing a high-performing, people-centered culture:
   a. Core Values
   b. Big Goals
   c. Information Sharing
   d. Measures

Significance of the Study

In 1999, Dr. Charles Krueger, PHD, created the "Bulls Eye Model" (Seen in Figure 1.1) depicting the variables necessary to create a high-performing, people-centered organizational culture. This research should verify the importance of the variables on the model and should improve the validity of where many of the variables are placed on the model.

Figure 1.1 – People Centered Organizational Culture Bull's Eye Model



This study is Phase II in a two-part study that began in May 2000. Phase I, conducted by Emily Stump, involved creating a survey instrument to uncover what variables leaders perceived as being necessary to create and sustain a high-performing, people-centered culture. This study involved modifying and conducting the survey, organizing and collecting the data, and drawing conclusions and recommendations.

This study is significant because of its future benefits for organizational leaders. As leaders create and nourish their organizational culture, they can use the information gained from this study to create a high-performing, people-centered culture.

It is easy to form the ideas that are the foundation for people-centered management. But, if it were actually easy to implement those ideas, other airlines would have been able to copy Southwest, other grocery stores would be as successful as Whole Foods Markets, other power producers would be as profitable as AES, other retailers would have achieved the same record growth and profitability as the Men's Wearhouse. Implementing these ideas in a systematic, consistent fashion remains rare enough to be an important source of competitive advantage for firms in a number of industries (Pfeifer and Veiga, 1999, p. 44).

Chapter II

Introduction

This chapter will provide information about organizational culture and leadership. It will look at where the term "culture" came from and what it means. After defining "culture", the author will look at what organizational culture is and will define what it means to be a people-centered culture is, identifying some of the benefits associated with having a people-centered culture. The next section will focus on some of the important variables that make up culture including: resource allocation, measures, financial rewards, recognition rewards, rituals, selection processes, status reduction, stories, symbols, training, language, celebrations, facilities, information sharing, big goals, core values and leadership. The information learned from this chapter will be combined with the information gained from the research methods to answer the research question and the research hypotheses in Chapter IV.

Culture

Kotter and Heskett (1992) discuss where the term "culture" comes from in their book Corporate Culture and Performance.

> The term 'culture' originally comes from social anthropology. Late nineteenth-and early twentieth-century studies of 'primitive' societies – Eskimo, South Sea, African, Native American – revealed ways of life that were not only different from the more technologically advanced parts of America and Europe but were often very different among themselves. The concept of culture was thus coined to represent, in a very broad and holistic sense, the qualities of any specific qualities of any specific human group that are passed from one generation to the next (p. 3-4).

Edgar Schein (1985) refers to culture as "…complex and difficult to understand" (p. 3).

> [Culture is] a pattern of basic assumptions – invented, discovered, or developed by a given group as it learns to cope with its problems of external adaptation and internal integration – that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (p. 9).

Both Kotter and Heskett (1992) and Schein (1999) feel that there are levels of culture and that the root of culture is the hidden or invisible areas that comprise it. The following figures (Figure 2.1 and Figure 2.2 respectively) visualize these levels of culture.

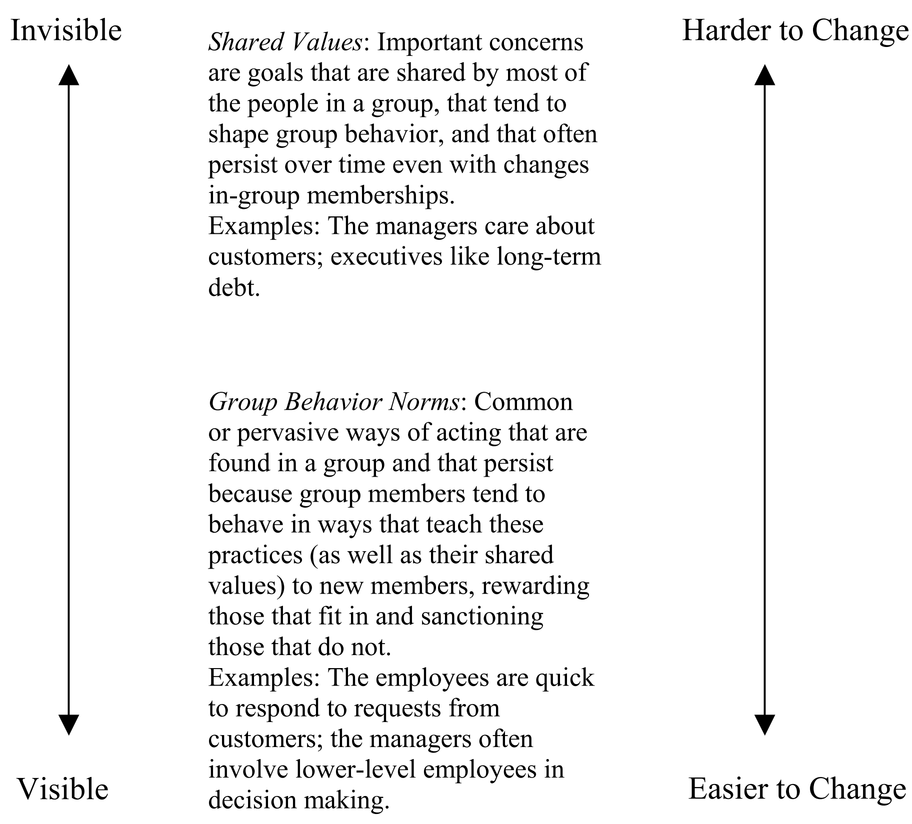


Figure 2.1 – Kotter & Heskett's Levels of Culture
Source: Kotter & Heskett, 1992, p. 5.

Levels of Culture

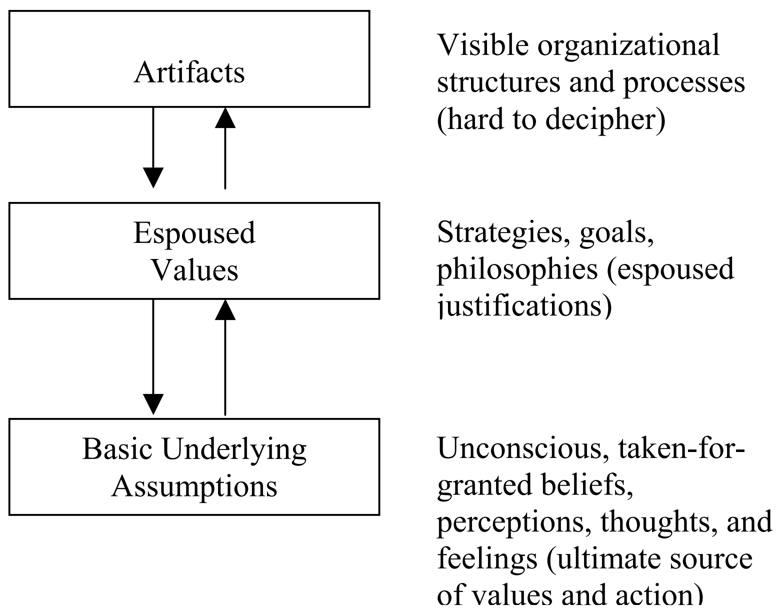


Figure 2.2 – Schein's Levels of Culture
Source: Schein, 1999, p. 16.

As seen in both Figure 2.1 and Figure 2.2, there are deep levels of culture that are not easy to identify. These areas represent the core of a group's culture. Schein (1999) states:

> The multilevel concept of culture makes it clear that culture is a complex concept that must be analyzed at every level before it can be understood. The biggest risk in working with culture is to over-simplify it and miss several basic facets that matter:
>
> 1. Culture is deep.
> 2. Culture is broad.
> 3. Culture is stable (p. 25-26).

The first level of culture in Schein's (1999) model (Figure 2.2) is artifacts. Artifacts are easy to observe; some examples of artifacts include dress, language, and symbols. The second level of culture in this model (Figure 2.2) is espoused values. Schein suggests that discussions with members of a culture can help identifying the espoused values, which helps an observer make sense of why people do certain things in a culture and allows the observer to ask questions about confusing artifacts (p. 16-17). The third level of culture (Figure 2.2) is shared tacit assumptions. This is the level that members operate at unconsciously. "Culture at this deeper level can be thought of as the shared mental models that the members of an organization hold and take for granted" (p. 21).

Schein (1999) describes some of the elements of culture as "…common language, ethnic background, religion, and shared experiences" (p. 14) and states that culture exists in families, small groups, in the workplace, in industries and in regions or nations of the country (p. 14). He asserts that culture is about: external survival issues, internal integration issues, and deeper underlying assumptions. Each of these topics is made up of the following sub-topics. External survival issues are comprised of the group's mission, strategy and goals. Their means: structure, systems, and processes and measurement: error-detection and correction systems. Internal integration issues are made up of common language and concepts, group boundaries and identity, the nature of authority and relationships and allocation of rewards and status. Deeper underlying assumptions consist of human relationships to nature, the nature of reality and truth, the nature of human nature, the nature of human relationships and the nature of time and space (p. 30).

Culture is important for a number of reasons. Deal and Peterson (1999) provide the following functions and impacts of culture in their book, Shaping School Culture:

1. Culture fosters…effectiveness and productivity.
2. Culture improves collegial and collaborative activities that foster better communication and problem-solving practices.
3. Culture fosters successful change and improvement efforts.

4. Culture increases the focus of daily behavior and attention on what is important and valued (p. 7-8).

Organizational Culture

These functions and impacts have been part of the reason that the study of culture has become more prevalent in organizations. Helen Schwartzman (1993) states:

> Although human relations researchers utilized the concept of culture in their studies of formal and informal organization, the current interest in the concept of culture for understanding organizational life has come not from anthropology but from the disciplines of psychology and business administration. In the business/ management literature the concept of organizational culture appears to have been initially introduced in conjunction with attempts to understand how organizational internal environments might be conceptualized, assessed, and most important, controlled (p. 33).

With the increased success that Japanese companies had, companies in the United States began to look at how organizations function. Kotter and Heskett (1992) suggest that in the late 1970's, there was an interrelated group of persons who were doing research on how work groups functioned.

> A small set of universities and consulting firms (Harvard, Stanford, MIT, McKinsey and MAC), began asserting the importance of what they called 'corporate' or 'organizational' culture. Their claims were based mostly on three kinds of research: of Japanese firms that consistently outperformed their American competition; of U.S. firms that were doing well despite the increasingly competitive business environment that began to emerge in the 1970's; and of companies that were trying to develop and implement competitive strategies to cope with that new environment, but were having difficulty doing so (p. 9).

From this research, it was discovered that all of the corporations had a culture, which impacted employee and organizational performance.

Schein (1985) provides the following three reasons that organizational culture must be better understood:

1. Culture is visible and makes an impact.
2. Organizational culture may contribute to an organization's effectiveness.
3. Must get everyone on the same page so as not to confuse culture with 'climate', 'philosophy', 'ideology', or 'style' (p. 24).

As seen below in Figure 2.3, Kotter and Heskett (1992) provide the following common pattern of how cultures come to be in corporations:

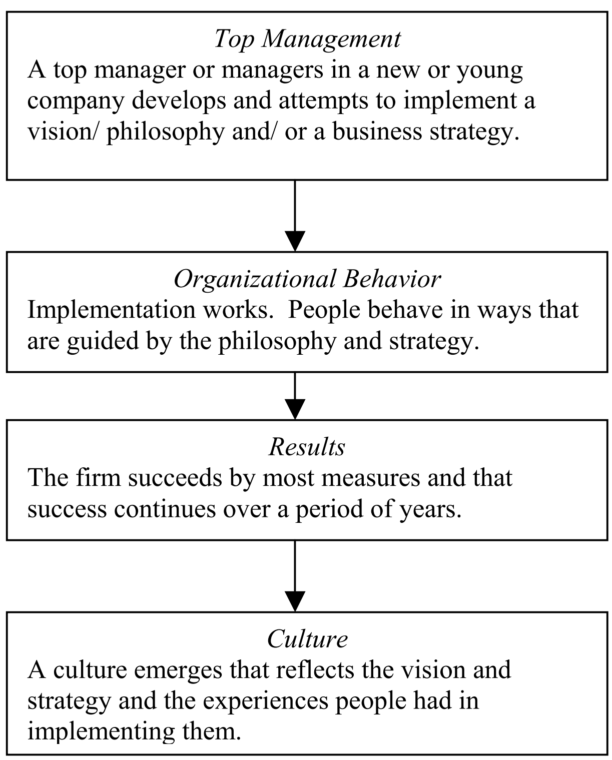


Figure 2.3 How Cultures Come to Be in Corporations
Source: Kotter & Heskett, 1992, p. 8.

Rob Goffee and Gareth Jones (1998) describe organizational culture:

Most people…be they anthropologists or not, know that organizational culture surround us. It undergirds us; it supports us – like the infrastructure of a building. Once the building is erected, you cannot see its posts, beams, and steel ties, but the building would collapse without them. The same is true of organizations. We cannot "see" their cultures necessarily, but they may be the most important thing about them. After all, products can be copied, marketing strategies made similar, advertising mimicked, executives poached, manufacturing processes duplicated, but how people in an organization relate cannot be quickly or simply copied. These relationships are culture. The underlying social architecture is perhaps the only sustainable competitive advantage organizations have at their disposal today (p.221).

People-Centered Organizational Culture

One type of organizational culture is a "people-centered" or "People Process" culture. This type of culture puts people first. In their article, "Putting People First For Organizational Success," Jeffrey Pfeifer and John F. Veiga suggest that there are seven dimensions that characterize a people-centered organizational culture:

1. Employment Security
2. Selective Hiring
3. Self-Managed Teams and Decentralizations as Basic Elements of organizational Design
4. Comparatively High Compensation Contingent on Organizational Performance
5. Extensive Training

6. Reduction of Status Differences
7. Sharing Information (p. 39-44).

Nora Carr (1999) describes People Process Cultures as cultures that are:

Founded on a pervasive, people-first value system that influences corporate structure, decision making, and behavior. [People Process Cultures have] faith in people, concern for how people are treated, and how they treat each other, and belief in the power of teamwork…. this value system extends beyond employees to include all organizational stakeholders: customers, suppliers, owners, and community members. Everyone is important; everyone is a member of a team; everyone is expected to contribute. And, most importantly, all are asked to put the 'golden rule' (treat others as you would like to be treated) into practice on a daily basis" (Carr, 1999, p. 14).

Carr (1999) points to five key elements that nourish a People Process Culture:

- People-first core values and a clearly-articulated vision and mission:
- Strong leadership practices that 'walk the talk' at all levels within the organization;
- High levels of trust and open communication among all stakeholder groups, employees, customers, suppliers, vendors, shareholders, and community members;
- Work environments and human/ operational practices that reflect and align with the organization's core values;
- Responsiveness, adaptability and a talent for thriving on change (p. 13).

Fortune Magazine selects 100 companies each year that they give the designation, "The Best 100 Companies to Work For". This year many of the companies that were on the list had appeared on the list in previous years. In their article, "America's Top Employers," Robert Levering and Milton Moskowitz answer the question, "how do these companies maintain an edge in such an environment? One word: culture. That's the mantra repeated by the 100 Best firms. 'Nice perks may help somewhat in recruiting, but to keep people here we've got to demonstrate that we offer a culture where [employees] are respected and treated as adults, one that shows people that we care about them' stated Patricia Brown of First Tennessee Bank, a leader in innovative family-friendly benefits" (*www.fortune.com*).

In the Workplace Column of website for The Gallup Organization, Marcus Buckingham and Curt Coffman (1999) also discuss what helps organizations gain an advantage with their employees. They cite the Q12 Advantage: The 12 Gallup Workplace Statements, as the key to this success:

1. I know what is expected of me.
2. I have the materials and equipment I need to do my work right.
3. At work, I have the opportunity to do what I do best every day.
4. In the last seven days, I have received recognition or praise for doing good work.
5. My supervisor, or someone at work, sees to care about me as a person.
6. There is someone at work who encourages my development.
7. At work, my opinions seem to count.
8. The mission/ purpose of my company makes me feel my job is important.
9. My associates (fellow employees) are committed to doing quality work.
10. I have a best friend at work.
11. In the last six months, someone at work has talked to me about my progress.

12. This last year, I have had opportunities at work to learn and grow (www. Gallup.com).

People-oriented cultures are unique not just in their treatment of people, but also in their return on investment. Pfeifer and Veiga (1999) cite the following evidence of people-oriented cultures also having a high performance:

> According to an award-winning study of the high performance work practices of 968 firms representing all major industries, 'a one standard deviation increase in use of such practices is associated with a…7.05 percent decrease in turnover and, on a per employee basis, $27,044 more in sales and $18,641 and $3,814 more in market value and profits, respectively. Yes, you read those results correctly. That's an $18,000 increase in stock market value per employee! A subsequent study conducted on 702 firms in 1996 found even larger economic benefits: 'a one standard deviation improvement in the human resources system was associated with an increase in shareholder wealth of $41,000 per employee, about a 14 percent market value premium (p. 38).

Phillips Plastics Corporation is an example of a people-centered company. Carr (1999) discusses the economic benefits the culture at Phillips Plastics Corporation generates, "[an] annual growth rate and return on equity…of over 20 percent for 33 years" (p. 33).

Goffee and Jones (1998) state:

> Today, more than ever, [culture] matters….virtually every force in business today is pushing companies toward disintegration – not financial failure per se, but an organizational erosion that often leads to financial failure over time.
>
> - Globalization is making organizations more far-flung and disaggregated, with divisions, departments, units, and even teams working independently of each

other to keep up with local market demands. It is not unusual today for organizations to employee people who don't speak the same language, approach work in the same way, fight the same enemy, or view success through the same lens.

- The advent of advance information technology, most notably the Internet, is allowing a growing number of organizations to "go virtual," with people working off-site, communicating only when necessary, and then in the most efficient way. Even companies that have not spun their operations off in this manner are increasingly relying on electronic communications, making the "human contact" an increasingly rare commodity.
- Intense competition for profitability has forced companies to downsize, delayer, and outsource, creating companies where people don't know each other particularly well, or worse, don't trust each other. It is difficult to spawn the positive feelings and behaviors of community in an environment where members of most work communities are in near constant flux.
- And finally, mass customization has removed the cohesiveness that typically follows when companies make and sell one kind of product. Twenty years ago, GE made and sold electrical equipment. There isn't enough room in this book to print all the types of products it makes today. GE may be an extreme illustration of the point, but it is by no means unique in the diversification of its output (p. 11-12).

"Culture is perhaps the single most powerful force for cohesion in the modern organization. And leaders can influence the way cultures evolve, positioning their organization for sustained competitive advantage –because cultures aren't easy to quickly copy" (Goffee and Jones, 1998, p. 14).

The following, Table 2.1, that appears in the Handbook of Organizational Culture and Climate (2000), illustrates empirical studies done on the relationship between organizational culture and organizational performance:

Table 2.1 Empirical Studies on the Organizational Culture-Performance Link
Source: Wilderom, Glunk, Maslowski, Handbook of Organizational Culture, 2000, p. 198-199

Reference	*Organizational Culture Dimensions*	*Performance Measure*	*Organizations Involved*	*Respondents Involved*	*Evidence for Culture-Performance Link*
Denison (1990)	(a) involvement, (b) consistency, (c) adaptability, (d) mission	Average over 6 years of (a) return on sales, (b) return on investment, (c) income/ sales ratio, (d) income/ investment ratio	34 large U.S firms from 25 different industries	43,747 employees within 6,671 work groups	1. Involvement is positively related to short- and long-term performance. 2. Consistency is positively related to short-term performance, but negatively related to long-term performance.
Rousseau (1990c)	(a) team–or satisfaction-oriented norms, (b) security-oriented norms	Amount of money raised for community	32 large units of a U.S nationwide voluntary service organization.	263 paid staff members	Little emphasis on security-oriented norms is significantly related to high performance.
Calori & Sarnin (1991)	Work-related values (12 dimensions) and management practices (17 dimensions)/ culture strength	Average over 3 years of (a) return on investment, (b) return on sales, (c) growth	5 French firms with a single business, in mature industries pursuing a differentiation strategy	280 managers and employees, excluding frontline workers	1. Many values and their corresponding management practices were related to company growth. 2. Strength of culture is positively related to high growth. 3. Only a few values and practices were related to profitability.
Gordon & DiTomaso (1992)	(a) Strength of culture, (b) adaptability, (c) stability	6 years; (a) growth of assets, (b) growth of premiums	11 U.S. insurance companies	850 managers	Culture strength and adaptability are both predictive of short-term performance.
Kotter & Heskett (1992)	(a) strength of culture, (b) strategy – culture fit, (c) adaptability	Average over 11 years of (a) yearly increase in net income (b) yearly return on investment, (c) yearly increase in stock price	207 U.S. firms from 22 different industries	600 top managers	Culture strength and adaptability are both predictive of short-term performance. There is a positive relationship between culture strength and long-term economic performance.
Marcoulides & Heck (1993)	(a) organizational structure, (b) organizational values, (c) task organization, (d) organizational climate, (e) employee attitudes	(a) gross revenue/ product value ratio (b) market share, (c) profit, (d) return on investment	26 greatly varying U.S. firms	392 employees	All culture dimensions have some direct or indirect effect on performance
Denison & Mishra (1995)	(a) involvement, (b) consistency, (c) adaptability, (d) mission	(a) perceived performance, (b) objective performance as average over 3 years of return on assets and sales growth	764 firms in five different U.S. industries	764 top managers	1. For large firms profitability is best predicted by stability traits such as mission and consistency. 2. Sales growth is best predicted by flexibility traits such as involvement and adaptability. 3. All cultural traits were positively related to return on assets, with mission as the strongest predictor.
Petty et al. (1995)	(a) teamwork, (b) trust and credibility, (c) performance improvement and common goals, (d) organizational functioning	(a) operations, (b) customer accounting, (c)support services, (d) employee safety and health, (e) marketing	12 service units within a U.S. firm in the electric utility industry	832 employees	Much teamwork is associated with high performance.
Koene (1996)	(a) process vs. results orientation, (b) employee vs. job orientation, (c) professional vs. parochial orientation, (d) open vs. closed culture, (e) tight vs. loose control, (f) normative vs. pragmatic	(a) store performance, (b) cost performance, (c) personnel performance	50 company-owned Dutch supermarket stores of a large retail chain	1,228 employees	Employee orientation and openness influenced performance both directly and indirectly through their impact on the climate variables general communication and task communication.

Wilderom, Glunk, and Maslowski (Handbook of Organizational Culture, 2000) state, "What connects these studies is a strong belief among the researchers that the performance of organizations is attributable, in part, to organizational culture" (p. 193). They continue:

> In conclusion, the research evidence regarding the claimed predictive effect of organizational culture on organizational performance, effectiveness appears to be there, but not very convincingly so…. Nevertheless, the great intuitive appeal of the [culture-performance] linkage, the preliminary evidence found so far, and the many research challenges involved in obtaining the evidence give some reason to still believe in this link. The great complexities involved in solid examinations of the [culture-performance] linkage point to the need for more sophisticated [culture-performance] studies" (p. 201).
>
> Employees who are committed, motivated, and say that 'everyone is important here' contribute significantly to the effectiveness of any business. Behind the scenes, they contribute energy and enthusiasm and go well beyond what is expected in supporting the ensemble onstage. When these workers are alienated, uninspired, and don't know why the hell they work here, they are in a position to botch things up by giving a minimally adequate performance or committing conscious acts of slow down or sabotage (Deal and Jenkins, 1994, p. 41).

In their research, Kotter and Heskett (1992), explore the impacts of culture on performance. Kotter and Heskett (1992) conducted four studies regarding culture and economic performance. Each study provided data that led to subsequent studies, which ultimately led to the following conclusions:

1. Corporate culture can have a significant impact on a firm's long-term economic performance. We found that firms with cultures that emphasized all

the key managerial constituencies (customers, stockholders, and employees) and leadership from mangers at all levels outperformed firms that did not have those cultural traits by a huge margin. Over an eleven-year period, the former increased revenues by an average of 682 percent versus 166 percent for the latter, expanded their work forces by 282 percent versus 36 percent, grew their stock prices by 901 percent versus 74 percent, and improved their net incomes by 756 percent versus 1 percent.

2. Corporate culture will probably be an even more important factor in determining the success or failure of firms in the next decade. Performance-degrading cultures have a negative financial impact for a number of reasons, the most significant being their tendency to inhibit firms from adopting needed strategic or tactical changes. In a world that is changing at an increasing rate, one would predict that unadaptive cultures will have an even larger negative financial impact in the coming decade.

3. Corporate cultures that inhibit strong long-term financial performance are not rare; they develop easily, even in firms that are full of reasonable and intelligent people. Cultures that encourage inappropriate behavior and inhibit change to more appropriate strategies tend to emerge slowly and quietly over a period of years, usually when firms are performing well. Once these cultures exist, they can be enormously difficult to change because they are often invisible to the people involved, because they help support the existing power structure in the firm, and for many other reasons.

4. Although tough to change, corporate cultures can be made more performance enhancing. Such change is complex, takes time, and requires leadership, which is something quite different from even excellent management. That leadership must be guided by a realistic vision of what kinds of cultures enhance performance – a vision that is currently hard to find in either the business community or the literature on culture (Kotter and Heskett, 1992, p. 11 – 12).

In their book, Built to Last, James C. Collins and Jerry I. Porras (1994) also look at organizational performance. In fact they look at "visionary companies" and how they earned that title. The book is based on six years of research where the authors selected eighteen visionary companies and eighteen comparison companies that were similar in size and industry to the visionary companies. Those companies appear below in Table 2.2:

Visionary Company	**Comparison Company**
3M	Norton
American Express	Wells Fargo
Boeing	McDonnell Douglas
Citicorp	Chase Manhattan
Ford	GM
General Electric	Westinghouse
Hewlett-Packard	Texas Instruments
IBM	Burroughs
Johnson & Johnson	Bristol-Myers Squibb
Marriott	Howard Johnson
Merck	Pfizer
Motorola	Zenith
Nordstrom	Melville
Procter & Gamble	Colgate
Philip Morris	R.J. Reynolds Nabisco
Sony	Kenwood
Wal-Mart	Ames
Walt Disney	Columbia

Table 2.2 – The Companies in Collins and Porras Research Study
Source: Collins and Porras, 1994, p. 3

Their book focuses on what the visionary companies have done differently and how they were able to set themselves apart from their competitors (namely the comparison companies) to generate long-term financial success (p. 1-3).

After all of the data was collected, Collins and Porras (1994) determined that the visionary companies did a few things that the comparison companies did not. First, the authors suggest that the visionary companies do "Clock building, not telling time" (p. 22). They define "clock building" as,

> Building a company that can prosper far beyond the presence of any single leader and through multiple product life cycles….[These companies] concentrate primarily on building an organization – building a ticking clock – rather than on hitting a market just right with a visionary product idea and riding the growth curve of an attractive product life cycle….Their greatest creation is the company itself and what it stands for (p. 23).

Another thing that set these companies apart from the others was that profit isn't their only focus in doing business and their core ideology reflects this principle. For example, "When Robert W. Johnson founded Johnson & Johnson in 1886, he did so with the idealistic aim 'to alleviate pain and disease.' By 1908, he had expanded this into a business ideology that placed service to customers and concern for employees ahead of return to shareholders" (Collins and Porras, 1994, p. 58). The visionary companies have very strong core ideologies that do not change with time, but remain constant. "In a visionary company, the core values need no rational or external justification. Nor do they sway with the trends and fads of the day. Nor even do they shift in response to changing market conditions" (Collins and Porras, 1994, p. 75).

These companies were also able to maintain their core ideology and, at the same time, remain adaptable and stimulate progress. Collins and Porras (1194) state, "If an organization is to meet the challenges of a changing world, it must be prepared to change everything about itself except [its basic] beliefs as it moves through corporate life…The only sacred cow in an organization should be its basic philosophy of doing business" (p. 81).

Furthermore, these visionary companies established "Big hairy audacious goals," (Collins and Porras, 1994, p. 91). The describe "BHAG's" as goals that stretch people beyond their comfort zone.

> Like the moon mission, a true BHAG is clear and compelling and serves as a unifying focal point of effort – often creating immense team spirit. It has a clear finish line, so the organization can know when it has achieved the goal; people like to shoot for finish lines. A BHAG energizes people – it reaches out and grabs them in the gut. It is tangible, energizing, highly focused. People 'get it' right away; it takes little or no explanation (p. 94).

Collins and Porras (1994) also found that the visionary companies had "cult-like cultures" (p. 115). The word "cult" is not used negatively, but as a way to focus on how the cultures of these organizations varied from the comparison companies. They each followed the following:

- Fervently held ideology
- Indoctrination
- Tightness of fit
- Elitism (p. 122).

They state, "A cult-like culture can actually enhance a company's ability to pursue Big Hairy Audacious Goals, precisely because it creates that sense of being part of an elite organization that can accomplish just about anything" (p. 137).

The other things that Collins and Porras (1994) found the visionary companies did were: trying things and using what worked, creating "home-grown" managers, and continually improving. What they found was that,

> The essence of a visionary company comes in the translation of its core ideology and its own unique drive for progress into the very fabric of the organization – into goals, strategies, tactics, policies, processes, cultural practices, management behaviors, building layouts, pay systems, accounting systems, job design – into everything that the company does. A visionary company creates a total environment that envelops employees, bombarding them with a set of signals so consistent and mutually reinforcing that it's virtually impossible to misunderstand the company's ideology and ambitions (p. 201-202).

In his article, "Building a People-Centered Culture in a Digital Age Environment," Bryant Avey discusses what needs to be made in the technologically advanced times we live in to build people-centered cultures. He states,

> Digital-Age workers are hungry for opportunities to contribute to the purpose and help shape the structure of their organizations. In order to retain and continue attracting the top talent necessary to maintain a competitive edge, organizations need to establish a Digital-Age infrastructure. A Digital-Age infrastructure requires that companies focus on four fundamental areas known as IBET:
>
> - Incentives
> - Benefits
> - Education
> - Cross Functional Career Track (p. 24).

In reading and investigating culture and organizations, certain variables become prevalent. This section will discuss the following variables that are critical in creating a people-centered, organizational culture: resource allocation, measures, financial rewards, recognition rewards, rituals, selection processes, status reduction, stories, symbols, training, language, celebrations, facilities, information sharing, big goals, core values and leadership.

Cultural Variables

In Figure 2.4 below, Edgar Schein (1999) illustrates how leaders embed culture:

Figure 2.4 - How Leaders Embed Cultural Elements

I. Primary embedding mechanisms

- What leaders pay attention to, measure, and control regularly
- How leaders react to critical incidents and organizational crisis
- Observed criteria by which leaders allocate scarce resources
- Deliberate role modeling, teaching, and coaching
- Observed criteria by which leaders allocate rewards and status
- Observed criteria by which leaders recruit, select, promote, retire, and excommunicate organizational members

II. Secondary articulation and reinforcement mechanisms

- Organization design and structure
- Organization systems and procedures
- Organizational rites and rituals
- Design of physical space, facades, and buildings
- Stories, legends, and myths about people and events
- Formal statements of organizational philosophy, values, and creed (p. 98).

One of the primary ways that leaders embed culture is through resource allocation; "An organization's leaders can quickly get across their own priorities, values and assumptions by consistently linking rewards and punishments to the behavior they are concerned with" (Schein, 1985, p. 234). Employees identify what a leader values based on how he/ she allocates resources and not on how he/ she says the resources will be allocated (p. 234).

Measures are the key indicators that people in an organization use to determine whether or not the organization is operating successfully. A few examples are quality measures, efficiency measures or benchmarks against competition. Schein (1985) defines measurement as, "Developing consensus on the criteria to be used in measuring how well the group is doing in fulfilling its goals" (p. 52). Measures help employees to be on the same page allowing them to decide what action to take when the company is off track (p. 60).

"Observed criteria by which leaders allocate rewards and status" (Schein, 1999, p. 98), is another one of the primary ways that leaders embed culture. Kotter and Heskett (1992) state: "…people who follow cultural norms will be rewarded but those who do not will be penalized" (p. 7). Examples of monetary rewards include things such as raises, profit sharing or stock options. There are also recognition rewards such as a promotion or the recognition of being named employee of the month.

In their book, Managing the Hidden Organization, Terrence E. Deal and William A. Jenkins (1994) discuss the employees that work behind the scenes, such as administrative assistants, janitors or speechwriters. They are not in the direct spotlight, but contribute to a final product that is. In discussing recognition, they have the following advice,

> People want to know when they do a good job or be acknowledged by 'higher-ups' when they make that extra effort…Recognition by management takes so little time but offers so

> much to the working environment. When employees are recognized, it makes a profound, lasting impression on them. Thanks and praise encourage people to do their jobs better (p. 224-225).

Schein (1985) also discusses reward and recognition in his book, Organizational Culture and Leadership. He asserts that it is imperative for employees to know what is rewarded and what is punished (p. 66). He provides the following examples of rewards: promotion, seeing a project from beginning to end, bonuses, stock options, raises, symbolic nonmonetary rewards and public recognition. Every organization is different so what may be a reward in one, may not be a reward in another. The following are examples of punishment: not being promoted, not receiving a raise and being removed from an assignment or project (p. 78).

> The reward system usually reflects other important cultural themes, and rewards acquired can be treated as acquired social 'property.' Thus, a bonus or stock option can be translated into acquired property, whereas approval on the part of the boss or a formal promotion can be translated into social property or status. The rules by which status is acquired and held therefore become very important to understand….the reward system …reveals fairly quickly some of the important rules and underlying assumptions that lie behind those evaluations. The manner in which heroic and sinful behaviors are rewarded and punished then provides further evidence about those underlying assumptions (Schein, 1985, p. 78-79).

Rituals are another important variable in establishing organizational culture. Deal and Peterson (1999) define rituals as, "procedures or routines that are infused with deeper meaning. They help make common experiences uncommon events" (p. 32). Rituals are based on traditions that an organization has. Rituals, thus, provide a foundation for cultures when times may be difficult or changing. Even though times may be changing, the rituals remain constant (p. 33). One example of a ritual used in organizations is how they initiate newcomers.

> These rituals can be as simple as a significant introduction of a staff member's past successes and special attributes at the first…meeting. Or they can be more complex: meaningful mentoring relationships that involve reflection on professional values and philosophy, shared group participation at commonly attended conferences, and extensive discussions on the history and core values of the [organization] (p. 34).

Collins and Porras (1994) describe "cult-like cultures" in the visionary companies that they studies. The employees of these firms hold the same core values and beliefs and strive toward a common purpose (p. 135). When employees do not hold the same core ideology they are "ejected like a virus" (p. 121).

> In the ten successful cases of cultural change that we studied, hundreds or thousands of initiatives were required to implement the new visions and the strategies….They replaced managers with individuals whose values were more consistent with the cultures they desired – in diversified firms, often drawing those managers from the business units that already had the healthiest and most adaptive cultures. Even more fundamental, they changed the criteria used in selection and promotion decisions (Kotter and Heskett, 1992, p. 99).

"One of the most subtle yet most potent ways in which culture gets embedded and perpetuated is in the initial selection of new members" (Schein, 1985, p. 235). Culture can be perpetuated or changed based upon new hires and the cultural beliefs and experiences that they bring to the job (Schein, 1985, p. 235). Deal and Jenkins (1994) also feel that selection processes are an important variable in establishing organizational culture stating, "Hiring accomplished people is widely accepted as one of the most important ingredients of sustained success" (p. 77). Employee turnover is expensive, therefore, the less money that organizations spend on turnover, the better. John Hinricks, President of Management Decisions Systems, Inc. states that "Employee turnover 'can cost from $3,000 to $185,000 per occurrence" (Deal and Jenkins, 1994, p. 85).

Deal and Jenkins (1994) offer the following suggestions in order for an organization to have a solid selection process:

- Pay attention to all levels of new hires, not just top management
- Tell candidates about the company values and culture to get the right fit
- Match the employer to the employee
- Conduct thorough reference checks (p. 87).

Carr (1999) states, "Fancy executive dining suites, special parking privileges, and other status symbols have no place in a People Process Culture" (p. 17). The People Process website (2001) identifies the importance of reducing status in an organization, "Reducing the status differences between the top and the bottom of the organization helps to reduce the filtering of information and improve trust. It helps everyone to understand how every job is important to the organization's purpose and big goals." (Definition of Terms, www.ppc.uwstout.edu/ppcresearch.html)

Schein (1999) notes that although all cultures have structures, the meanings for them may vary (p. 46). Employees need to understand the status and structure of a company to feel comfortable.

McGregor's (1960) big insight in his analysis of Theory X and Theory Y was that if a structure implies a certain assumption about human nature, people may begin to adapt to

> that structure by behaving in the manner they are ‘expected’ to behave. In other words, if the founder is cynical about people and builds an organization and a control system that implies an inability on the part of employees to motivate or control themselves, those people soon ‘get the message’ that they are not trusted and either leave if they cannot stand that kind of environment or adapt by acting the way the system expects them to. But what if the leader is not cynical, and is using high centralization and tight controls for other reasons or because he is perpetuating a tradition? We then have the danger that the message which the structure sends is not at all the intended message” (Schein, 1985, p. 122).

“Structure…reduces anxiety and makes organizational life predictable and stable” Schein, 1985, p. 122).

Stories do several things: they provide history of how an organization came to be, they provide insight regarding an organization’s leader, they establish organizational values, they build a sense of pride and teamwork, and they reinforce the cultural values (Stewart, 1998, p. 165, Deal and Key, 1998, p. 176, Deal and Peterson, 1999, p. 55, Schein, 1985, p. 241).

In his article, “The Cunning Plots of Leadership,” Thomas A. Stewart discusses how leaders can benefit from stories in their organization.

> Nothing serves a leader better than a knack for narrative. Stories anoint role models, impart values, and show how to execute indescribably complex tasks…stories… ‘constitute the single most powerful weapon in the leader’s literary arsenal.’ According to Charlotte Linde, a linguist at Stanford University and the Institute for Research on Learning in Menlo Park, Calif., stories of identity help organizations bring in new

members, adapt to change, and, crucially, define who is 'us' (and who 'them') and why we're here (p. 165).

Deal and Peterson (1999) discuss the value of storytelling:

Telling stories that exemplify the importance and quality of collegiality can reinforce successful cultures….Stories of times when staff worked together on projects or when they shared ideas, materials, and support reinforce positive cultural values….Stories are powerful ways of communicating values, reinforcing norms, and celebrating cultural accomplishments (p. 55).

Deal and Key (1998) provide the following suggestions for positive storytelling:

- Be simple, brief, and understandable.
- Arouse emotion. Tell and act with passion.
- Teach without lecturing or demanding.
- Elevate values or morals in the underlying theme.
- Use friendly, nonthreatening communication.
- Paint word pictures with descriptive language.
- Be sincere; tell it from the heart (p. 179).

In addition to being positive, stories can be negative to organizational cultures, as well. Stories often communicate the values and beliefs of founders or other central characters in the organization who have become symbolic role models. These stories are often prescriptive and can thus become direct vehicles of indoctrination. On the other hand, in an organization with may subcultures or conflicting coalitions, stories can become a means of spreading a counter-culture or of revealing inconsistencies or absurdities in the main culture (Schein, 1985, p. 126).

Anat Rafaeli and Monica Worline (Handbook of Organizational Culture, 2000) discuss symbols in their article "Symbols in Organizational Culture" defining symbol and describing their function in organizations.

> A dictionary definition of symbol refers to a thing that stands for an idea, as a dove stands for peace….We use organizational symbol to refer to things that stand for the ideas that compose the organization, but we move away from the assumption of randomness….We consider organizational symbols to be visible, physical manifestations of organizations and indicators of organizational life. Symbols take on important meanings in organizations, meanings that are defined by cultural and social conventions and interactions. In our definition, symbols are things that can be experienced with the senses and used by organization members to make meaning….Symbols are experienced as really, and their impact has significant organizational consequences" (p. 73).

Deal and Peterson (1999) state, "Symbols represent intangible cultural values and beliefs. They are the outward manifestation of those things we cannot comprehend on a rational level. They are expressions of shared sentiments and sacred commitment. Symbols infuse an organization with meaning, and they influence behavior" (p. 60). Deal and Jenkins (1994) discuss the value that symbols have for employees, "Employees have to feel that their work has meaning. They need to feel an emotional, existential connection to the total organization. Costumes [dress code, sic] and symbols are one way to build an organic connection between employees and the organization" (p. 185). "Symbols need not be elaborate, but they do need to hold common meaning" (Deal and Key, 1998, p. 149).

Some examples of symbols include: mission statements, banners, displays of past achievements, symbols of diversity, awards and plaques, hall of honor, mascots, and historical artifacts and collections (Deal and Peterson, 1999, p. 61-62).

> When employees of Diamond Intel Corporation…achieve membership in the 100 club, they are given a jacket embroidered with the company's logo and a 100 club designation. The 100 club and its symbols are part of a recognition program rather than a financial incentive program. The jacket demonstrates that employees are performing their jobs well (Deal and Jenkins, 1994, p. 183).

Rafaeli and Worline (Handbook of Organizational Culture, 2000) discuss the four functions that symbols provide for an organization:

> The first function of symbol is to reflect basic and shared values or assumptions. Building on work in anthropology, we argue that symbols represent underlying values, assumptions, philosophies, and expectations of organizational life. The second function of symbol is to influence behavior by eliciting internalized values and norms. Extending work in social psychology, we argue that people act out the roles in which they are placed. Awareness of those roles is influenced by symbol. The third function of symbol is to facilitate member communication about organizational life. Sociological frame analysis shows that symbols act as frames of reference that facilitate conversation about abstract concepts. Drawing on semiotic analysis, we argue that organizational symbols capture the systems of meaning that integrate emotion, cognition, and behavior into shared codes. It is these shared codes that undergird organizational culture and, indeed, organization (p. 72).

The Gallup organization cites twelve keys to creating a great workplace. Two of them relate to training: "This last year, I have had opportunities at work to learn and grow" and "There is someone at work who encourages my development." "In today's work environment, productivity does not come from working harder; it comes from working 'smarter.' This is why work environments that reinforce and promote learning are attractive to employees. Having the opportunity to learn and grow in one's job is one of the 12 keys discoveries from a multiyear research effort by The Gallup Organization". This key suggests that it is important to be in an environment where continuous learning takes place and that the learning fosters a more flexible and adaptable organization. "Where there is learning, there is innovation and a breeding ground for a more positive and refreshing perspective toward our perceptions of self and others" (Buckingham and Coffman, 1999, www.gallup.com).

Without someone to support employees and encourage their development, employees may stagnate. The Gallup Organization suggests that the way to provide development opportunities for employees involves "…holding up a mirror to employees and encouraging them to know themselves" (Buckingham and Coffman, 1999, www.gallup.com). They caution that there is a difference between providing employees with training for a particular skill versus training them on something such as managing their time. They suggest that people are different from each other and have different ways of doing things. "While there are many tools to aid in this effort, the way one manages his or her time is a recurring pattern of thought, and behavior – in other words, part of an employee's wiring – not something every employee can be 'trained' to do better. Great managers make a clear, definite distinction between what can be trained and what is already hard wired" (Buckingham and Coffman, 1999, www.gallup.com).

“The most obvious manifestations of culture are common language and common ways of thinking. We see this most clearly at the national level, when we travel and find out how difficult it is to get along in other countries if we do not know the language or how the locals think” (Schein, 1999, p. 41). Schein (1985) discusses how groups are formed and the role that language has during the formation,

> To function as a group, the individuals who come together must establish a system of communication and a language that permits interpretation of what is going on. The human organism cannot stand too much uncertainty and/ or stimulus overload. Categories of meaning that organize perceptions and thought, thereby filtering out what is unimportant while focusing on what is important, become not only a major means of reducing overload and anxiety but also a necessary precondition for coordinated action (p. 63).

Schein (1985) suggests that language creates commonality and allows a group to communicate and understand each other. He suggests that language also helps groups gain consensus on ideas, and helps separate one organization from another. “…groups develop language systems not only to build consensus and survive but also as a way of differentiating themselves and giving themselves a sense of identity through the technical jargon that only insiders can understand (Schein, 1985, p. 69).

Similar to rituals, ceremonies are based on a cultures meaning and purpose but are larger and more complex (Deal and Peterson, 1998, p. 35). In their book, <u>Corporate Celebration: Play, Purpose, and Profit at Work</u>, Terrence E. Deal and M.K. Key (1998) discuss how celebrations contribute to an organization’s culture.

> For many years, we have assumed that the driving forces in business success are structure and strategy; they provide organizing energy. Everything else revolves around assumptions of rationality. Now we draw on a different conception: The epicenter of energy is a firm's purpose, vision, and values, the guiderails of culture. A primary expression of this cultural core is ritual and ceremony. These breathe spirit, passion, and purpose into everything else. In this view, everything revolves around celebration, the epicenter of a cultural system (p. 12)

"James Kouzes and Barry Posner, in The Leadership Challenge, see authentic celebration as based on three central principles:

1. A focus on key values
2. Public recognition of individuals and/ or teams
3. Leadership involvement" (Deal and Key, 1998, p. 196).

Deal and Key (1998) cite several reasons that spirit is not always celebrated in the workplace:

1. Discomfort – Managers may be uncomfortable not being in control.
2. Fear – Leaders may not want a celebration to go poorly.
3. Meaningless events - Doing something meaningless is worse than doing nothing at all.
4. Investor resistance – investors may not want to spend the money and risk a decreased return on investment.
5. Separating work and life – Some people want to keep work and personal lives separate.

6. Lacking know-how – Leaders don't always know how to celebrate things appropriately (p. 13-17).

Deal and Jenkins (1994) discuss the value of celebrations. "As in a community, celebrations are a way to bond people to one another, to reaffirm shared values, and to anoint the heroes and heroines whose deeds exemplify what the company stands for" (p. 193). In Table 2.3 below, are several forms of celebrations, the feelings they bring out in people and the function they serve:

Forms	**Feelings**	**Functions**
Cyclical Celebrations	Identity Inner rhythm	Provide external sanction for internal bonding
Recognition Ceremonies	Self-esteem Motivation Awareness	Convey shared values Create cultural heroes and heroines Focus energy and provide motivation
Celebrations of Triumph	Joy Hope Affiliation	Create energy Connect individual efforts with collective success Spawn stories Provide symbolic glue
Comfort of Letting Go	Grief Sadness Hope	Heal collective wounds Help group move on Create a sense of continuity among past, present, and future
Succession Rites	Closure Emotion Letting go	Help departing people move on Help surviving people let go Help replacements ease in Reaffirm continuity Reinforce shared values
Altruistic Celebrations	Love Charity Altruism	Pull people together Give something back to the community Recognize customers and other external players
Play	Delight Surprise Release	Release tension Foster creativity and new initiatives Bond a group together

Table 2.3 – Celebrations: Forms, Feelings and Functions
Source: Deal and Key, 1998, p. 28

Deal and Jenkins (1994) warn, however, "Whatever form they take, whenever they are held…ceremonies must be meaningful, authentic, and heartfelt; not regimented, overly planned, or mandated" (p. 205). Deal and Peterson (1999) suggest that, "Special elements in ceremonies can include the following:

- A special and value-linked purpose
- Symbolic clothing and adornments
- Symbols, signs, banners, or flags

- Stories of history, accomplishment, unusual effort
- A distinctive manner of speaking or presentation
- An invocation of deeper purpose and values
- Attention to who is invited and where they sit
- Recognition of those who have shown exemplary commitment
- Appropriately chosen and varied music
- A carefully selected, attractive setting
- Quality food or drink
- Value-filled language and commentary
- Meaningful symbols and artifacts
- Ritual acts and ongoing traditions
- The recounting of myths, legends, or stories," (p. 40).

> 'If you want to embrace out-of-the-box thinking – and who doesn't? – then you want your culture to be embodied in your architecture,' writes Bruce Nussbaum in Business Week. 'Architecture can be a powerful transformative agent that helps solve two key problems facing today's businesses: cutting costs and boosting productivity and innovation' (Carr, 1999, p. 49).

Facilities embody the architecture of an office, the layout of the office, the parking spaces, common areas, etc. They are important to an organization's culture because,

> [they] reflect the basic assumptions of how work gets done, how relationships should be managed, how one arrives at truth. So one can learn a great deal from such artifacts, if one knows how to interpret them, and leaders can communication a great deal if they know how to structure and create such settings (Schein, 1985, p. 241).

Deal and Jenkins (1994) state, "Anyone who thinks that the location, size, and furnishings of an office are not important to people needs to recheck their vital signs. An office says a lot about one's value to an organization" (p. 185). Deal and Peterson (1999) suggest four ways in which architecture reinforces organizational culture:

1. Architecture signals what is important.
2. Architectural elements…can tie a community together.
3. Architecture provides a message of deeper purposes and values.
4. Architecture motivates staff, students, and community by forging pride (p. 64-65).

How organizations communicate also influences their organizational culture. "Open communications, the process of creating a free flow of information across and throughout the organization, is one of the trademarks of a People Process Culture" (Carr, 1999, p. 41). When organizations share information, there is an increase in the trust that members have for one another increasing the ideas and solutions in the organization. This sharing of information includes sharing customer information, training information, company meeting information, profit and loss information" (p. 42).

In his article, "People and Profits," Charles T. Krueger (1999), discusses the communication process at Phillips Plastics Corporation,

> Open communications mean much more than extolling 'management's sanitized version' of reality in the newsletter; it means telling the unvarnished truth and giving people access to the financial data the organization is using for its decisions. It also means providing access to people at all levels (www.ppc.uwstout.edu/precision_article.html).

Phillips Plastics Corporation prides itself on their internal as well as external communications. They provide employees with profit and loss statements for the company and post the production statistics so that employees can see how they are performing.

> At Phillips Plastics Corporation, listening is more important than talking. Truly listening to all people is 'respecting all people.' Communication is a shared responsibility. People are expected to proactively volunteer information and engage in communications. People take the initiative to 'huddle up' to communicate ideas, deal with problems and learn about how to do things better (Krueger, 1999, www.ppc.uwstout.edu/precision_article.html).

"People Process Cultures are known for having a clear, compelling mission and 'big, hairy, audacious goals' that are continually communicated to everyone involved" (Carr, 1999, p. 15). Schein (1985) maintains that a company's goals derive from the company's mission, and that both the mission and the goals must be agreed upon through consensus by the organizational members for them to be successful (p. 52-56). Goffee and Jones (1998) agree with Schein, "Solidarity is driven by clarity, about goals, values, purpose – all of it. Bolstering it means making sure that clarity reaches, and is shared by, everyone in the organization" (p. 191).

Collins and Porras (1994) also discuss the impact that goals have on organizations. They coin the term "BHAG" which stands for "Big Hairy Audacious Goals." "A true BHAG is clear and compelling and serves as a unifying focal point of effort – often creating immense team spirit. It has a clear finish line, so the organization can know when it has achieved the goal; people like to shoot for finish lines" (p. 94). An example of a BHAG is the moon mission in the 1960's (Collins and Porras, 1994).

Collins and Porras (1994) state further that goals and BHAG's are not the same. Many companies have goals, but they do not provide the direction and sense of challenge that BHAG's do. BHAG's are not difficult to understand and are not easy to achieve. In Table 2.4 below is an example of a visionary company's BHAG and a comparative companies goal:

General Electric	**Westinghouse**
BHAG: Become #1 or #2 in every market we serve and revolutionize this company to have the speed and agility of a small enterprise.	**Goals:** Total Quality Market Leadership Technology Driven Global Focused Growth Diversified

Table 2.4 – Example of a BHAG
Source: Collins and Porras, 1994, p. 95.

Deal and Peterson (1999) describe an organization's values as "The bedrock of the culture" (p. 23).

> Values are the conscious expressions of what an organization stands for. Values define a standard of goodness, quality, or excellence that undergirds behavior and decisions making, and what people care about (Ott, 1989). Values are not simply goals or outcomes; values are a deeper sense of what is important. Without an existential commitment, everything is relative; values focus attention and define success (Deal and Peterson, 1999, p. 26).

Phillips Plastics Corporation has two core values, "…all people are important and people working together achieve more" (Carr, 1999, p. 23). These values are not slogans, however, they are the heart of the organizational culture and they are reflected in the way that the company does business.

Kotter and Heskett (1992) deem,

> In a strong corporate culture, almost all managers share a set of relatively consistent values and methods of doing business. New employees adopt these values very quickly. In such a culture, a new executive is just as likely to be corrected by his subordinates as by his bosses if he violates the organizations' norms. Firms with strong cultures are usually seen by outsiders as having a certain 'style' – the Procter & Gamble or Johnson & Johnson 'way of doing things.' They often make some of their shared values known in a creed or mission statement and seriously encourage all their managers to follow that statement. Furthermore, the style and values of a strong culture tend not to change much when a new CEO takes charge – their roots go deep" (p. 15-16).

Deal and Jenkins (1994) believe that the reason that some companies are unsuccessful is because not all of the employees know what the company's values are and, therefore, do not recognize the importance of their job as it relates to the reason that the company is in business (p. 65). They state, "The core mission should be a part of every employee's informal job description. When taken to a deeper level, the core values are imprinted in the minds and hearts of employees" (p. 68). The Gallup Organization also feels that employees need to understand the mission and purpose of their company.

> Excellence happens only when people have a deeply felt sense of purpose in their lives. They want to know they are making a difference, and are contributing to an important endeavor. The best workplaces give their employees a sense of purpose, help them feel they belong, and enable them to make a difference (Buckingham and Coffman, 1999, www.gallup.com).

In their extensive research on visionary companies and comparison companies, Collins and Porras (1994) found that visionary companies had very strong core ideologies. Core ideology is comprised of a company's core values and purpose. "Core values are the organization's essential and enduring tenets, not to be compromised for financial gain or short-term expediency" (p. 73). The visionary companies that Collins and Porras (1994) "tend[ed] to have only a few core values, usually between three and six. In fact…none of the visionary companies…[had] more than six core values" (p. 74). Because core values are the center of a company's business, it is imperative that the values be made for the organization and no based upon what someone else has used. The values must matter to the people in the organization and must be "authentic" (Collins and Porras, 1994, p. 76-77).

The purpose of an organization is:

> …the set of fundamental reasons for a company's existence beyond just making money….Purpose need not be wholly unique. It's entirely possible that two companies could have a very similar purpose, just as it's entirely possible that two companies could have a very similar purpose, just as it's entirely possible that two companies can both share rock-solid belief in a value like integrity. The primary role of purpose is to guide and inspire, not necessarily to differentiate (Collins and Porras, 1994, p. 76).

Collins and Porras (1994) further state the importance of following the core values in an organization and not just speaking them.

> …the visionary companies don't merely declare an ideology; they also take steps to make the ideology pervasive throughout the organization and transcend any individual leader:
>
> - The visionary companies more thoroughly indoctrinate employees into a core ideology than the comparison companies, creating cultures so strong that they are almost cult-like around the ideology.

- The visionary companies more carefully nurture and select senior management based on fit with a core ideology than the comparison companies.
- The visionary companies attain more consistent alignment with a core ideology – in such aspects as goals, strategy, tactics, and organization design – than the comparison companies (p. 71).

Deal and Jenkins (1994) provide the following suggestions for linking the employees to the core values:

- Put the core values in writing and distribute them to everyone.
- Send everyone newsletters.
- Use a kickoff event to introduce or reintroduce the values.
- Send notes recognizing employees who are high performers that follow the core values.
- Send employees letters of appreciation
- Publicly recognize staff
- Hold informal meetings with behind-the-scenes staff
- Provide back-stage workers with opportunities to see how their work contributes to customer satisfaction, profits and company goals (p. 74-75).

Leadership

Many of the sources identified in this review of literature linked a strong organizational culture with leadership practices. In their study of visionary companies, however, Collins and Porras (1994) "…found no evidence to support the hypothesis that great leadership [was] the distinguishing variable during the critical, formative stages of the visionary companies [and]…a high-profile, charismatic style [was] absolutely not required to successfully shape a visionary company" (p. 32).

> …The success of visionary companies [derived]– at least in part – [came] from underlying processes and fundamental dynamics embedded in the organization and [wasn't] primarily the result of a single great ideas or some great, all-knowing, godlike visionary who made great decisions, had great charisma, and led with great authority (Collins and Porras, 1994, p. 41).

After their study on visionary companies, Jim Collins conducted a follow-up study in 1996 to determine whether or not a good company can become a great company and, if so, how. After collecting nearly 6,000 articles, conducting 87 interviews with key executives, analyzing companies internal documents and annual reports, it was determined that there were companies that had gone from good to great. It was also determined that, in the companies that went from good to great, leadership was a critical part of the transition. Companies that were unsuccessful at moving from being a good company to a great company lacked the leadership to get there (p.69). This was not what the researchers expected. In fact, when he started the project, Collins (2001) "…gave the research teams explicit instructions to downplay the role of top executives in their analyses of this question so [they] wouldn't slip into the simplistic 'credit the leader' or 'blame the leader' thinking that is so common today" (p. 70).

Collins (2001) states, "The successful organizations all had a Level 5 leader at the time of transition. Furthermore, the absence of Level 5 leadership showed up consistently across the comparison companies" (p. 70). "Level 5 leadership" is based on the following hierarchy, which can be seen in Figure 2.5 below:

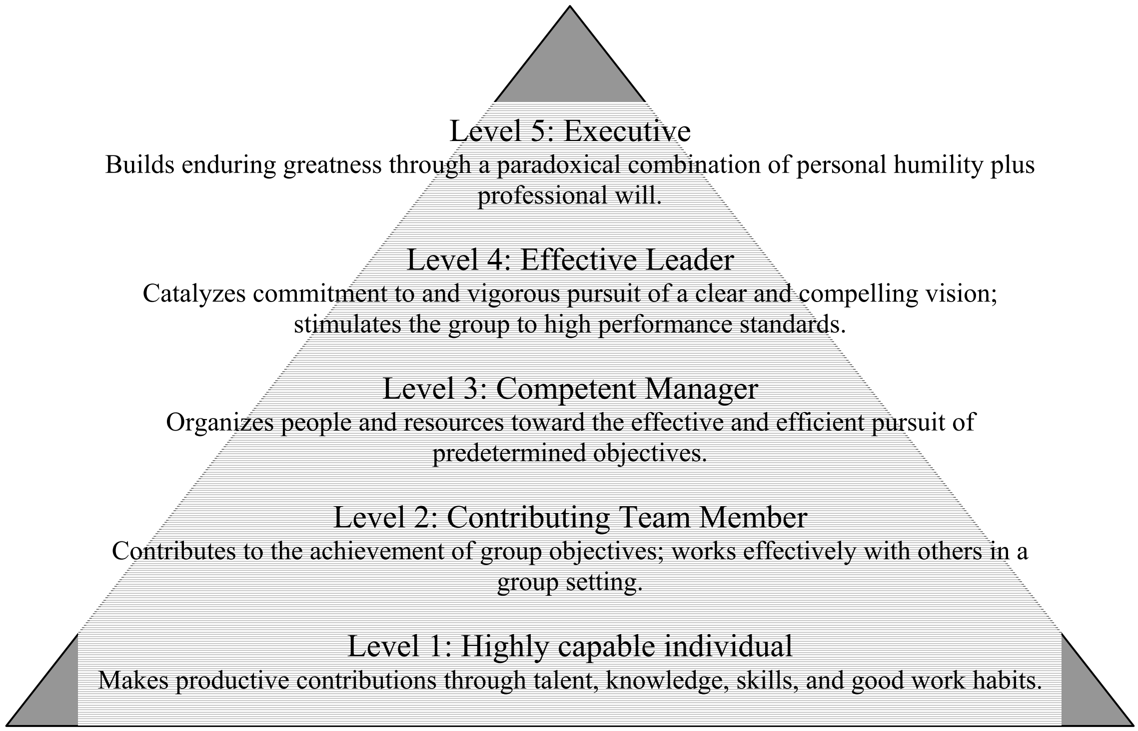


Figure 2.5 – Hierarchy of Level 5 Leadership
Source: Collins, 2001, p. 70

Collins (2201) describes a Level 5 leader as,

> …a study in duality: modest and willful, shy and fearless. To grasp this concept, consider Abraham Lincoln, who never let his ego get in the way of his ambition to create an enduring great nation. Author Henry Adams called him 'a quiet, peaceful, shy figure.' But those who thought Lincoln's understated manner signaled weakness in the man found themselves terribly mistaken – to the scale of 250,000 Confederate and 360,000 Union lives, including Lincoln's own (p. 70).

Level 5 leaders are modest but have an unwavering resolve, described by Collins (2001) as the Yin and Yang of Level 5 leadership, detailed in Table 2.5 below:

Personal Humility	**Professional Will**
Demonstrates a compelling modesty, shunning public adulation; never boastful.	Creates superb results, a clear catalyst in the transition from good to great.
Acts with quiet, calm determination; relies principally on inspired standards, not inspiring charisma, to motivate.	Demonstrates an unwavering resolve to do whatever must be done to produce the best long-term results, not matter how difficult.
Channels ambition into the company, not the self; sets up successors for even more greatness in the next generation.	Sets the standard of building an enduring great company; will settle for nothing less.
Looks in the mirror, not out the window, to apportion responsibility for poor results, never blaming other people, external factors, or bad luck.	Looks out the window, not in the mirror, to apportion credit for the success of the company – to other people, external factors, and good luck.

Table 2.5 – Yin and Yang of Level 5 Leadership
Source: Collins, 2001, p. 73.

Schein (1985) also discusses the relationship between organizational culture and leadership:

> A dynamic analysis of organizational culture makes it clear that leadership is intertwined with culture formation, evolution, and destruction. Culture is created the first instance by the actions of leaders; culture also is embedded and strengthened by leaders. When culture becomes dysfunctional, leadership is needed to help the group unlearn some of its cultural assumptions and learn new assumptions. Such transformations require what amounts to conscious and deliberate destruction of cultural elements, and it is this aspect of cultural dynamics that makes leadership important and difficult to define. In fact, the endless discussion of what leadership is and is not could, perhaps, be simplified if we recognized that the unique and essential function of leadership is the manipulation of culture.

> It is this function that provides the most difficult challenge for leadership. It sometimes involves nothing less than surmounting one's own taken-for-granted assumptions, seeing what is needed to ensure the health and survival of the group, and making things happen that enable the group to evolve toward new cultural assumptions. Without leadership, groups would not be able to adapt to changing environmental conditions" (p. 316-317).

Leaders influence culture in many ways. Schein (1985) discusses these when he identifies the ways that leaders embed culture. Many of the ways that leaders embed culture have already been discussed: measures and resource allocation, training, rewards and punishments, selection processes, organizational structure, organization of space and facilities, rituals, symbols, stories and formal values and organizational philosophies. He additionally suggests that how leaders react to crisis situations and what they control regularly is another way that leaders embed culture (p. 98). "The most important of these mechanisms is the leader's own behavior. When it comes to culture creating and embedding, 'walking the talk' has special significance in that new members pay far more attention to the walk than the talk" (p. 97-98).

> Leaders, both formal and informal, convey important messages and meanings in their words, actions, and nonverbal announcements. Their work lives are placards, posters, and banners of symbolic meaning. This symbolic signaling occurs through the things they read, words they use, issues they raise, ideas they float, and the things they get upset, exuberant, or frustrated about (Deal and Peterson, 1999, p. 65).

Krueger (1999) concurs that leadership must be consistent at all levels of the organization and that leaders must follow the espoused values of the organization. When leaders 'walk the walk' employees communicate more openly and trust leaders and coworkers. When leaders do not follow the organizations values, or lose sight of them, employees lose trust and communication suffers (www.ppc.uwstout.edu/precision_article.html).

Schein (1985) agrees that policies or procedures are not as important as what leaders actions say. When organizations have a mission statement that leaders do not follow, they are not 'walking the talk' and employees begin to follow the actual values instead of the espoused values. This is the deeper level of culture that Schein (1999) terms "basic underlying assumptions." Sometimes the espoused values match the taken for granted ways of doing things in an organization and sometimes they do not. To truly understand an organization's culture, one must identify the third level of culture (p. 16-20). As a leader it is, therefore, important to display consistency through words and in actions on a daily basis.

> Being systematic in paying attention to certain things becomes a powerful way of communicating a message, especially if the leaders are totally consistent in their own behavior. On the other hand, if leaders are not aware of the power of this process, or they are inconsistent in what they pay attention to, subordinates and colleagues will spend inordinate time and energy tying to decipher what the leader's behavior really reflects and even project motives where none may exist (Schein, 1985, p. 225).

Some of the activities that employees notice include the following:

- Actions – what leaders spend their time on.
- Tours – whether or not leaders take the time to walk around the organization and interact with staff.
- Intellectual engagement – what leaders read and discuss with others.
- Writing – what leaders write and whom they write to.

- Communicating ideas – how and where ideas are communicated, whether it be at meetings, through memos or informal discussions.
- Advocacy – how well the leaders knows the core values and mission of the organization and whether or not he/ she reinforces them.
- Recognition – who and what the leader(s) recognize.
- Professional learning – what kind of professional development the leader(s) of an organization take part in (Deal and Peterson, 1999, p. 67).

In their article, "By the Way…Your Staff Hates You," Tim Carvell (1998) talks about why employees leave jobs and the implication it has for leaders.

> Now the balance of power has shifted: With jobs plentiful, workers in many industries can take their football and go home if they have a personality conflict with their boss – which is, according to Tim Walsh, the marketing director at software company I.M.I., 'the No. 1 reason people leave their jobs' (p. 201).

The article discusses the qualities that employees believe good leaders exemplify: trust, two-way communication, feedback, good listening skills, and follow through (p. 202-212).

Kotter and Heskett (1992) discuss the difference between management and leadership remarking that it is important to have leaders and not managers at all levels of an organization. Leaders help create an adaptive culture that encourages risk taking, communication and motivation (p. 45). Table 2.6 distinguishes between management and leadership:

Table 2.6 - The Difference Between Management and Leadership

Management	**Leadership**
Planning and Budgeting – establishing detailed steps and timetables for achieving needed results, and then allocating the resources necessary to make that happen	Establishing direction – developing a vision of the future, often the distant future, and strategies for producing the changes needed to achieve that vision
Organizing and Staffing – establishing some structure for accomplishing plan requirements, staffing that structure with individuals, delegating responsibility and authority for carrying out the plan, providing policies and procedures to help guide people, and creating methods or systems to monitoring implementation	Aligning People – communicating the direction by words and deeds to all those whose cooperation may be needed so as to influence the creation of teams and coalitions that understand the vision and strategies, and accept their validity
Controlling and Problem Solving – monitoring results vs. plan in some detail, identifying deviations, and then planning and organizing to solve these problems	Motivating and Inspiring – energizing people to overcome major political, bureaucratic, and resource barriers to change by satisfying very basic, but often unfulfilled, human needs
Produces a degree of predictability and order, and has the potential of consistently producing key results expected by various stakeholders (e.g., for customers, always being on time; for stockholders, being on budget	Produces change, often to a dramatic degree, and has the potential of producing extremely useful change (e.g., new products that customers want, new approaches to labor relations that help make a firm more competitive)

Source: Kotter and Heskett, 1992, p. 98

Leadership should not be confused with management. The value of leadership is seen in one of the questions that Kotter and Heskett (1992) asked in their third stage of research, "How much does the culture (at some specific firm) value excellent leadership from its managers" (p. 47). Respondents could answer on a scale from 1 (doesn't value leadership) to 7 (highly value leadership). The higher performing companies averaged "6" on this question, while the lower performing companies averaged 3.9. Details can be seen in Table 2.7 below:

Table 2.7 - Cultural Values Related To Leadership

The Higher-Performing Firms	**Value Excellent Leadership (7=absolutely yes, 1=definitely not)**	**The Lower-Performing Firms**	**Value Excellent Leadership (7=absolutely yes, 1=definitely not)**
American Airlines	6.0	Northwest Airlines	3.4
Bankers Trust	5.8	Citicorp	5.5
Anheuser-Busch	5.0	Coors	2.5
PepsiCo	6.6		
Hewlett-Packard	4.8	Xerox	3.8
ConAgra	6.8	Archer Daniels Midland	4.8
Shell	6.2	Texaco	3.0
Albertsons	6.6	Winn-Dixie	3.2
Dayton Hudson	6.0	J.C. Penney	4.2
Wal-Mart	6.8		
Golden West	5.6	H.F. Ahmanson	5.2
Springs Industries	5.7	Fieldcrest Cannon	3.1
Mean	6.0	Mean	3.9

Source: Kotter and Heskett, 1992, p. 48

> Within the constraints of [the] methodology, the message from the data is clear. In the firms with more adaptive cultures, the cultural ideal is that managers throughout the hierarchy should provide leadership to initiate change in strategies and tactics whenever necessary to satisfy the legitimate interests of not just stockholders, or customers, or employees, but all three (Kotter and Heskett, 1992, p. 50).

When leaders have to make difficult decisions, employees take notice. “When an organization faces a crisis, the manner in which leaders and others deal with it creates new norms, values, and working procedures and reveals important underlying assumptions” (Schein, 1985, p. 230). Some examples of crisis situations that are external to companies include shrinking sales, excess inventories, technological obsolescence, and lay offs to cut costs. Some internal crises include problems with language and communication, difficulties in determining what is true or false, dealing with conflict and allocating property (Schein, 1985, p. 231).

When leaders do not follow the values of the organization in these crisis situations, employees begin to doubt the validity of the values. Kotter and Heskett (1992) state:

> These people also have successfully perpetuated the adaptive part of their cultures by behaving in ways consistent with those values. Most…are living and breathing role models of what their companies stand for. Even in crisis they have rarely been caught in the culture-destroying trap of saying one thing and then doing another.
>
> These executives have hired and promoted people who have values consistent with those that are core in their cultures. They have not demanded blind conformity to their own personal philosophies; on the contrary, many seem to have valued diversity in their management ranks. But if a subordinate clearly violated a core cultural value (such as failing to encourage leadership), even if he or she performed well by certain quantifiable measures, these executives were often willing to sanction that person severely (p. 56).

Jack W. Wiley and Scott M. Brooks (Handbook of Organizational Culture, 2000) discuss leadership in their article, "The High-Performance Organizational Climate: How Workers Describe Top-Performing Units."

> The more present certain organizational or leadership practices are in a given work environment, the more energized and productive the workforce. In turn, the more energized and productive the workforce. In turn, the more energized and productive the workforce, the greater the satisfaction of customers and the stronger the long-term business performance of the organization"(p. 177).

Figure 2.6 below represents the value of leadership practices in the organization:

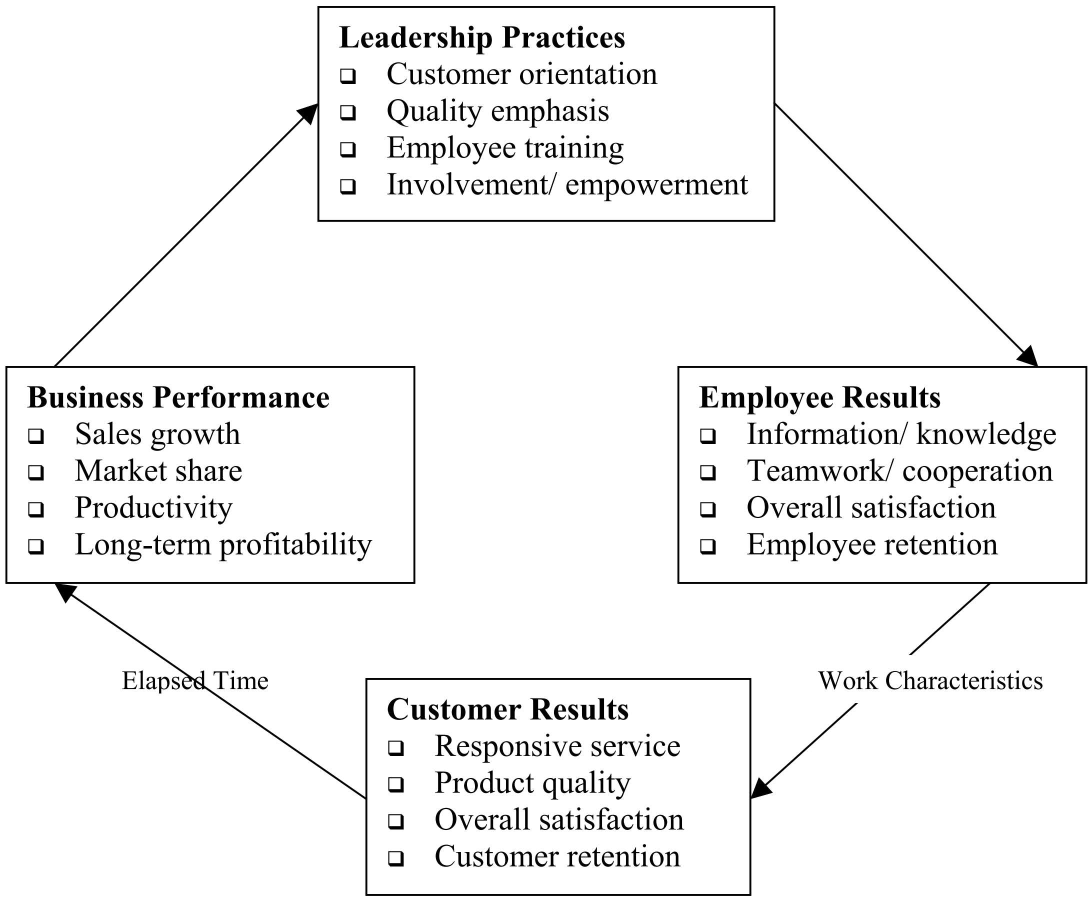
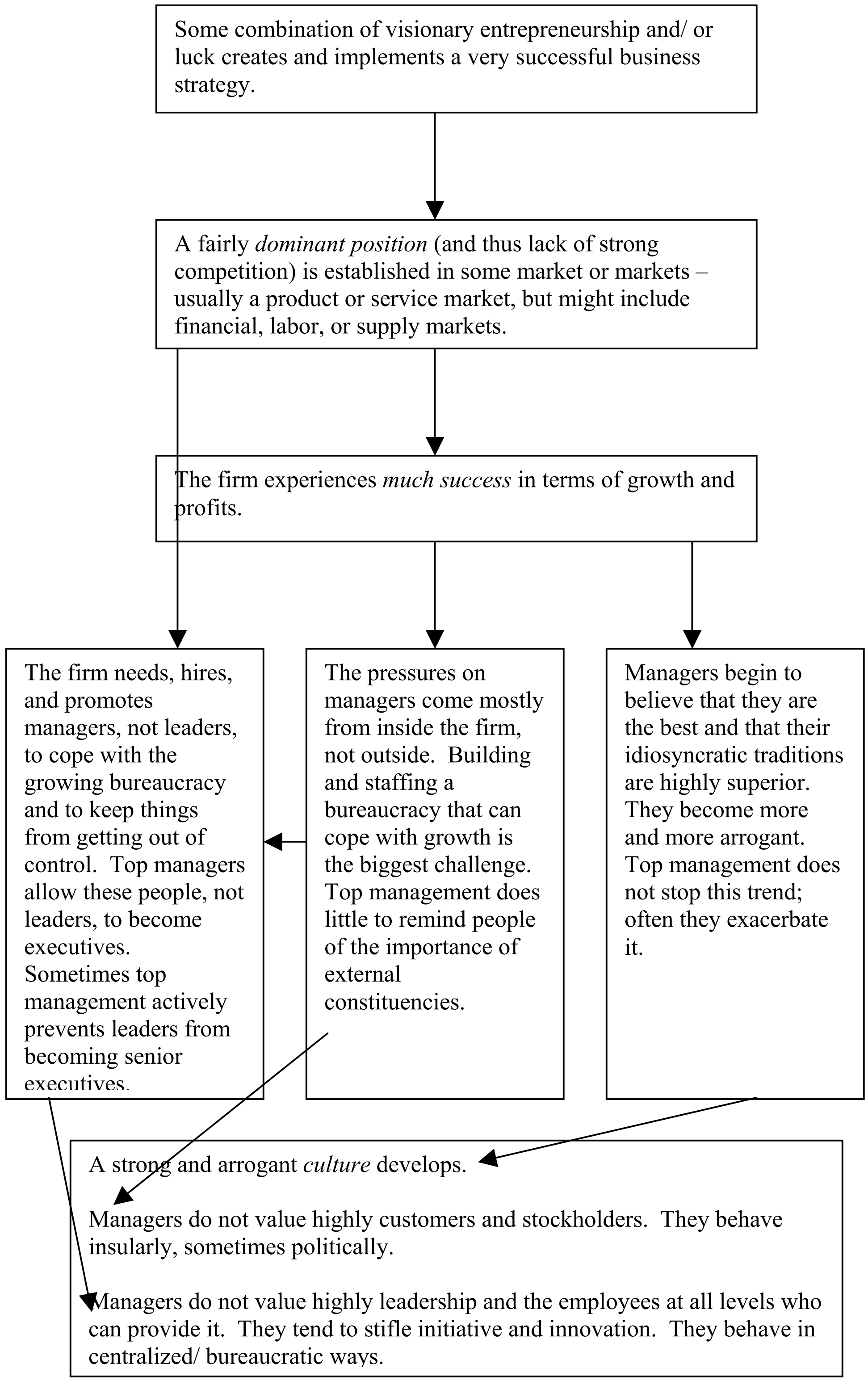


Figure 2.6 – Leadership Practices
Source: Wiley and Brooks, Handbook of Organizational Culture, 2000, p. 178

Management can also create an unhealthy culture, seen below in Figure 2.7:

Figure 2.7 - The Origins of Unhealthy Corporate Cultures



Source: Kotter and Heskett, 1992, p. 73

Deal and Peterson (1999) discuss the paradoxes that leaders face and suggest that these paradoxes cannot be solved like problems but must be balanced in a way that allows values to coexist:

> Paradox of purpose. Leaders need to build and maintain a shared purpose while encouraging enough creative diversity to ensure continued growth for students and staff. Shared purpose is key to quality [companies], but it is equally important to nurture diverse views, be open to innovation, and encourage flexibility for the sake of progress.
>
> Paradox of people. Leaders must be caring and supportive of people who work in [companies] but also must champion and protect the integrity and common good of the institution. This is one of leadership's deepest and most challenging paradoxes.
>
> Paradox of change. Leaders must perpetuate what is thriving in the present while reaching for what may be even better in the future. They must both embrace change and remain the same. They must balance the status quo with future improvements.
>
> Paradox of action. Leaders must take time to reflect on purpose and potential but must also make decisions and take action. It is always a balancing act: reflecting ideas about what to do and implementing what appears to be a satisfactory decision (Palmer, 1990). Leaders must do both well. They must visualize new purposes and better directions while bringing new possibilities to reality.
>
> Paradox of learning. Leadership must come from the [CEO], but he or she cannot be the only source of leadership. To sustain strong, positive cultures, leadership must come from everyone (p. 38).

Deal and Jenkins (1994) provide the following principles for "backstage leadership":

- Find a backstage champion – a high level manager who recognizes and communicates with lower-level employees.
- Link the backstage employees to the core mission of the organization – everyone must know and understand the big picture of the organization.
- Hire the best employees for all levels of the organization making sure that they share the values of the organization.
- Commanding and commend customer service that is done well.
- Solicit ideas from all levels of employees.
- Give employees a reason to trust the leaders of the organization by providing constant feedback and rewards for following the core values – balance trust and autonomy.
- Avoid the 'it's not my job' syndrome. Encourage employees to learn and perform new skills.
- Reduce red tape and encourage doing things right.
- Give everyone a chance for recognition and support – do not steal the show.
- Provide the right equipment and resources to increase employee morale.
- Provide public recognition and regular celebrations for staff (p. 45-48).

Holding onto a good culture requires being both inflexible with regard to core adaptive values and yet flexible with regard to most practices and other values. It requires pushing hard to win, but not allowing the pride that comes with success to develop into arrogance. And it requires providing strong leadership, yet not strangling or smothering delicate leadership initiatives from below (Kotter and Heskett, 1992, p. 148).

Schein (1985) sums up the role and impact that leadership has on organizational culture:

> A dynamic analysis of organizational culture makes it clear that leadership is intertwined with culture formation, evolution, transformation, and destruction. Culture is created in the first instance by the actions of leaders; culture also is embedded and strengthened by leaders. When culture becomes dysfunctional, leadership is needed to help the group unlearn some of its cultural assumptions and learn new assumptions. Such transformations require what amounts to conscious and deliberate destruction of cultural elements, and it is this aspect of cultural dynamics that makes leadership important and difficult to define. In fact, the endless discussion of what leadership is and is not could, perhaps, be simplified if we recognized the unique and essential function of leadership is the manipulation of culture.
>
> It is this function that provides the most difficult challenge for leadership. It sometimes involves nothing less than surmounting one's own taken-for-granted assumptions, seeing what is needed to ensure the health and survival of the group, and making things happen that enable the group to evolved toward new cultural assumptions. Without leadership, groups would not be able to evolve toward new cultural assumptions" (p. 316-317).

Culture affects organization performance because people's behavior in organizations is shaped to a large degree by the culture. Depending on the culture, their behavior may or may not lead to rapid, reliable, and accurate information exchange, extra effort aligned with organizational goals, rapid and effective learning, creative and resourceful problem solving and volunteering to do more, including proactively helping others achieve goals. People create culture. Informal and formal leaders influence people and leaders have control of resources and decisions that effect people. Therefore, leaders more than anyone else have the capacity to allocate resources and make decisions to influence an organization's culture, which in turn will affect people's performance and commitment to achieve organization goals.

The following chapters will delineate the methodology and results of the research that help to uncover what variables leaders believe are most important in shaping and maintaining an organization's culture, thereby influencing people's productivity and commitment.

Chapter III

RESEARCH METHODS

Introduction

This chapter will detail the research design, the pilot study, the population and sample, the instrumentation, data collection and recording, and limitations of the methodology. Each section will provide further detail on the research method used for this study.

Research Design

The research design used for this study will be descriptive. This study is Phase II in a two-part study. Phase I was completed in May 2000 and involved the development and research of the pilot survey. Phase II, done in Spring 2001, involved modifying and further validating the previous survey. Figure 3.1 below details Phases I and II of the study:

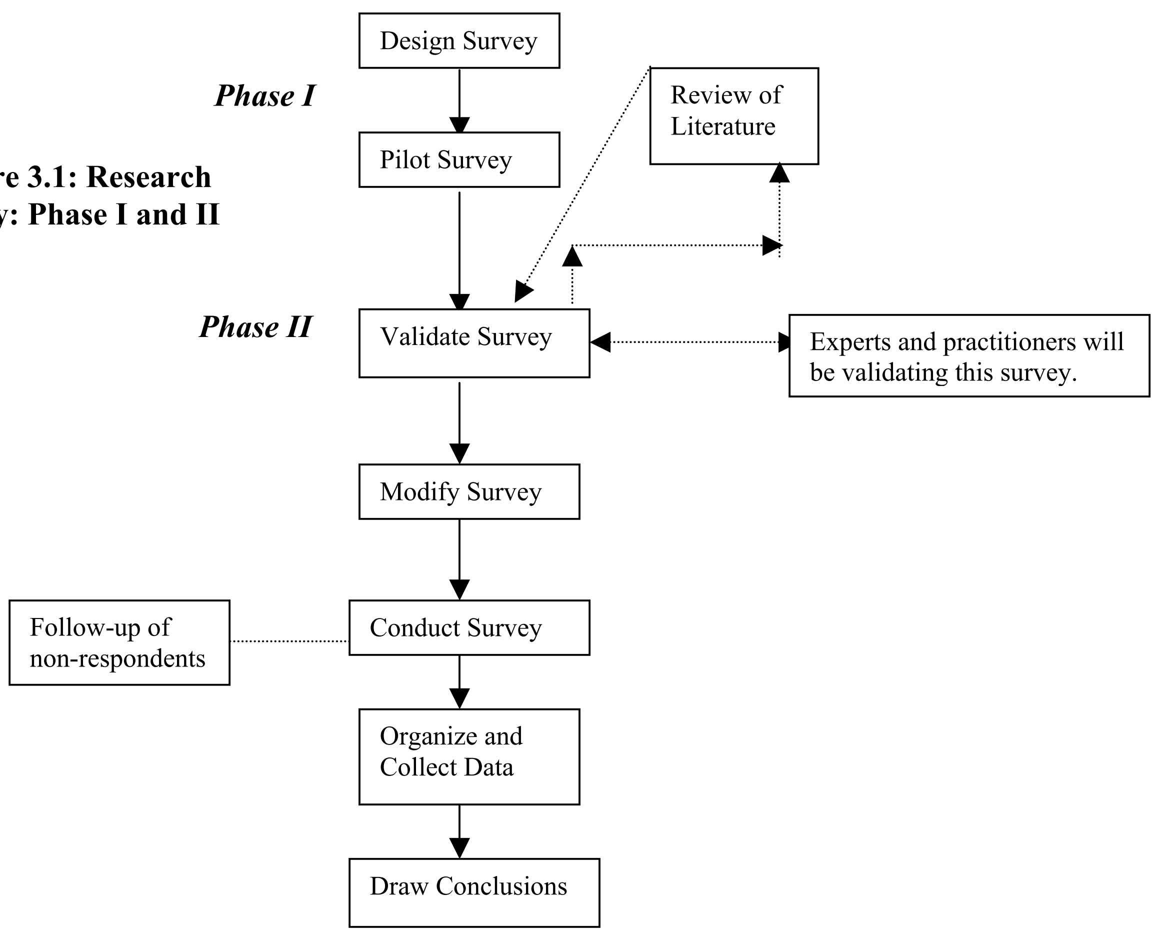


Figure 3.1: Research Study: Phase I and II

Earl Babbie (1992) states that the purpose of a descriptive study is "…to describe situations and events. The researcher observes and then describes what was observed," (p. 91). "Description is the precise measurement and reporting of the characteristics of some population or phenomenon under study," (p. 111). Babbie (1992) provides the following examples of descriptive studies:

> The U.S. Census is an excellent example of descriptive social research. The goal of the census is to describe accurately and precisely a wide variety of characteristics of the U.S. population, as well as the populations of smaller areas such as states and counties. Other examples of descriptive studies are the computation of age-sex profiles of populations done by demographers and the computation of crime rates for different cities" (p. 91).

This research study will describe what leaders feel are the most important variables needed to establish a high-performing, people-centered organizational culture. After completing a review of literature and asking company leaders their opinions (through the use of a survey), the researcher will provide the results of the descriptions observed. Babbie (1992) warns that the two areas of concern in descriptive studies are, "…the quality of descriptions and the generalizability of them," (p. 91). For studies to have quality descriptions, researchers need to be precise in their descriptions considering reliability and validity.

> Reliability refers to the likelihood that a given measurement procedure will yield the same description of a given phenomenon if that measurement is repeated….Validity refers to the extent to which a specific measurement provides data that relate to commonly accepted meanings of a particular concept (Babbie, 1992, p. 135).

Generalizibility refers to whether or not the sample used in research represents the overall population.

The chief criterion of the quality of a sample is the degree to which it is representative – the extent to which the characteristics of the sample are the same as those of the population from which it was selected. Probability sampling methods provide one excellent way of selecting samples that will be quite representative. The most carefully selected sample will almost never provide a perfect representation of the population from which it was selected. There will always be some degree of sampling error. Probability sampling methods make it possible for you to estimate the amount of sampling error that should be expected in a given sample" (Babbie, 1992, p. 232).

For this study, both the quality of the descriptions and the generalizability of the sample will be considered.

Pilot Study

For Phase II of this study, a pilot study was conducted. A copy of the survey instrument can be seen in Appendix A. The pilot was given to students enrolled in the Spring 2001 INMGT – 416/616-01 People Process Organizational Culture course at the University of Wisconsin – Stout and to executives at Phillips Plastics Corporation. A total of nineteen persons took part in the pilot study. Because of deadlines, however, data was only analyzed for fifteen persons. Three Professors at the University of Wisconsin –Stout also gave the researcher feedback on the survey instrument.

The initial survey instrument was four pages in length. The first page contained instructions, the next two pages provided definitions to be used while answering the survey, and the last page was the survey. It took an average of five minutes to complete the survey. This information was included on the cover letter sent along with the survey instrument. The survey listed nineteen variables that were measured using a seven point Likert scale.

Based on the feedback received from piloting the survey, the researcher made modifications for the final survey. There were nineteen variables in the pilot survey. The feedback from participants and Dr. Charles Krueger suggested that separating "espoused values" and "actual values" could be confusing. Therefore, the variables were combined into "core values" and only eighteen variables appeared on the final survey. A number of pilot participants felt that the seven point Likert scale was complicated to follow and suggested that the scale be collapsed to five points for simplification. Some of the other changes based on responses from the pilot included the following: making the definitions more concise so that they fit on one page, providing a contact phone number and email address in the directions, and making the "your name and position" optional for respondents. The format of the survey also changed. Instead of having four pages stapled together, a more professional booklet–style survey was created. The survey was printed in color on heavier stock paper. Given that the survey was being sent to CEO's and President's of companies, it needed to professional and easy to read and respond to.

Population and Sample

Population

Three populations were engaged for this study. The first population included the following companies: Phillips Plastics Corporation, KRM Information Services Incorporated, Fastenal Corporation, Life USA Holdings Company and Toro. Each of these companies has been successful in their industry and is known for maintaining a people-centered organizational culture. A total of thirty surveys were distributed to the leaders of these companies, including CEO's, Presidents, and company founders.

The second population used for the study included the "100 Best Companies to Work For" in the year 2000 as listed by Fortune Magazine. Robert Levering & Milton Moskowitz (2001) cite culture as a key factor for these companies making the list and maintaining a competitive edge in the marketplace (www.Fortune.com). To identify the leaders of each of the companies, the researcher used Research USA, a national database. This database provided the following information for each company: the name and gender of the company leader(s), their address and phone number, their total number of employees, credit rating code, estimated sales, ABI number, ticker symbol, URL, lines of business and SIC codes associated with the company's business. One survey was sent to the leader of each of these companies.

As a comparison, the researcher used a local population, as well. The following criteria were identified for the comparison companies:

- Companies located in the following cities: Menomonie, WI, Eau Claire, WI, Chippewa Falls, WI, Bloomer, WI, Altoona, WI, Boyd, WI, Stanley, WI, Augusta, WI, Cadott, WI, Fall Creek, WI, Cornell, WI, Fairchild, WI, and New Auburn, WI.
- Annual sales between $10 million and $99.999 million.
- An industry comparable to the industries identified in Fortune's 100 Best Companies. (In order to identify a population similar to Fortune's listing, the researcher used the SIC codes of the top 100 companies to work for to identify local companies with similar lines of business.)

The researcher used Research USA to locate companies meeting the above criteria. A total of 230 companies were identified. The information provided by Research USA included: the name and gender of the company leader(s), their address and phone number, their total number of employees, credit rating code, estimated sales, ABI number, ticker symbol, URL, lines of business and SIC codes associated with the company's business.

Sample(s)

Given that there are only 100 companies on Fortune's list and only five companies on the comparison list, sampling was not done for the first or second populations in this study. In both populations, surveys were sent to CEO's, Founders, and Manager's. The comparison population, however, did involve a sample. Babbie (1992) describes sampling as "…the decision about what will be observed and what won't…. sampling allow[s] a researcher to make relatively few observations and generalize from those observations to a much wider population" p. 192. The sampling method used was a random sample of the 230 companies that were identified in Research USA as meeting the criteria established for the comparison companies. According to C.T. Fitz-Gibbon, and L.L. Morris (1978), the sample required for a population of 250 participants with a sampling error of .05 is 152 (p. 16). Given that 152 is approximately half of 230, the researcher put the number "1" and the number "2" in a hat to determine the random sample. The number "1" was selected so the researcher began the sample with the first company and every other company after that was selected. Once complete, a total of 125 companies were identified from the total population. Two of those companies, however, listed the same owner; therefore 124 surveys were sent to the random sample.

Instrumentation

Based upon the Bull's Eye Model, the review of literature, information from Dr. Charles Krueger, and feedback from the pilot study, the final survey instrument was developed. A copy of the instrument can be seen in Appendix A. The instrument was sent to companies along with a one-page cover letter of introduction.

Schein (1999) does not believe that surveys are the best method to use when assessing culture at its deepest level, level three (p. 59-60). He states:

> Inasmuch as culture is a group phenomenon, it is far easier to elicit information in groups by asking broad questions about different areas of organizational functioning and seeing where there is obvious consensus among the members of the group. In the group, one learns not only what the areas of concern are but also the intensity of feeling about them, and thereby the centrality of different shared assumptions in the total cultural profile (p. 61).

Below is Figure 3.2 detailing Schein's three levels of culture:

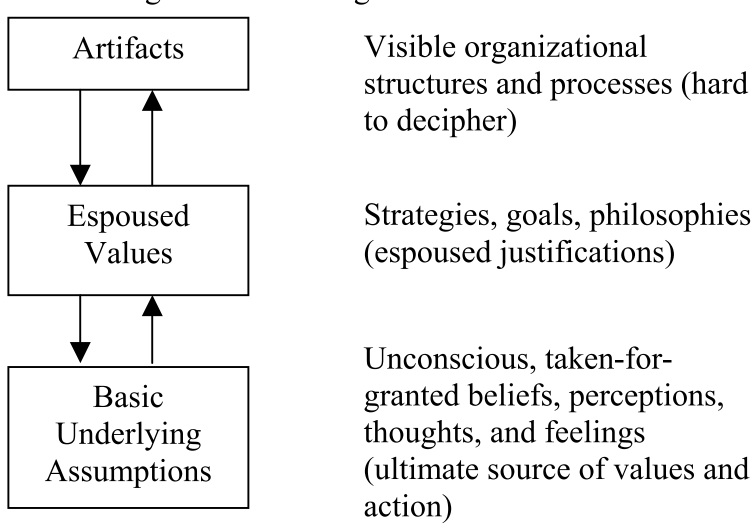


Figure 3.2 – Schein's Levels of Culture
Source: Schein, 1985, p.16

According to Rousseau (1990a), the appropriate means of assessment depends on the cultural level to be examined. The shallower layers of culture are more explicit and can be appropriately studied using a structured and quantitative approach….In this respect, Schein's (1985) three-level typology provides a distinctive role for both quantitative and qualitative measurement. Further, as the elements of culture become more conscious and observable to participants in a study, they become more accessible to standardized assessment (Ashkanasy, Broadfoot and Falkus, Handbook of Organizational Culture, 2000, p. 132).

This study asks leaders what perceptions they have of their organization's culture, which targets levels one and two of Schein's model. Given that, it is appropriate to utilize quantitative research methods for this study.

The researcher used some of the following suggestions by Babbie (1992) when constructing the survey for this research:

- The questionnaire should be spread out and uncluttered.
- Putting more than one question on a line will cause some respondents to miss the second question altogether.
- Every questionnaire should contain clear instructions and introductory comments where appropriate.
- Usually, short items in a questionnaire are better than long ones.
- Negative items and terms should be avoided in questionnaires because they may confuse respondents.
- Bias is the quality in questionnaire items that encourages respondents to answer in a particular way or to support a particular point of view. Avoid it. (p. 152-164)

The present survey asks respondents to circle the number that best describes how important each of eighteen variables is in establishing their organization's culture. In Figure 3.3 below, is the five point Likert scale used for the survey instrument:

Figure 3.3 – Likert Scale Used For Research Instrument

1 = variable in no way influences the culture of our organization

2 = variable rarely influences the culture of our organization

3 = variable sometimes influences the culture of our organization

4 = variable always influences the culture of our organization

5 = not applicable

Babbie (1992) feels that the Likert scale is valuable because,

> …this format is the unambiguous ordinality of response categories. If respondents were permitted to volunteer or select such answers as 'sort of agree,' 'pretty much agree,' 'really agree,' and so forth, the researcher would find it impossible to judge the relative strength of agreement intended by the various respondents. The Likert format resolves this dilemma (p. 180).

The survey also provides definitions of each variable for the respondents to refer to while answering the survey and there is space provided for respondent's comments. The only demographic information requested on the survey is the name and position of the person filling it out, both of which are optional.

The survey was sent with a cover letter and a pre-paid postage envelope for returning the survey. The cover letter detailed the purpose of the survey, how long it should take to fill out, a statement of anonymity, a return deadline, and a thank you. To ensure confidentiality, each survey was given a random number to track responses. Participants were made aware that, if they participated in the study, they would receive the results from the study.

Data Collection and Recording

Surveys were tracked as they were received back from companies. Two weeks prior to the survey deadline, the researcher sent a follow up letter, along with a cover letter from Robert Cervenka, the CEO and Founder of Phillips Plastics Corporation, requesting companies to participate in the survey, an additional survey and a pre-paid postage envelope for returning the survey.

As surveys were received, responses were recorded in an Excel spreadsheet. The information recorded in Excel was then downloaded into SPSS 10.0 where a cluster membership was calculated along with descriptive statistics for each variable including the number of responses received, the minimum and maximum responses, the mean, and standard deviation. Results were tabulated for the entire group and for the three separate populations.

In total, 110 surveys were received back (an overall response rate of 43.3%). Of those, 15 were from the first population (a response rate of 50%), 29 were received from the Best 100 Companies to Work for (a 29% response rate), and 64 surveys were returned by the comparison companies (a response rate of 51.6%). Of the responses received, ten companies elected not to participate in the survey and four of the surveys were undeliverable. Babbie (1992) states,

> …a response rate of at least 50 percent is adequate for analysis and reporting. A response rate of at least 60 percent is good. And a response rate of 70 percent is very good. You should bear in mind, however, that these are only rough guides; they have no statistical basis, and a demonstrated lack of response bias is far more important than a high response rate (p. 267).

Limitations

Sending a survey to each of the companies on Fortune's list was a limitation of this study. Because of the recognition that these companies have, a number of them elected not to participate in the survey due to the fact that they are inundated by similar requests. Additionally, the surveys were sent to the CEO's of these companies who are extremely busy and may not have had the time necessary to complete the survey. In the cover letter sent to the companies, the directions stated that if the CEO was unable to fill out the survey, to have an appropriate manager or supervisor respond. Responses may have varied based upon whether it the survey was answered by the company's leader or a manager or supervisor.

Knowing that there may be a limited response from the top 100 companies to work for, the survey was sent to the other two populations, as well. The comparison group, however, also has limitations. The companies in this group are local companies that may not have the same level of financial success and recognition as those listed in Fortune's list. They may be similar in terms of their industry, but may be different in many other features.

The Control Companies were identified as high-performing, people-centered organizations prior to this study. A number of these companies have relationships with the University of Wisconsin – Stout and with Dr. Charles Krueger, which may have helped to increase response rates from this group. Fortune recognizes the 100 Best Companies to Work For as being high-performing, people-centered companies. Sending surveys to CEO's of such recognized companies, however, did not elicit a very high response rate. The difference in the response rates from the Control Companies and the Best 100 Companies to Work For is another limitation. The difference in the return rates may skew the statistics in the data analysis and may not be as representative for the entire sample.

Time has also been a limitation of this study. Surveys received back after the deadline could not be included in the response rate or in the data analysis. Further research could be completed if time allowed.

Summary

This chapter discussed the research methods for this study including the research design, the pilot study, the population and sample, the instrumentation, data collection and recording, and limitations of the methodology. The next chapter will discuss the results and conclusions of the data analysis.

Chapter IV

FINDINGS OF ANALYSIS OF RESULTS

Introduction

In chapter 1 of this study, the following research question was stated: What do leaders perceive as being the most important variables in establishing a high-performing, people-centered culture? The following two statements were also made:

1. Core values will not be the most important variables that leaders perceive as being the most critical variable in establishing a high-performing, people-centered culture.
2. Leadership practices will rank below the following cultural variables in establishing a high-performing, people-centered culture:
    a. Core Values
    b. Big Goals
    c. Information Sharing
    d. Measures

This chapter will report the results of the pilot study and the results of the study, which will answer the research question and prove or disprove the above statements. After the results are stated, they will be discussed and interpreted.

Pilot Survey Results

A total of nineteen persons took part in the pilot study that asked the following research question: what do leaders perceive as being the most important variables in establishing a high-performing, people-centered culture? From the nineteen participants, data was analyzed on fifteen due to deadlines. Of the fifteen, four participants were Phillips Plastics Corporation executives and eleven were students enrolled in the Spring 2001 INMGT – 416/616-01 People Process Organizational Culture course at the University of Wisconsin – Stout. Results from the pilot survey were broken down into three categories: results of the executives, results of the students, and results of the group combined. The researcher used Microsoft Excel to analyze the data that had a response scale of 1.00 to 7.00. Table 4.1 displays the results:

Table 4.1 - Mean for the combined group (Pilot Study):

Variable	**Overall Mean**
Resource Allocation	5.60
Measures	4.80
Financial Rewards	6.20
Recognition Rewards	6.00
Rituals	5.70
Selection Processes	6.40
Status Reduction	5.50
Stories	5.60
Symbols	5.00
Training	6.40
Language	5.20
Celebrations	5.70
Facilities	5.80
Info. Sharing	6.50
Big Goals	6.20
Espoused Values	6.20
Actual Values	6.60
Leaders Practice Values	6.80
Leaders Make Tough Decisions	6.40

Table 4.2 below details what variables the combined group felt were the most important in creating a high-performing, people-centered culture:

Table 4.2 – Combined Group Ranking of Variables (Pilot Study)

Variable	**Mean**
Leaders Practice Values	6.80
Actual Values	6.60
Info. Sharing	6.50
Selection Processes	6.40
Training	6.40
Leaders Make Tough Decisions	6.40
Financial Rewards	6.20
Big Goals	6.20
Espoused Values	6.20
Recognition Rewards	6.00
Facilities	5.80
Rituals	5.70
Celebrations	5.70
Resource Allocation	5.60
Stories	5.60
Status Reduction	5.50
Language	5.20
Symbols	5.00
Measures	4.80

As a combined group, the Phillips Plastics Corporation Executives and the students felt that the values that a leader practices on a daily basis was the most important variable in establishing a high-performing, people-centered, culture. The second most important variable was core values, followed by information sharing. There were three variables with the same mean: selection processes, training and leaders follow values to make tough decisions. Those variables that were the lowest on the list were status reduction, language, symbols and measures.

Core values were listed as the second most important variable by the combined group. Leadership was the most important variable ranking above core values, big goals, information sharing and measures. Therefore, both of the research statements were proved to be incorrect for the combined group.

The results varied for the individual groups. Below, in Table 4.3, are the results from the Phillips Plastics Corporation executives:

Table 4.3 – Mean for the Phillips Plastic Corporation Executives (Pilot Study)

Variable	Mean
Leaders Practice Values	6.83
Info. Sharing	6.67
Actual Values	6.50
Selection Processes	6.50
Training	6.50
Leaders Make Tough Decisions	6.17
Espoused Values	6.00
Financial Rewards	6.00
Resource Allocation	6.00
Big Goals	5.83
Celebrations	5.67
Facilities	5.50
Measures	5.33
Rituals	5.33
Stories	5.17
Status Reduction	5.00
Recognition Rewards	4.83
Language	4.50
Symbols	3.50

The variable identified by the Phillips Plastics Corporation executives as being the most important in establishing a people-centered culture was the same as the combined group, leaders practicing the values on a daily basis. Different from the combined group, however, they felt that information sharing was next most important variable. Actual values, selection processes and training were the next most important variables. The variables that they felt were the least important were recognition rewards, language and symbols.

In this group, core values were ranked the third most important variable and leadership was ranked first above core values, big goals, information sharing and measures.

The students enrolled in the Spring 2001 INMGT – 416/616-01 People Process Organizational Culture course at the University of Wisconsin – Stout ranked the variables as seen below in Table 4.4:

Table 4.4 – Mean for Students (Pilot Study)

Variable	Mean
Leaders Practice Values	6.82
Recognition Rewards	6.70
Actual Values	6.64
Leaders Make Tough Decisions	6.55
Info. Sharing	6.45
Selection Processes	6.36
Big Goals	6.36
Espoused Values	6.36
Financial Rewards	6.27
Training	6.27
Facilities	6.00
Rituals	5.91
Status Reduction	5.82
Stories	5.82
Symbols	5.82
Celebrations	5.73
Language	5.64
Resource Allocation	5.36
Measures	4.45

Again, leadership was ranked first ahead of core values, big goals, information sharing and measures. This group ranked recognition rewards second, however, whereas the executives listed it as one of the least important variables. Core values were ranked third by this group. In both groups Actual Values received a higher value than the Espoused Values. Selection processes, big goals, and espoused values had the same mean. The three variables ranking the lowest by the students were language resource allocation and measures. Resource allocation was one of the middle variables for the executives.

Charts of the pilot data can be seen in Appendix B.

Discussion of the Pilot Results

The pilot results provided insight regarding potential responses and were beneficial for making revisions to the final survey. As noted above, actual values ranked ahead of espoused core values by both groups. In discussing this with Dr. Charles Krueger, it was agreed that the terms are similar and may be confusing to participants. Core values was, therefore, a single variable on the final survey. Written comments suggested that the seven point Likert scale was cumbersome and no one answered “0” for “Don’t Know”. This feedback resulted in the following Likert scale being developed for the final survey (Shown in Figure 4.1 below):

Figure 4.1 – Likert Scale Used for Research Instrument

1 = variable in no way influences the culture of our organization

2 = variable rarely influences the culture of our organization

3 = variable sometimes influences the culture of our organization

4 = variable always influences the culture of our organization

5 = not applicable

The students placed “Recognition Rewards” much higher than the Phillips Plastics Corporation Executives. Given that some of the students have not had a job in the corporate world, their perspective of recognition may vary from the Phillips Plastics Corporation executives.

A leader practicing the core values daily was selected as the most important variable by both groups. The other variables on the survey relating to leadership included: “Leaders following the core values to make tough decisions” and “Resource allocation by leaders”. Leaders following the core values ranked more important than resource allocation by both groups. Resource allocation had a higher level of importance for the executives than it did for the students. Again, this may be attributed to the difference in perspective.

Furthermore, some of the student's responses may have been biased based upon the material they covered in their People Process Organizational Culture class. This class discusses many of the variables listed on the survey and their relative importance to organizational culture. The knowledge gained from the class may have caused the student to discern that certain variables were more important than others.

Survey Results

A total of 253 surveys were sent to participants, and a total of 110 responses were received back for analysis. For each survey, the following research question was asked: what do leaders perceive as being the most important variables in establishing a high-performing, people-centered culture? Of the 110 surveys received back, 15 were from the first population 29 were received from the Best 100 Companies to Work for, and 64 surveys were returned by the comparison companies. The researcher entered the data into Microsoft Excel and then downloaded the data to SPSS 10.0 for analysis. The data had a response scale of 1.0 to 5.0, with 5.0 representing "not applicable". There were ten companies that returned the surveys, but elected not to participate in the survey. Their results were not calculated in the data analysis.

Results from survey were broken down into five categories: results of the first population, results of the Best 100 Companies to Work for, results for the comparison companies, results of the first two groups combined, and results for the entire population. The analysis was done to answer the research question: what do leaders perceive as being the most important variables in establishing a high-performing, people-centered culture? The analysis was also done to prove or disprove the following two statements:

1. Core values will not be the most important variables that leaders perceive as being the most critical variable in establishing a high-performing, people-centered culture.
2. Leadership practices will rank below the following cultural variables in establishing a high-performing, people-centered culture:
   a. Core Values
   b. Big Goals
   c. Information Sharing
   d. Measures

Furthermore, the analysis should verify the importance of the variables on the Bull's Eye model created in 1999 by Dr. Charles Krueger and should improve the validity of where many of the variables are placed on the model appearing below in Figure 4.2.

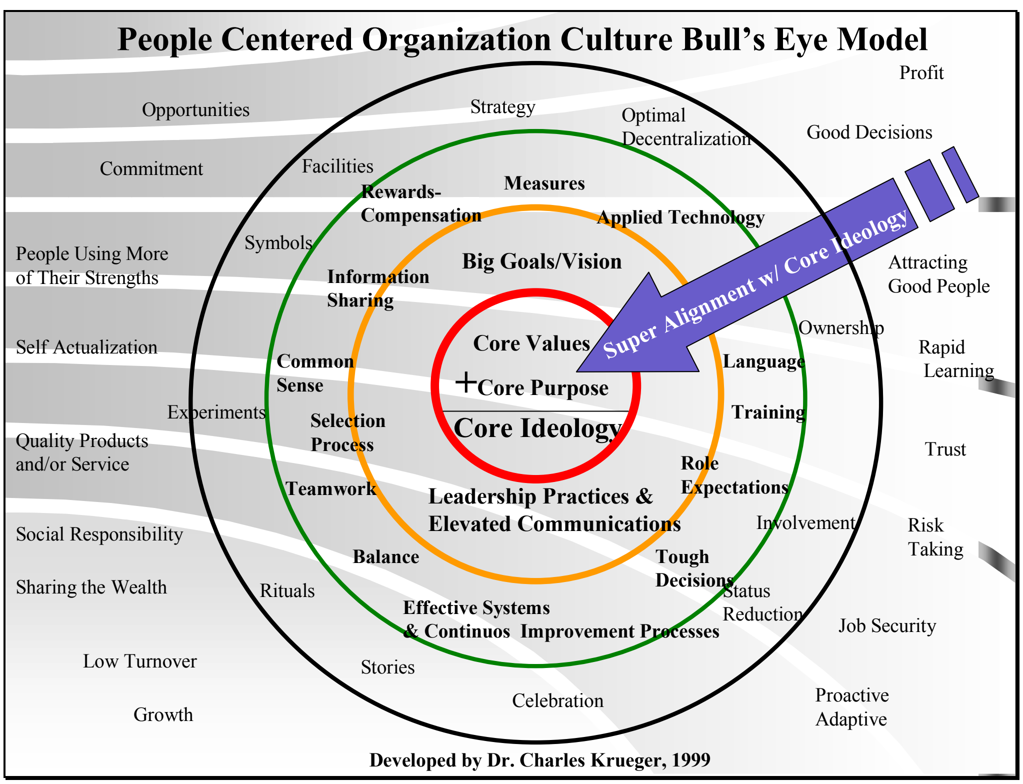


Figure 4.2 – People Centered Organizational Culture Bull's Eye Model

Tables 4.5, 4.6 and 4.7 below represent the mean for the Best 100 Companies to Work For, the Control Companies, and the Comparison Companies.

Table 4.5 – Mean for Fortune's Best 100 Companies to Work For

	Mean
Best 100 Companies to Work For	
Leaders Practice Values	3.95
Core Values	3.91
Leaders follow core values when making tough decisions	3.91
Information Sharing	3.86
Celebrations	3.82
Rituals	3.68
Recognition Rewards	3.68
Selection Processes	3.64
Measures	3.55
Training	3.50
Big Goal	3.48
Resource Allocation by Leadership	3.45
Stories	3.45
Financial Rewards	3.45
Status Reduction	3.45
Facilities	3.36
Symbols	3.18
Language	2.95

The variable selected as the most important to establish a high-performing, people-centered culture is Leaders Practice Values on a Daily Basis. Core values and Leaders follow core values when making tough decisions, tied as the second most selected variables. Core Values was not selected as the most important variable. Leadership practices were selected as first, second and twelfth in their level of importance. Overall, Leadership Practices ranked above core values. Big Goals, Information Sharing and Measures ranked below Leaders Practice Values on a Daily Basis and Leaders follow core values when making tough decisions but ranked above Resource Allocation by Leadership. Information Sharing ranked fourth, Measures ranked ninth and Big Goals ranked eleventh. Language was ranked least important, with a mean of 2.95 and Symbols was second to least important with a mean of 3.18. The means of the variables ranged from 2.95 for a low to 3.95 for the high, a spread of only one point.

Table 4.6 - Mean for the Control Companies

Control Companies	**Mean**
Leaders Practice Values	4.00
Leaders follow core values when making tough decisions	4.00
Core Values	3.93
Information Sharing	3.80
Measures	3.67
Training	3.60
Celebrations	3.53
Facilities	3.53
Financial Rewards	3.47
Selection Processes	3.47
Resource Allocation by Leadership	3.40
Stories	3.36
Rituals	3.33
Big Goal	3.33
Recognition Rewards	3.29
Status Reduction	3.00
Symbols	2.67
Language	2.47

The control companies selected Leaders Practice Values on a Daily Basis and Leaders follow core values when making tough decisions as the most important variables needed to establish a high-performing, people-centered culture. Core values was selected as the second most important variable. Leadership practices were selected as first, and eleventh in their level of importance. Overall, Leadership Practices ranked above core values. Information Sharing and Measures ranked below Leaders Practice Values on a Daily Basis and Leaders follow core values when making tough decisions but ranked above Resource Allocation by Leadership. Big Goals ranked below all of the variables associated with leadership. Information Sharing ranked third, Measures ranked fourth and Big Goals ranked fourteenth. Language was ranked least important, with a mean of 2.47 and Symbols was second to least important with a mean of 2.67. The means of the variables ranged from 2.47 for a low to 4.00 for the high, a spread of 1.53.

Table 4.7 – Mean for the Comparison Companies

Comparison Companies	**Mean**
Leaders Practice Values	3.79
Core Values	3.71
Leaders follow core values when making tough decisions	3.67
Training	3.62
Information Sharing	3.55
Measures	3.47
Financial Rewards	3.43
Selection Processes	3.41
Resource Allocation by Leadership	3.40
Celebrations	3.32
Facilities	3.30
Recognition Rewards	3.13
Big Goal	3.11
Rituals	2.98
Language	2.91
Stories	2.84
Status Reduction	2.84
Symbols	2.79

The comparison companies selected Leaders Practice Values on a Daily Basis as the most important variable needed to establish a high-performing, people-centered culture. Core values was selected as the second most important variable. Leaders follow core values when making tough decisions was selected third. Leadership practices were selected as first, third and ninth in their level of importance. Leadership Practices did not rank above Core Values. Information Sharing and Measures ranked below Leaders Practice Values on a Daily Basis and Leaders follow core values when making tough decisions but ranked above Resource Allocation by Leadership. Big Goals ranked below all of the variables associated with leadership. Information Sharing ranked fifth, Measures ranked sixth and Big Goals ranked thirteenth. Symbols was ranked least important, with a mean of 2.79 and Status Reduction was second to least important with a mean of 2.84. The means of the variables ranged from 2.79 for a low to 3.79 for the high, a spread of one point. Table 4.8 below displays the mean for the control companies and the 100 Best Companies to Work For.

Table 4.8 – Mean for the Control Companies and Fortune's 100 Best Companies to Work For

Control Companies and the 100 Best Companies to Work For	**Mean**
Leaders Practice Values	3.97
Leaders follow core values when making tough decisions	3.95
Core Values	3.92
Information Sharing	3.84
Celebrations	3.71
Measures	3.61
Selection Processes	3.55
Recognition Rewards	3.54
Rituals	3.53
Training	3.53
Financial Rewards	3.47
Resource Allocation by Leadership	3.45
Big Goal	3.43
Facilities	3.42
Stories	3.41
Status Reduction	3.30
Symbols	2.97
Language	2.76

When the average scores were combined for the Control Companies and the 100 Best Companies to Work For, the two highest scoring variables were Leaders Practice Values on a Daily Basis and Leaders follow core values when making tough decisions. Core Values was third. Core values was not the most important variable. Leadership practices were selected as first, second and twelfth in their level of importance. Leadership Practices did not rank above Core Values. Information Sharing and Measures ranked below Leaders Practice Values on a Daily Basis and Leaders follow core values when making tough decisions but ranked above Resource Allocation by Leadership. Big Goals ranked below all of the variables associated with leadership. Information Sharing ranked fourth, Measures ranked sixth and Big Goals ranked thirteenth. Language was ranked least important, with a mean of 2.76 and Symbols was second to least important with a mean of 2.97. The means of the variables ranged from 2.76 for a low to 3.97 for the high, a spread of 1.21. Reference Appendix C for charts related to the survey results.

In order to identify groupings in the data, which would support or amend the placement of the variables on the Bull's Eye Model, a Hierarchical Cluster Analysis was done. SPSS (1999) describes Hierarchical Cluster Analysis as,

> …clustering begins by finding the closest pair of objects (cases or variables) according to a distance measure and combines them to form a cluster. The algorithm continues one step at a time, joining pairs of objects, pairs of clusters, or an object with a cluster, until all the data are in one cluster. The method is hierarchical because one or two objects or clusters are joined, they remain together until the final step. That is, a cluster formed in a later stage of the analysis contains clusters from an earlier stage that contain clusters from a still earlier stage (p. 293).

This analysis groups variables with similar responses together, but does not provide a weighting of the variables in terms of one being more important than another and vice versa. The results from this analysis will be shown as: results from the 100 Best Companies to Work For, the Control Companies, and results from the Comparison Companies. Each group has been broken down into five groups that they have cluster membership with.

Based on the overall means and the cluster analysis for the Best 100 Companies to Work For and the Control Companies, the researcher will compare the relative placement of the key items on the Bull's Eye Model to identify variables that should be placed differently on the model. The Best 100 Companies to Work for and the Control Companies are being used because they are high-performing, people-centered organizations. The differences between the original Bull's Eye and the data analysis will be highlighted on a new model after the analysis.

Table 4.9 represents the five clusters identified as having membership for the Best 100 Companies to Work For:

Table 4.9 – Cluster Membership for Fortune's 100 Best Companies to Work For

Cluster 1 Variables
Resource Allocation by Leadership
Measures
Financial Rewards
Stories
Facilities
Big Goal
Cluster 2 Variables
Recognition Rewards
Rituals
Selection Processes
Status Reduction
Celebrations
Information Sharing
Core Values
Leaders Practice Values on a Daily Basis
Leaders follow core values when making tough decisions
Cluster 3 Variable
Symbols
Cluster 4 Variable
Training
Cluster 5 Variable
Language

The variables grouped in the first cluster include Resource Allocation by Leadership, Measures, Financial Rewards, Stories, Facilities, and Big Goals. Cluster two includes Recognition Rewards, Rituals, Selection Processes, Status Reduction, Celebrations, Information Sharing, Core Values, Leaders Practice Values on a Daily Basis and Leaders follow core values when making tough decisions. Cluster three is Symbols. Cluster four is Training and cluster five is Language. Appendix C provides a bar chart and a radar chart that graphically represent these clusters.

The Control Company clusters appear in Table 4.10 below and a bar and radar chart of the information can be found in Appendix C:

Table 4.10 – Cluster Membership for the Control Companies

Cluster 1 Variables
Resource Allocation by Leadership
Measures
Rituals
Stories
Training
Celebrations
Facilities
Information Sharing
Core Values
Leaders Practice Values on a Daily Basis
Leaders follow core values when making tough decisions
Cluster 2 Variables
Financial Rewards
Recognition Rewards
Cluster 3 Variable
Selection Processes
Cluster 4 Variables
Status Reduction
Big Goal
Cluster 5 Variables
Symbols
Language

Resource Allocation by Leadership, Measures, Rituals, Stories, Training and Celebrations make up the first cluster for the Control Companies. The second cluster includes Financial Rewards and Recognition Rewards. Cluster three is Selection Processes. Status Reduction and Big Goals make up the fourth cluster, and symbols and language comprise cluster number five.

Below in Table 4.11 are the clusters for the Comparison Companies.

Table 4.11 – Cluster Membership for the Comparison Companies

Cluster 1 Variables
Resource Allocation by Leadership
Measures
Financial Rewards
Recognition Rewards
Selection Processes
Training
Celebrations
Facilities
Information Sharing
Big Goal
Core Values
Leaders Practice Values on a Daily Basis
Leaders follow core values when making tough decisions
Cluster 2 Variables
Rituals
Stories
Cluster 3 Variable
Status Reduction
Cluster 4 Variable
Symbols
Cluster 5 Variable
Language

Cluster one is comprised of the following variables: Resource Allocation by Leadership, Measures, Financial Rewards, Recognition Rewards, Selection Processes, Training, Celebrations, Facilities, Information Sharing, Big Goal, Core Values, Leaders Practice Values on a Daily Basis and Leaders follow core values when making tough decisions. Rituals and Stories make up cluster two. Clusters three, four, and five and made up of Status Reduction, Symbols and Language respectively. A bar chart and a radar chart appear in Appendix C with this information.

Discussion of the Survey Results

In all three of the populations, Leaders Practice Values on a Daily Basis was the variable with the highest means. In the Control Companies, Leaders Practice Values on a Daily Basis and Leaders follow core values when making tough decisions both had a mean of 4.0, which is the highest score possible. Core Values and Leaders follow core values when making tough decisions were the variables with the second and third highest means. Information Sharing was listed behind the above variables for both the Control Companies and for the 100 Best Companies to Work For. Information Sharing was fifth (just behind training) in the Comparison Companies. This shows a lot of consistency among the top four variables. These four variables were also in the same clusters for all three of the populations.

In all of the groups, there were also similarities in the variables with the lowest scoring means. Language received the lowest mean for both the Control Companies and the 100 Best Companies to Work For, and ranked fourteenth for the Comparison Companies. Symbols had the lowest mean for the Comparison Companies, and the second lowest mean for both the Control Companies and the 100 Best Companies to Work For. Status Reduction was another variable that had a lower mean on the survey for all three groups. The variables that had means falling in the middle for each of the groups were: Celebrations, Resource Allocation by Leadership, Recognition Rewards, Financial Rewards, Rituals, Big Goal, Stories, and Training. Facilities ranked low by the 100 Best Companies to Work For, and near the middle for the other two groups. Measures ranked in the top third of the variables for the Control Companies and the Comparison Companies, but ranked near the middle for the 100 Best Companies to Work For. Symbols and Language were listed in their own clusters for the 100 Best Companies to Work For and for the Comparison Companies and were in the same cluster for the Control Companies.

When the means were combined for the Control Companies and the 100 Best Companies to Work For, Leadership and Core Values were the highest scoring variables. The means for these three variables had a distance of only .05, which would support their importance and place them at the center of the Bull's Eye. The current Bull's Eye Model has Core Values at the center with Leadership as the second ring. Based upon this study, the researcher would suggest that Leadership and Core Values should both occupy the center ring of the Bull's Eye Model.

One of the surprises from the survey was the ranking of Big Goals. It ranked as the twelfth variable for the Control Companies and the 100 Best Companies to Work For, but is placed in the second ring in the Bull's Eye Model. On the Bull's Eye Model, however, Big Goal is associated with Vision and it wasn't on this survey, which may have impacted the way that leaders ranked the variable. Perhaps the ranking would have been higher had it been associated with the company vision.

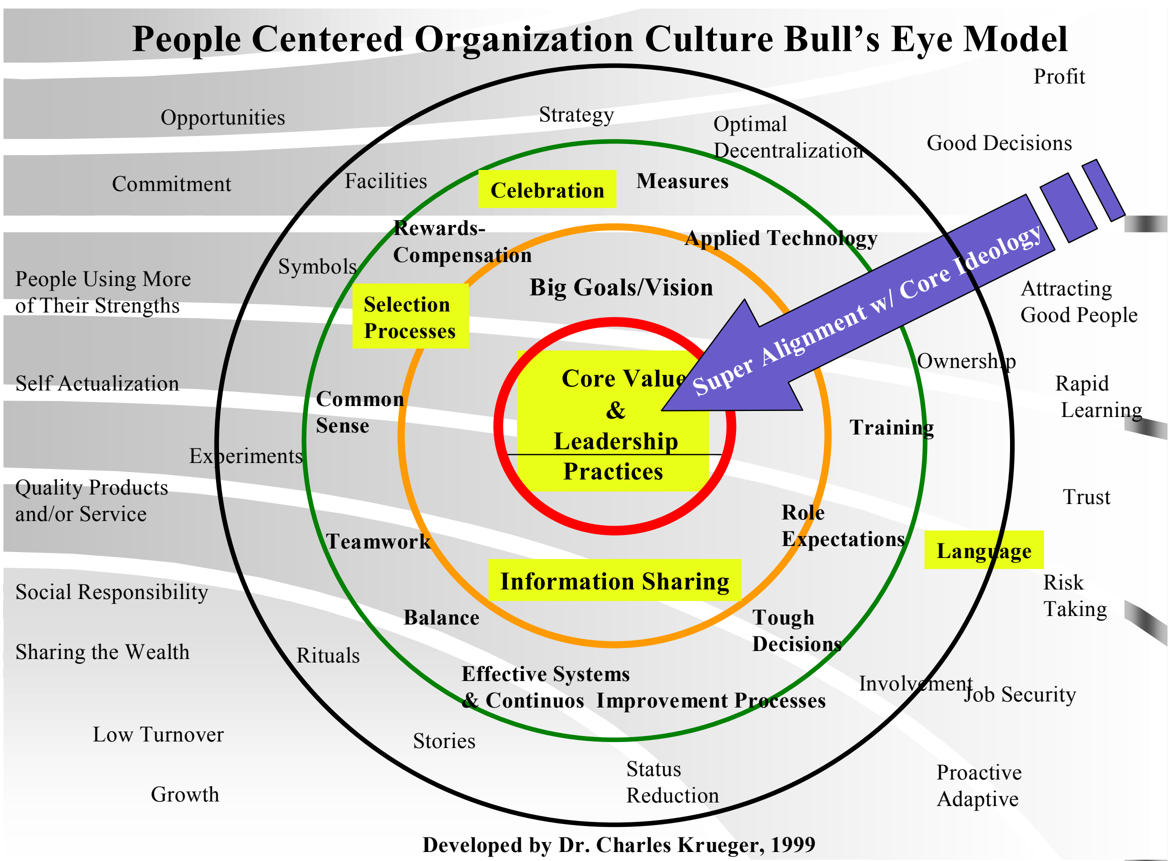
Selection Processes is not listed on the Bull's Eye but ranked as the seventh variable for the Control Companies and the 100 Best Companies to Work For. The researcher would suggest adding the variable to the third ring of the Bull's Eye Model because of it's high ranking.

Language is in the third ring of the Bull's Eye Model with other variables such as information sharing and Training. It ranked last for both the Control Companies and the 100 Best Companies to Work For, however. Based upon the overall means score for Language and on the cluster analysis, the researcher would suggest placing Language in the fourth ring of the Bull's Eye.

The three other variables that the researcher believes should be adjusted on the Bull's Eye based upon the combined means scores from the Control Companies and the Best 100 Companies to Work For and the cluster analysis are Information Sharing, Celebrations and

Measures. Information Sharing appears in the third ring of the original model. Based on the means and cluster analysis, leaders feel that Information Sharing is right behind Leadership and Core Values, thus it should be moved to the second ring in the Bull's Eye. Celebration is in the fourth ring of the original model, but it falls into the same cluster as many of the other variables that are in the third ring. Measures also appears in the fourth ring, but is clustered with other variables in the third ring. In Figure 4.3 below, is an updated Bull's Eye Model. Any variable that has been moved is highlighted.

Figure 4.3 – Updated People Centered Organizational Culture Bull's Eye Model



Summary

This chapter discussed the results from the pilot study and the results from the survey. The results were discussed and interpreted.

Chapter V

Summary

In May 2000, Emily Stump completed phase I of this two-part study. She suggested that phase II involve modifying and conducting the survey that she created for her research, organizing and collecting the data, and drawing conclusions and recommendations. There were three objectives for phase II. First, the researcher asked the following research question: What do leaders perceive as being the most important variables in establishing a high-performing, people-centered culture? Second, after analyzing the data, the following two statements were proved and disproved:

1. Core values will not be the most important variables that leaders perceive as being the most critical variable in establishing a high-performing, people-centered culture.
2. Leadership practices will rank below the following cultural variables in establishing a high-performing, people-centered culture:
    e. Core Values
    f. Big Goals
    g. Information Sharing
    h. Measures

Third, the placement of the variables on the Bull's Eye Model created by Dr. Charles Krueger was verified and the model was updated based upon what was learned from both phases of research.

Based on the results from phase II, the research objectives were achieved. The research question was answered, the statements were proved and disproved and the Bull's Eye model was modified.

Conclusions

Why is culture important? Research has shown that having an organizational culture that is people-centered can increase an organization's return on investment (Pfeifer and Veiga, 1999). As a leader of an organization it is, therefore, important to consider culture as a business factor. Leaders need to ascertain what Schein (1999) describes as the third level of culture, basic underlying assumptions, to begin making sense of why things happen the way they do in an organization (p. 16). This research provides leaders with a starting point to understanding their organizational culture.

Recommendations

As organizations continue to make cut backs, which provide short-term gain for the bottom line, it is important to understand that culture has positive long-term effects for the bottom line. If culture isn't considered along with the operations of an organization, it may have a negative impact on the bottom line.

As seen in the Review of Literature in Chapter II and in the survey results, leaders are at the center of organizational culture. In order for a company to succeed, therefore, leaders must consider the impact they have on the culture of the organization as well as considering the day-to-day operations of the company. Results of this study will be provided for the individuals who took part in it as a way of increasing their awareness regarding the relationship between organizational culture and organizational success.

Given the influence leaders have on culture, the researcher believes that additional research should be done on leadership and culture and should be provided to leaders through journal articles and seminars. For example, many business executives read and are influenced by the articles appearing in magazines such as Fortune and Harvard Business Review or articles appearing in the Wall Street Journal. The information learned from research related to leadership and culture needs to be published in these periodicals to reach the appropriate persons. It would also be beneficial to conduct a qualitative analysis on some of the companies used for this research study. Doing qualitative research would provide further validity for the survey instrument and would help the researcher reach Schein's (1999) third level of culture. Once leaders understand what culture is and the role they have in establishing and sustaining it, they will see the long-term benefits involved in managing it.

Appendix A

Research Instrumentation

Elements in Establishing a High Performing
People Centered Culture Survey

Pilot Survey

Developed By Kari Davis
Graduate Student, University of Wisconsin – Stout
Menomonie, Wisconsin

The purpose of this study is to identify what variables leaders perceive as being the most critical in establishing a high performing people centered culture. Your candid and thoughtful input is essential in ranking these variables. Please take your time and consider all of the responses in order to identify the variables that you feel have been the most critical in establishing the culture of the organization that you lead.

Directions:

- You may use either pen or pencil to complete the entire document.
- All information provided by you will be used for data collection purposes only, and will be kept strictly confidential.
- Read each item carefully.
- Rate each variable on a scale of 1-7.
- Circle the number that best describes how important each variable is in establishing the culture of your organization.

  1= describes a variable that in no way influences the culture of our organization
  3 = is rarely a variable that influences the culture of our organization
  5 = is sometimes a variable that influences the culture of our organization
  7 = is always a variable that influences the culture of our organization
  0 = I do not know

- Please use the following definitions simultaneously as you answer the survey to gain clarification for the statements meanings.

Definitions:

Resource Allocation: Who and what leaders spend money on. This includes salaries, projects, bonuses, purchases, raises and charities.

Measures: A few key measures or key indicators that many people in an organization understand such as a key quality measure, key efficiency measure, etc.

Financial Rewards: Monetary awards for improved performance such as profit sharing, stock options and bonuses.

Recognition Rewards: Promotional awards for improved performance such as being named employee of the month.

Rituals: A repeated event allowing individuals to connect with cultural ideals and important shared values within an organization.

Selection Processes: An effective process that recruits employees that share the same values and vision as the organization.

Status Reduction: Flattening an organization so that employees and managers are perceived as being more equal. An example of this is not providing managers with special perks.

Stories: Stories are narratives of past events that celebrate and reinforce an existing culture.

Symbols: Something that represents something else, such as a sign or a company logo.

Training: Training is providing employees the opportunity to learn new or existing skills, knowledge or abilities.

Language: Language is acronyms, words and jargon that are industry or company specific.

Celebrations: Events in an organization that give employees recognition. These are face-to-face gatherings that celebrate success.

Facilities: Facilities reflect the core values of the company and aren't just the building that an employee works in. They also include things such as the size and style of office spaces, parking spaces, restrooms, common lunchrooms, etc. Are they clean, accessible and comfortable for all employees?

Information Sharing: Sharing information helps to build and maintain trust within an organization. It provides all employees with excellent facts and figures including profit and loss information as well as good and bad news relating to the business.

Big Goals: A clear and compelling goal that is daunting and often difficult to attain. A true big goal should be far reaching and should last for years. Most organizations should have one to three big goals that all employees know and are working toward (www.ppc.uwstout.edu, 2000). For example, one of Ford Motor Company's early goals was to "democratize the automobile" (Collins & Porras, 1994).

Espoused Core Values: These are the stated guiding principles that an organization is founded on. Most high performing organizations have two to six core values that are communicated internally and externally by the company. These values are the foundation that a company formally accepts (www.ppc.uwstout.edu, 2000).

Actual Core Values: These are the values that the organization follows on a day-to-day basis. In a high performing organization, the espoused core values are the same as the actual core values. In low performing organizations, the espoused core values may be different from the actual core values. For example, if a high performing employee is not following the espoused core values, but leaders do not fire him/ her, employees understand that performance is more important than following the espoused core values. From this, new values are seen and followed, even though the espoused core values are documented.

Follows Values on a Daily Basis: Often referred to as "walking the talk". These leaders practice what they preach, they respect everyone and use the core values to guide them when making tough decisions.

Tough Decisions: Does the leader follow the core values when a tough decision needs to be made, or does he/ she deviates from those core values? For example, if a company recognized "fairness" as a core value and the CEO guarantees a 3% bonus to all employees at the end of the fiscal year, but profits are down at the end of the fiscal year, to maintain fairness as a core value, the CEO will give everyone the bonus regardless of profits.

Comments regarding the above definitions:

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Cultural Variable	**In No Way Influences Culture**		**Rarely Influences Culture**		**Sometimes Influences Culture**		**Always Influences Culture**	**Don't Know**
Resource Allocation by Leadership	1	2	3	4	5	6	7	0
Measures	1	2	3	4	5	6	7	0
Financial Rewards	1	2	3	4	5	6	7	0
Recognition Rewards	1	2	3	4	5	6	7	0
Rituals	1	2	3	4	5	6	7	0
Selection Processes	1	2	3	4	5	6	7	0
Status Reduction	1	2	3	4	5	6	7	0
Stories	1	2	3	4	5	6	7	0
Symbols	1	2	3	4	5	6	7	0
Training	1	2	3	4	5	6	7	0
Language	1	2	3	4	5	6	7	0
Celebrations	1	2	3	4	5	6	7	0
Facilities	1	2	3	4	5	6	7	0
Information Sharing	1	2	3	4	5	6	7	0
Big Goals	1	2	3	4	5	6	7	0
Espoused Core Values	1	2	3	4	5	6	7	0
Actual Core Values	1	2	3	4	5	6	7	0
Leaders practice values on a daily basis	1	2	3	4	5	6	7	0
Leaders using actual core values to make tough decisions	1	2	3	4	5	6	7	0

Are there any variables that should be added? Comments?

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Your Name: ________________________________

Your Position: ________________________________

People Process
C U L T U R E

Elements in Establishing a High-Performing, People-Centered Culture Survey

Developed By Kari Davis
Graduate Student, University of Wisconsin – Stout
Menomonie, Wisconsin

The purpose of this study is to identify what variables leaders perceive as being the most critical in establishing a high-performing, people-centered culture. Your candid and thoughtful input is essential in ranking these variables. Please take time to consider all of the responses and identify the variables that you feel have been the most critical in establishing the culture of the organization that you lead. For more information, feel free to contact Kari Davis at: (715) 232-5255 or daviskar@post.uwstout.edu.

Directions:

- All information provided will be used for data collection purposes only and kept strictly confidential.
- Rate each variable on a scale of 1-5. **Circle** the number that best describes how important each variable is in establishing the culture of your organization.

  1 = variable in no way influences the culture of our organization
  2 = variable rarely influences the culture of our organization
  3 = variable sometimes influences the culture of our organization
  4 = variable always influences the culture of our organization
  5 = not applicable

- Please use the attached definitions, as needed, to clarify the meaning of each variable.

I understand that by returning this questionnaire, I am giving my informed consent as a participating volunteer in this study. I understand the basic nature of the study and agree that any potential risks are exceedingly small. I also understand the potential benefits that might be realized from the successful completion of this study. I am aware that the information is being sought in a specific manner so that no identifiers are needed and so that confidentiality is guaranteed. I realize that I have the right to refuse to participate and that my right to withdraw from participation at any time during the study will be respected with no coercion or prejudice.

Note: Questions or concerns about participation in the research or subsequent complaints should be addressed first to the researcher or research advisor and second to Dr. Ted Knous, Chair, UW-Stout Institutional Review Board for the Protection of Human Subjects in Research, 11 HH, UW-Stout, Menomonie, WI 54751, phone (715) 232-1126.

Survey

Cultural Variable	In No Way Influences Culture	Rarely Influences Culture	Sometimes Influences Culture	Always Influences Culture	Not Applicable
Resource Allocation by Leadership	1	2	3	4	5
Measures	1	2	3	4	5
Financial Rewards	1	2	3	4	5
Recognition Rewards	1	2	3	4	5
Rituals	1	2	3	4	5
Selection Processes	1	2	3	4	5
Status Reduction	1	2	3	4	5
Stories	1	2	3	4	5
Symbols	1	2	3	4	5
Training	1	2	3	4	5
Language	1	2	3	4	5
Celebrations	1	2	3	4	5
Facilities	1	2	3	4	5
Information Sharing	1	2	3	4	5
Big Goal	1	2	3	4	5
Core Values	1	2	3	4	5
Leaders Practice Values on a Daily Basis	1	2	3	4	5
Leaders Use Core Values to Make Tough Decisions	1	2	3	4	5

Are there any variables that should be added?

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Comments:

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____

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Your Name and Position (Optional):

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Definitions

Resource Allocation:	Who and what leaders spend money on. Some examples are salaries, projects, bonuses, purchases, raises and charities.
Measures:	A few key measures or key indicators that many people in an organization understand: a key quality measure, key efficiency measure or a benchmark against the competition.
Financial Rewards:	Monetary awards for improved performance such as profit sharing, stock options or bonuses.
Recognition Rewards:	Promotional awards for improved performance such as being named employee of the month.
Rituals:	A repeated event allowing individuals to connect with cultural ideals and important shared values within an organization.
Selection Processes:	An effective process that recruits employees that share the same values as the organization.
Status Reduction:	Flattening an organization so that employees and managers are perceived as being more equal. An example of this is not providing managers with special perks.
Stories:	Stories are narratives of past events that celebrate and reinforce an existing culture.
Symbols:	Something that represents something else, such as a sign or a company logo.
Training:	Training is providing employees the opportunity to learn new or existing skills, knowledge or abilities.
Language:	Acronyms, words and jargon that are industry or company specific.
Celebrations:	Events in an organization that give employees recognition. These are face-to-face gatherings that celebrate success such as a holiday party.
Facilities:	Facilities reflect the core values of the company and are not just the building that an employee works in. They also include things such as the size and style of office spaces, parking spaces, restrooms, common lunchrooms, etc. Are they clean, accessible and comfortable for all employees?
Information Sharing:	Sharing information helps to build and maintain trust within an organization. It provides all employees with excellent facts and figures including profit and loss information as well as good and bad news relating to the business.
Big Goal:	A clear and compelling goal that is daunting and often difficult to attain. A true big goal should be far reaching and should last for years. For example, one of Ford Motor Company's early goals was to "democratize the automobile" (Collins & Porras, 1994, p. 97).
Core Values:	These are the guiding principles that an organization is founded on. Most high performing organizations have two to six core values that are communicated internally and externally by the company. These values are the foundation that a company formally accepts (www.ppc.uwstout.edu, 2000). An example of a core value is to treat all people with respect.
Practice Values on a Daily Basis:	Often referred to as "walking the walk". Following the values is doing what you'll say you will do. These leaders practice what they preach, respect everyone and use the company's core values to guide them when making tough decisions.
Leaders Use Core Values To Make Tough Decisions:	Does the leader follow the core values when a tough decision needs to be made, or does he/ she deviate from those core values? For instance, a top-performing employee at a company continually surpasses the company's financial goals. Unfortunately, the employee violates the values of the company to do so. A leader following the core values to make a tough decision would try to correct the behavior. If there were no changes in the behavior, the employee would be fired for violating company values.

Comments regarding the above definitions:

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Survey Number:

People Process
CULTURE

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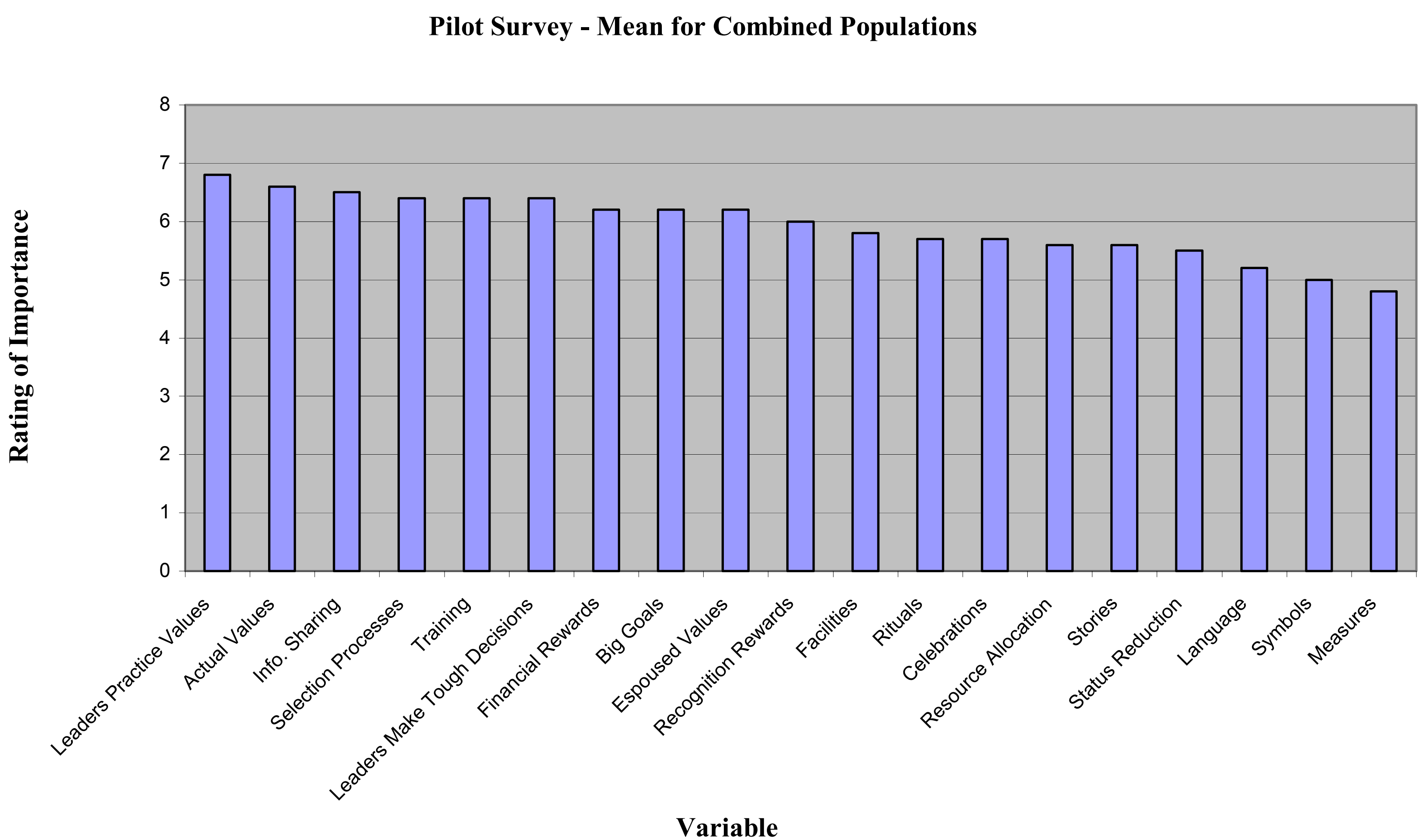
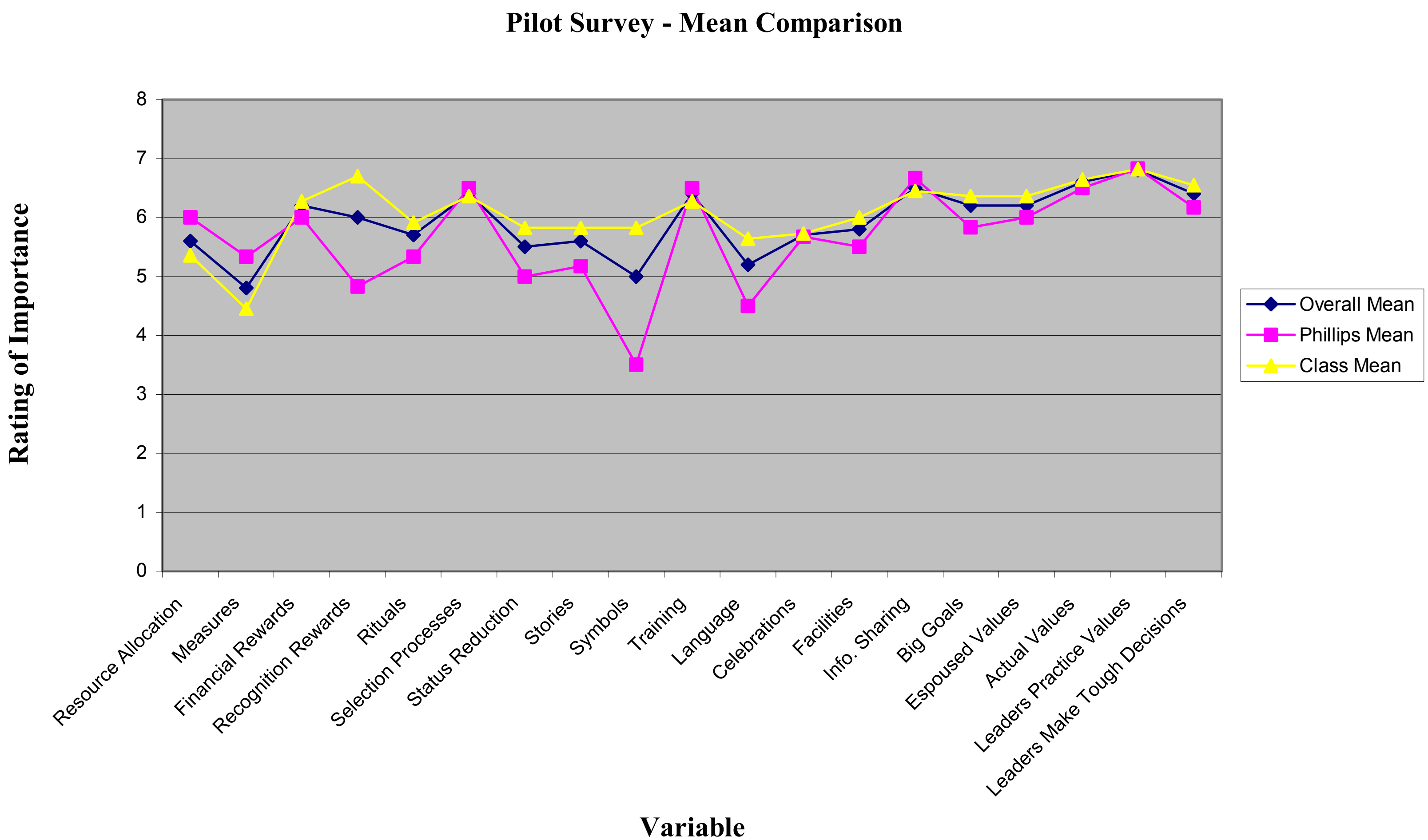
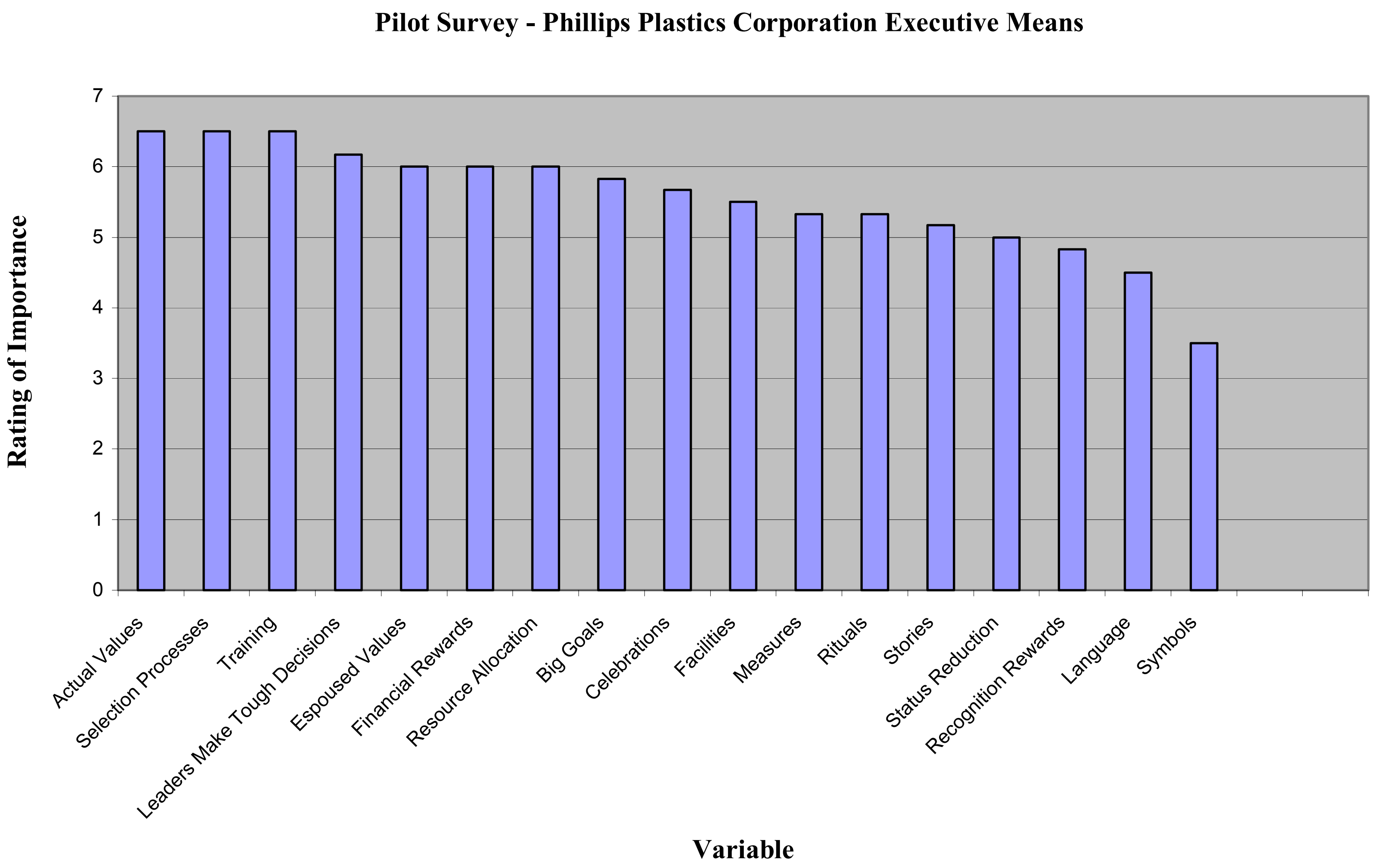
http://www.ppc.uwstout.edu

Appendix B

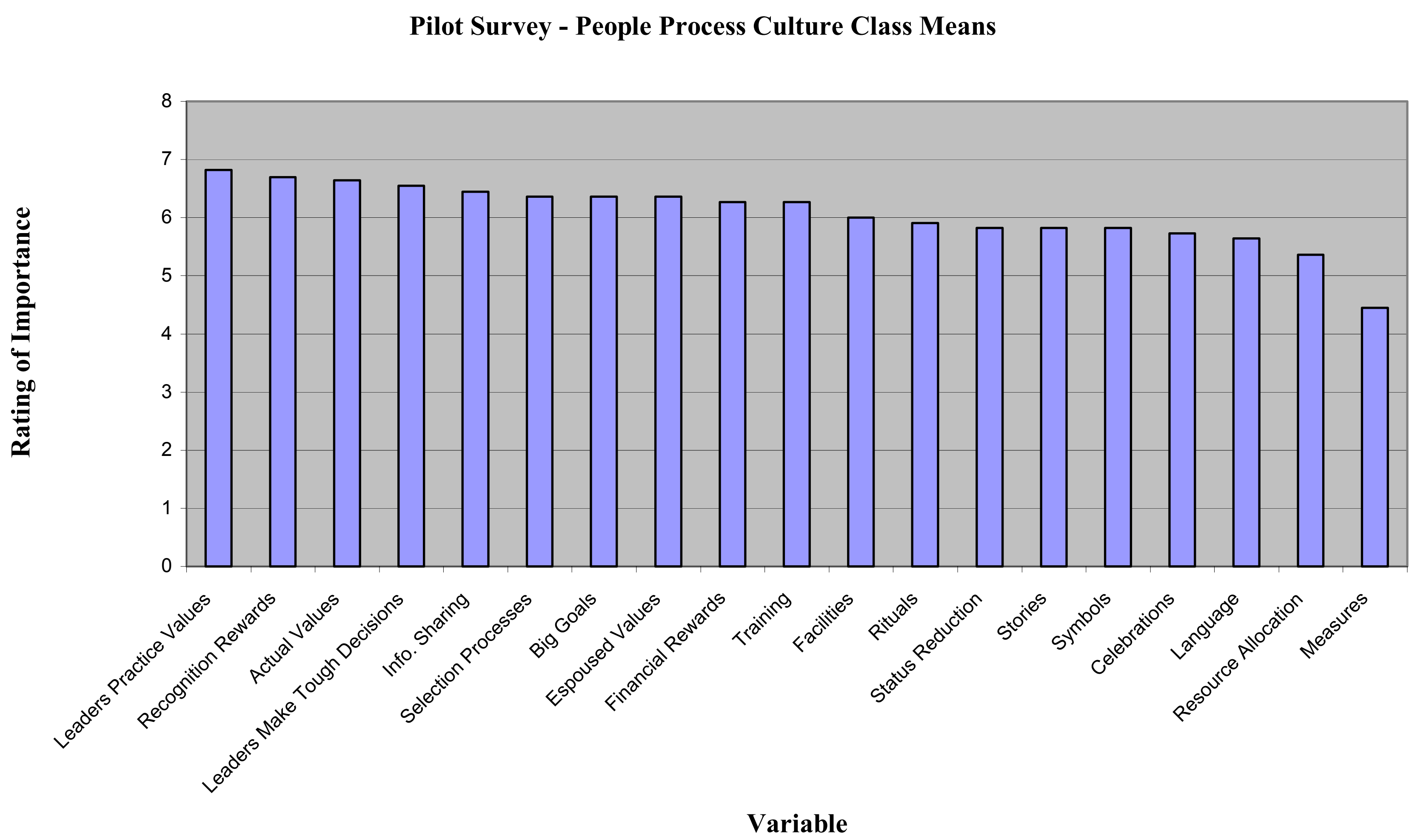
Pilot Survey Results


Pilot Survey - Mean for Combined Populations
Rating of Importance
8
7
6
5
4
3
2
1
0
Leaders Practice Values
Actual Values
Info. Sharing
Selection Processes
Training
Leaders Make Tough Decisions
Financial Rewards
Big Goals
Espoused Values
Recognition Rewards
Facilities
Rituals
Celebrations
Resource Allocation
Stories
Status Reduction
Language
Symbols
Measures
Variable


Pilot Survey - Mean Comparison
Rating of Importance
0
1
2
3
4
5
6
7
8
Resource Allocation
Measures
Financial Rewards
Recognition Rewards
Rituals
Selection Processes
Status Reduction
Stories
Symbols
Training
Language
Celebrations
Facilities
Info. Sharing
Big Goals
Espoused Values
Actual Values
Leaders Practice Values
Leaders Make Tough Decisions
Variable
Overall Mean
Phillips Mean
Class Mean

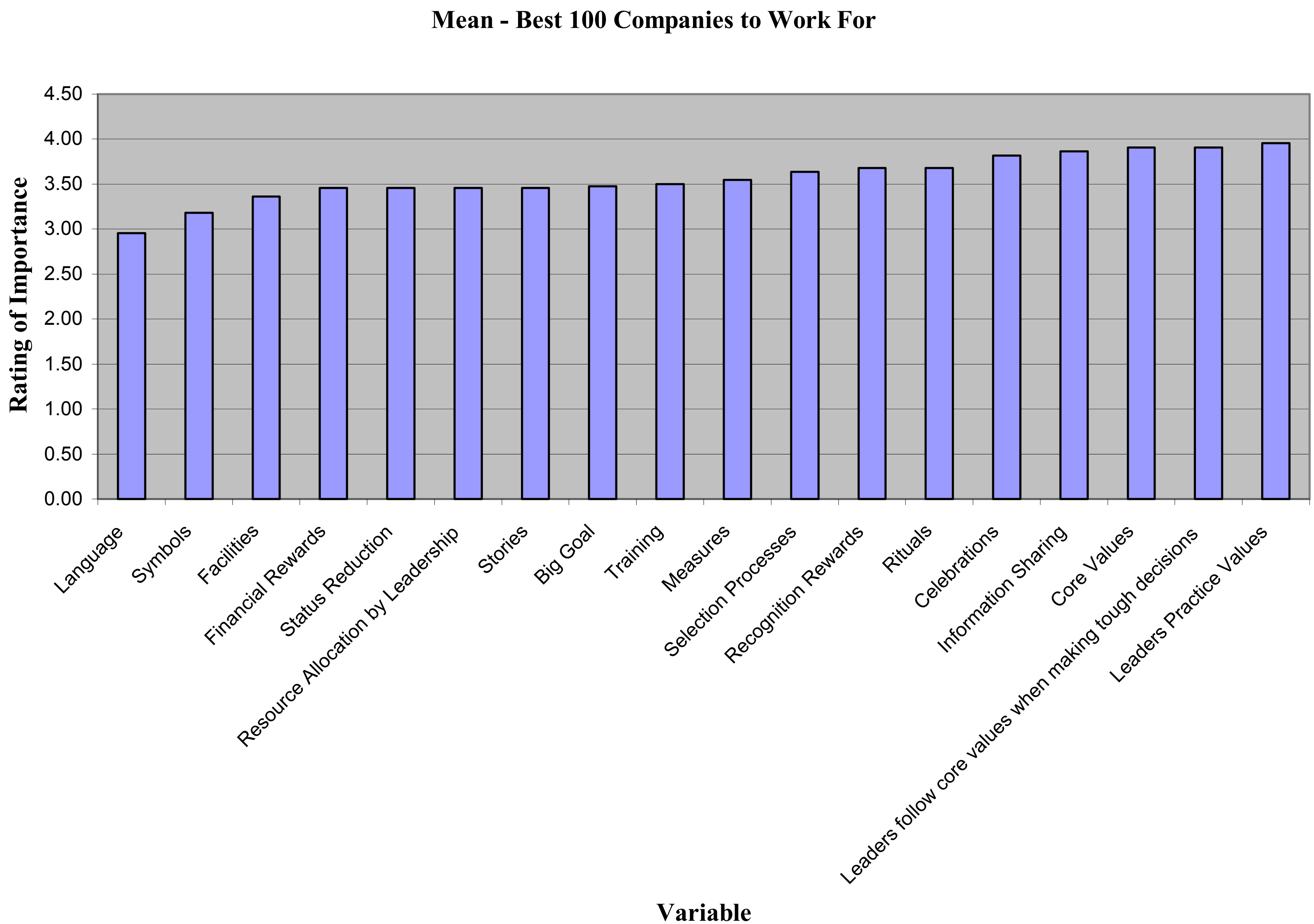


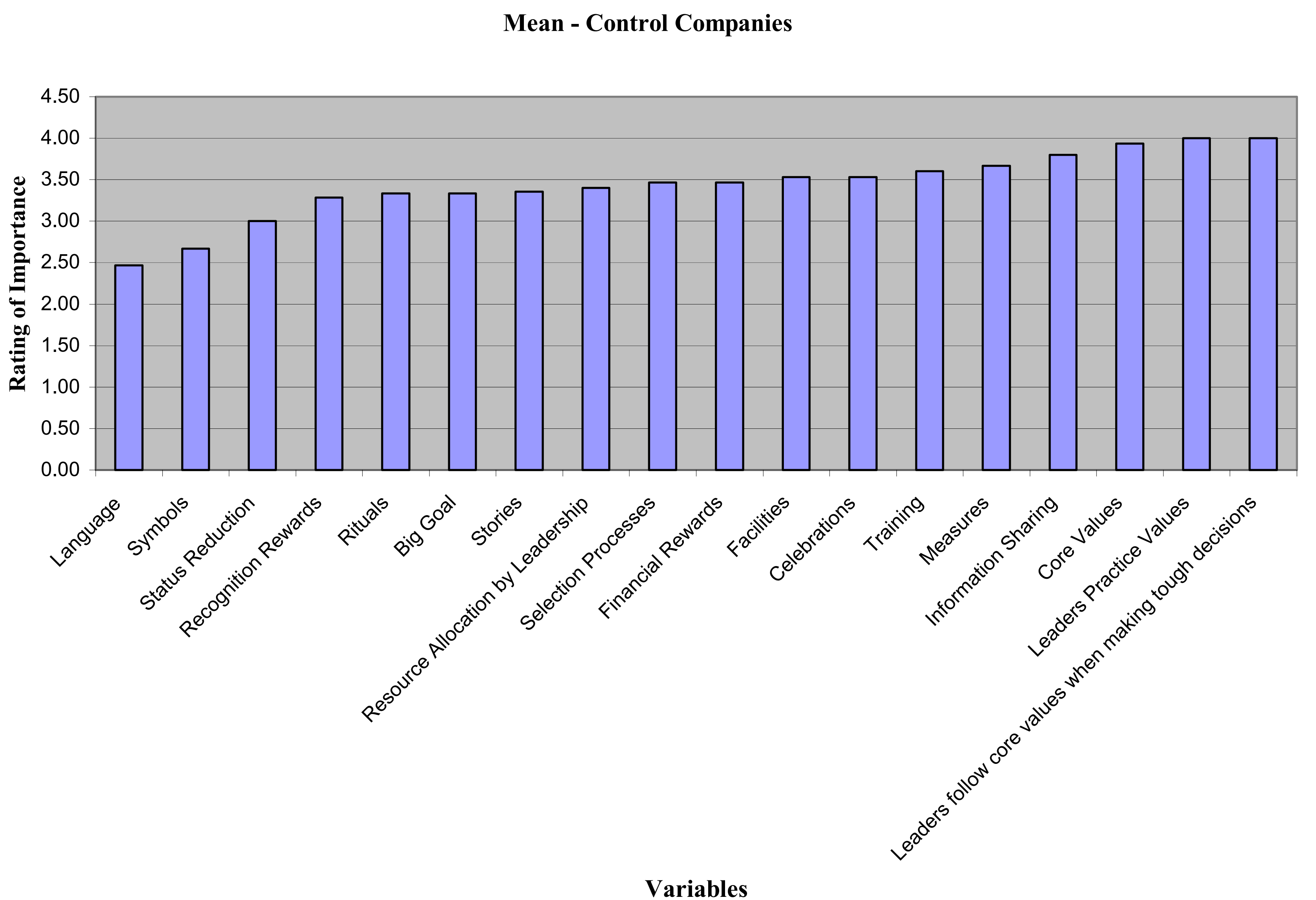
Pilot Survey - Phillips Plastics Corporation Executive Means
Rating of Importance
7
6
5
4
3
2
1
0
Actual Values
Selection Processes
Training
Leaders Make Tough Decisions
Espoused Values
Financial Rewards
Resource Allocation
Big Goals
Celebrations
Facilities
Measures
Rituals
Stories
Status Reduction
Recognition Rewards
Language
Symbols
Variable

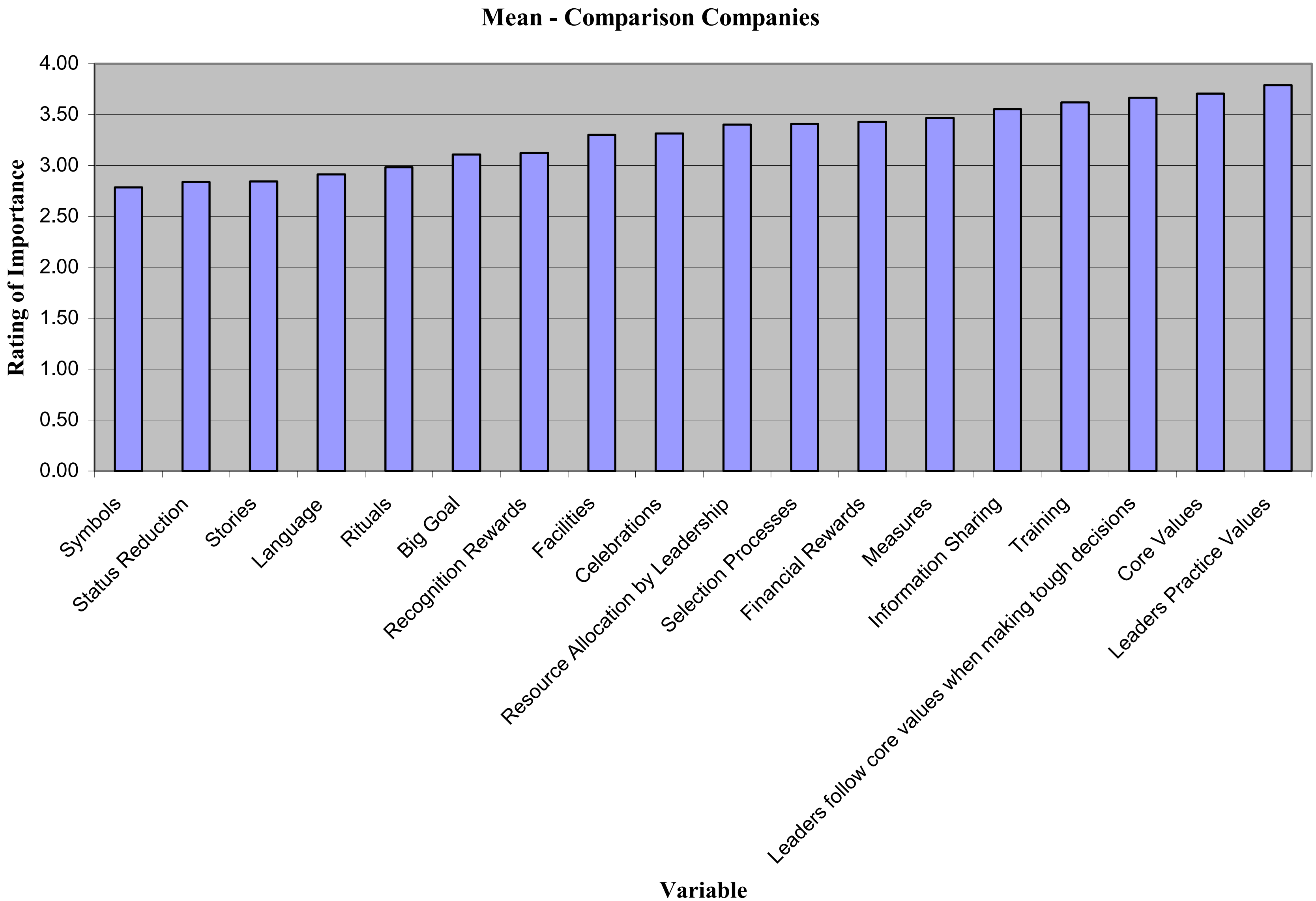

Pilot Survey - People Process Culture Class Means
Rating of Importance
0
1
2
3
4
5
6
7
8
Leaders Practice Values
Recognition Rewards
Actual Values
Leaders Make Tough Decisions
Info. Sharing
Selection Processes
Big Goals
Espoused Values
Financial Rewards
Training
Facilities
Rituals
Status Reduction
Stories
Symbols
Celebrations
Language
Resource Allocation
Measures
Variable

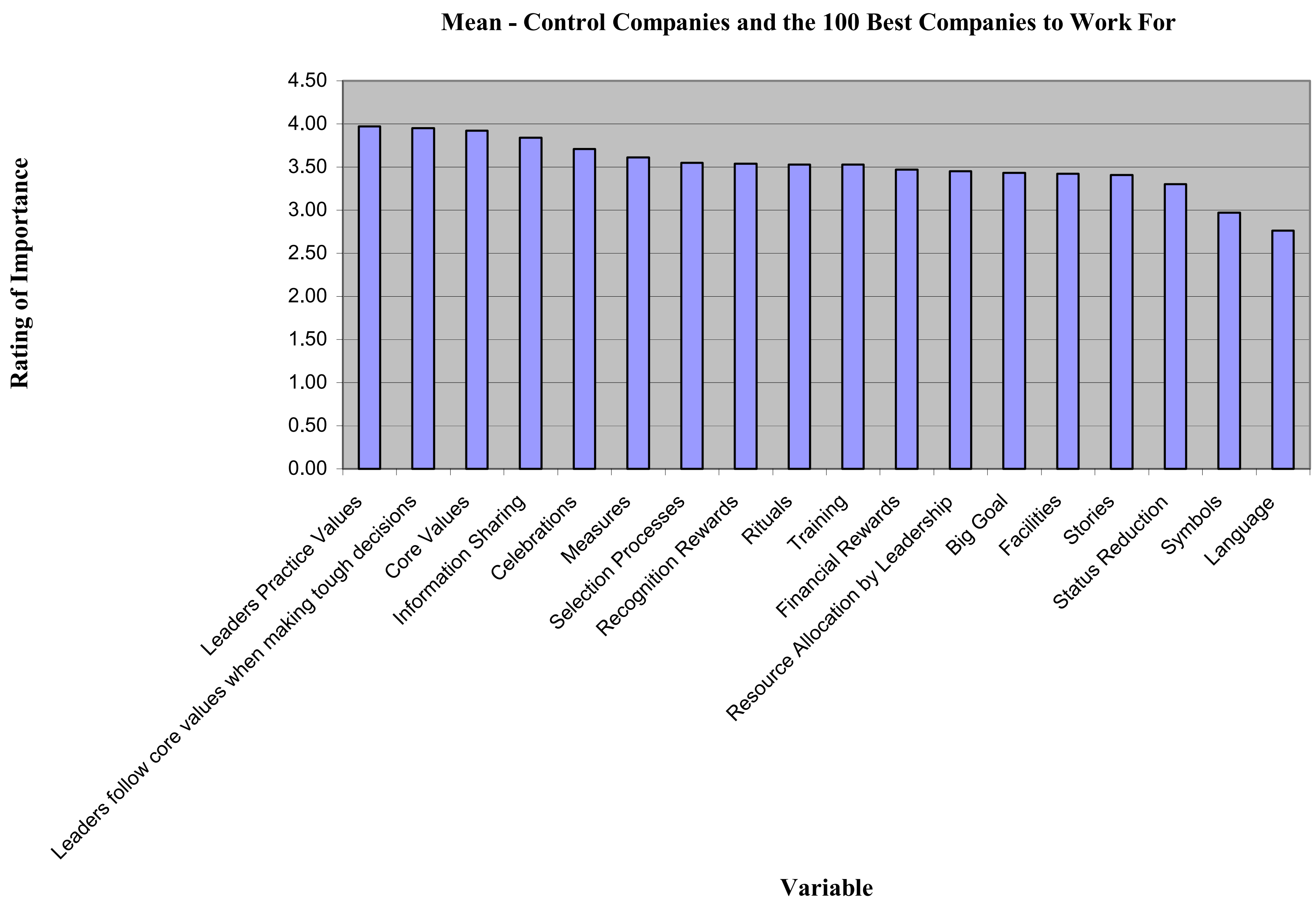
Appendix C

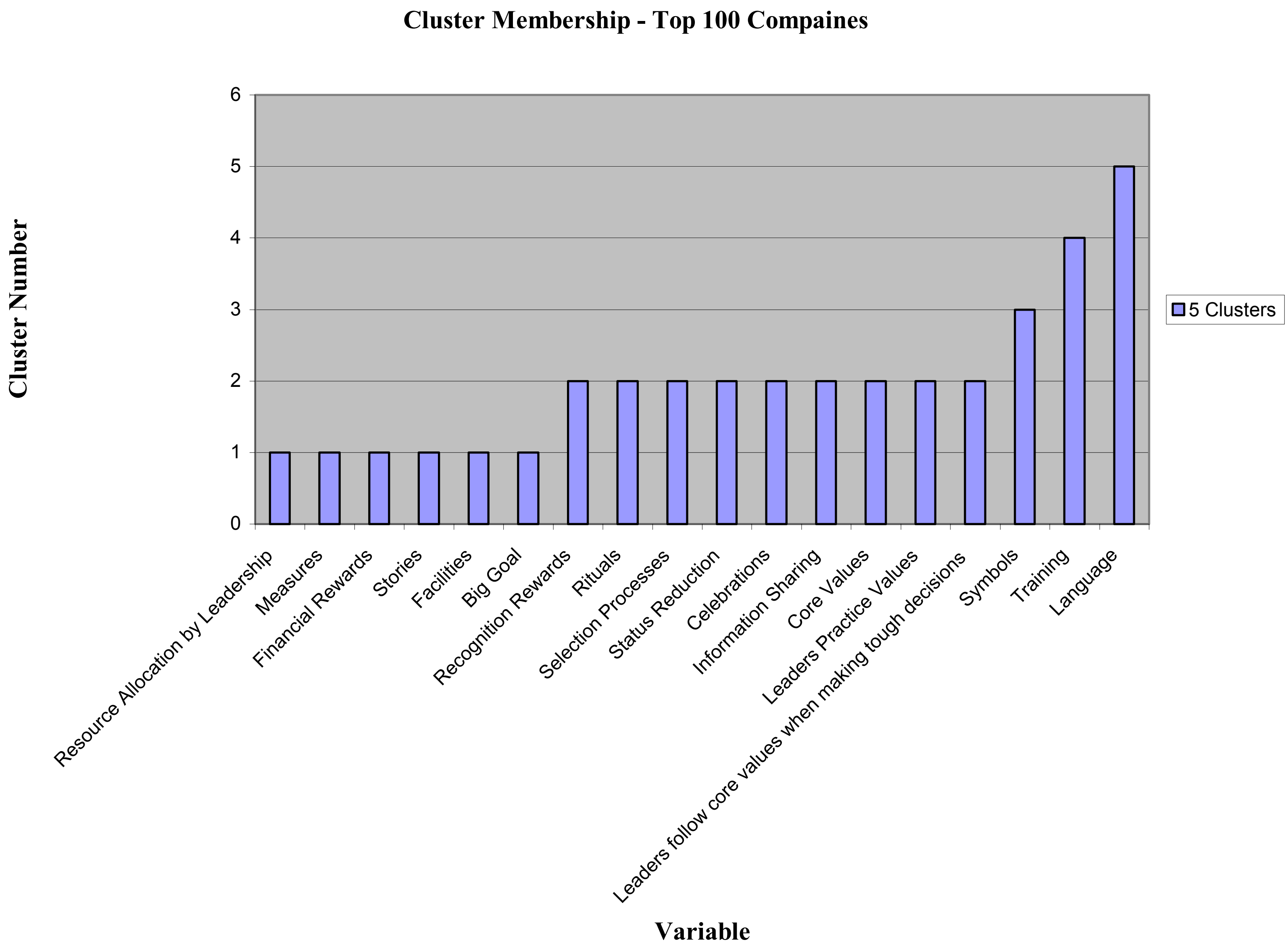
Survey Results


Mean - Best 100 Companies to Work For
Rating of Importance
4.50
4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
Language
Symbols
Facilities
Financial Rewards
Status Reduction
Resource Allocation by Leadership
Stories
Big Goal
Training
Measures
Selection Processes
Recognition Rewards
Rituals
Celebrations
Information Sharing
Core Values
Leaders follow core values when making tough decisions
Leaders Practice Values
Variable

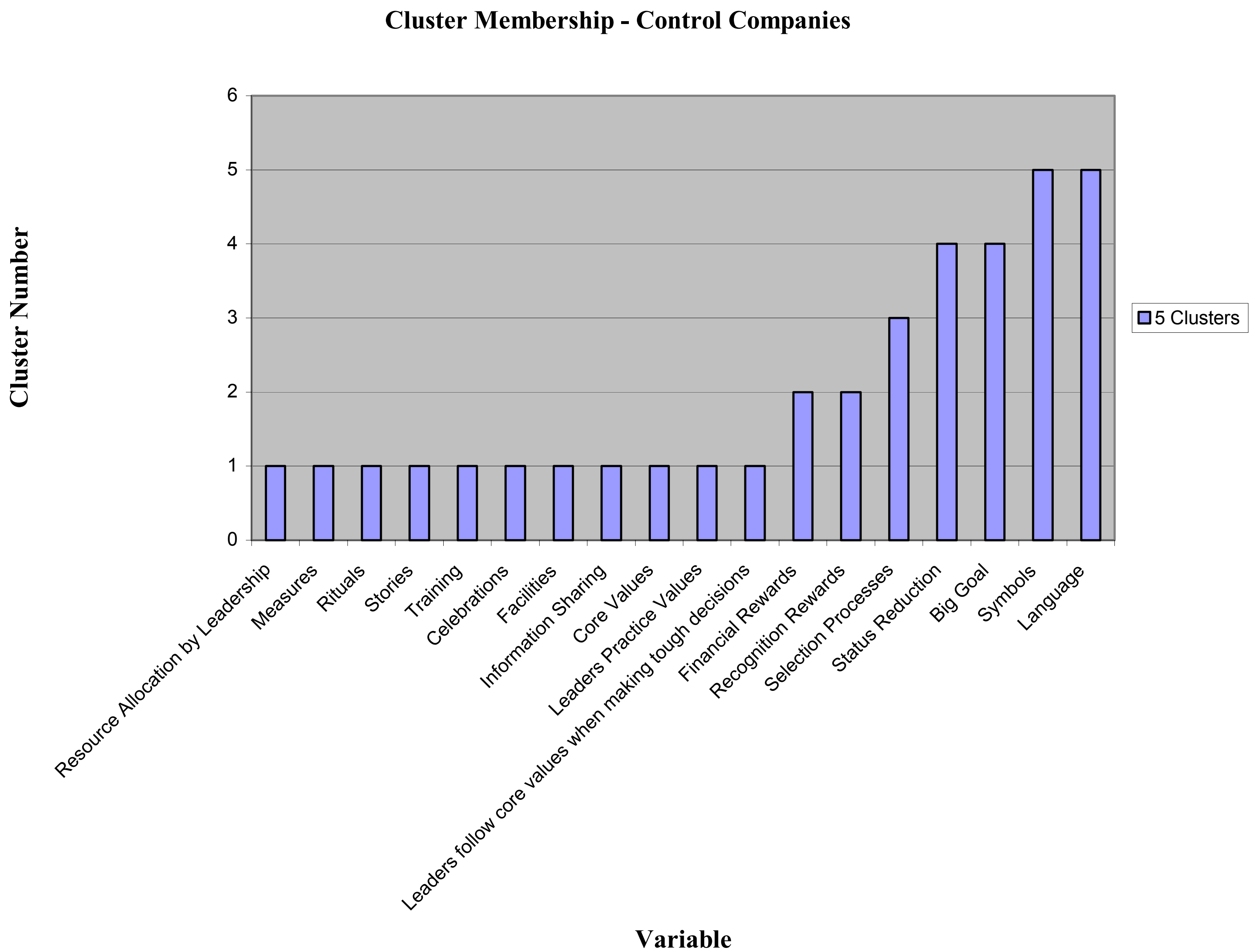

Mean - Control Companies
Rating of Importance
4.50
4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
Language
Symbols
Status Reduction
Recognition Rewards
Rituals
Big Goal
Stories
Resource Allocation by Leadership
Selection Processes
Financial Rewards
Facilities
Celebrations
Training
Measures
Information Sharing
Core Values
Leaders Practice Values
Leaders follow core values when making tough decisions
Variables


Mean - Comparison Companies
Rating of Importance
4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
Symbols
Status Reduction
Stories
Language
Rituals
Big Goal
Recognition Rewards
Facilities
Celebrations
Resource Allocation by Leadership
Selection Processes
Financial Rewards
Measures
Information Sharing
Training
Leaders follow core values when making tough decisions
Core Values
Leaders Practice Values
Variable

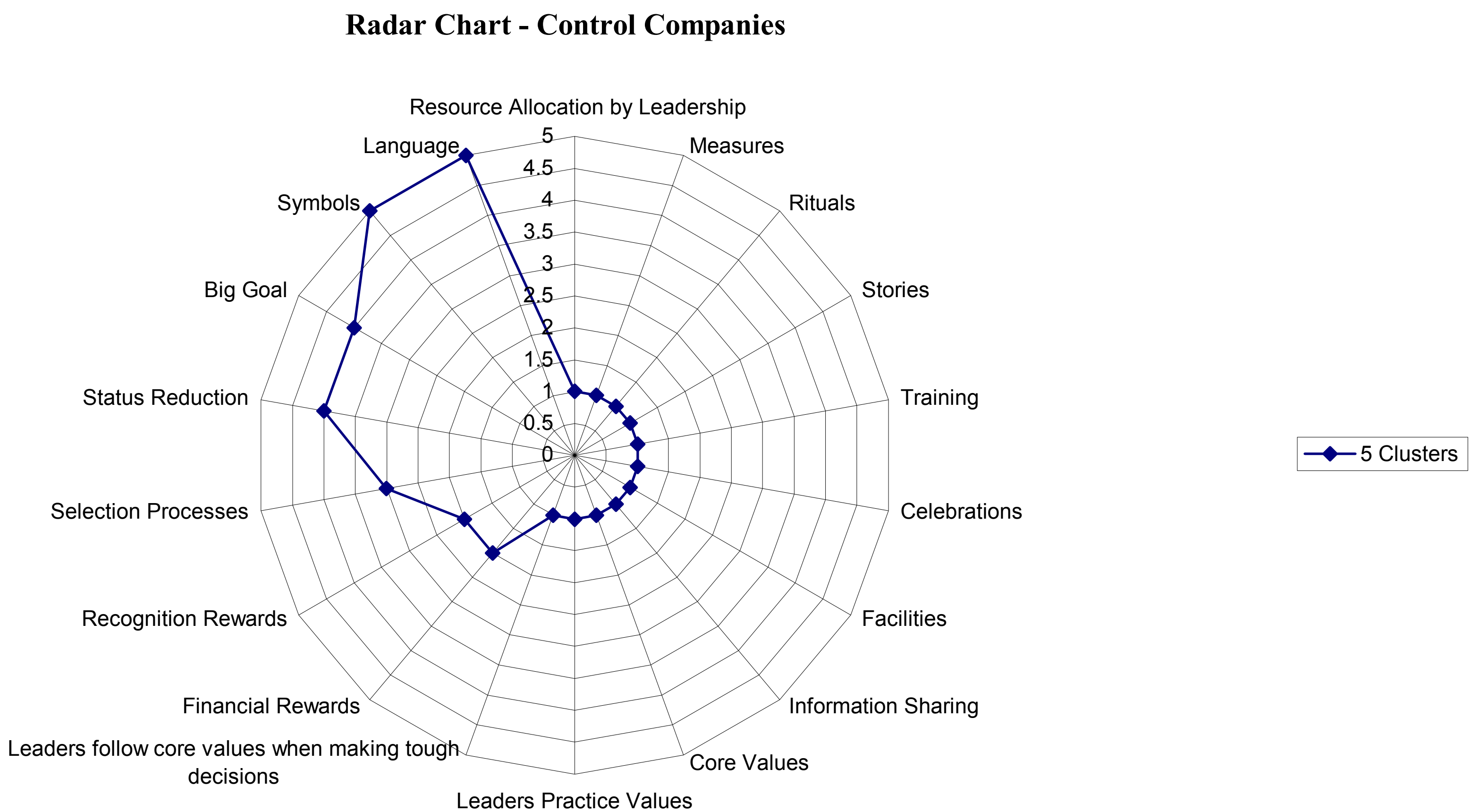

Mean - Control Companies and the 100 Best Companies to Work For
Rating of Importance
4.50
4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
Leaders Practice Values
Leaders follow core values when making tough decisions
Core Values
Information Sharing
Celebrations
Measures
Selection Processes
Recognition Rewards
Rituals
Training
Financial Rewards
Resource Allocation by Leadership
Big Goal
Facilities
Stories
Status Reduction
Symbols
Language
Variable

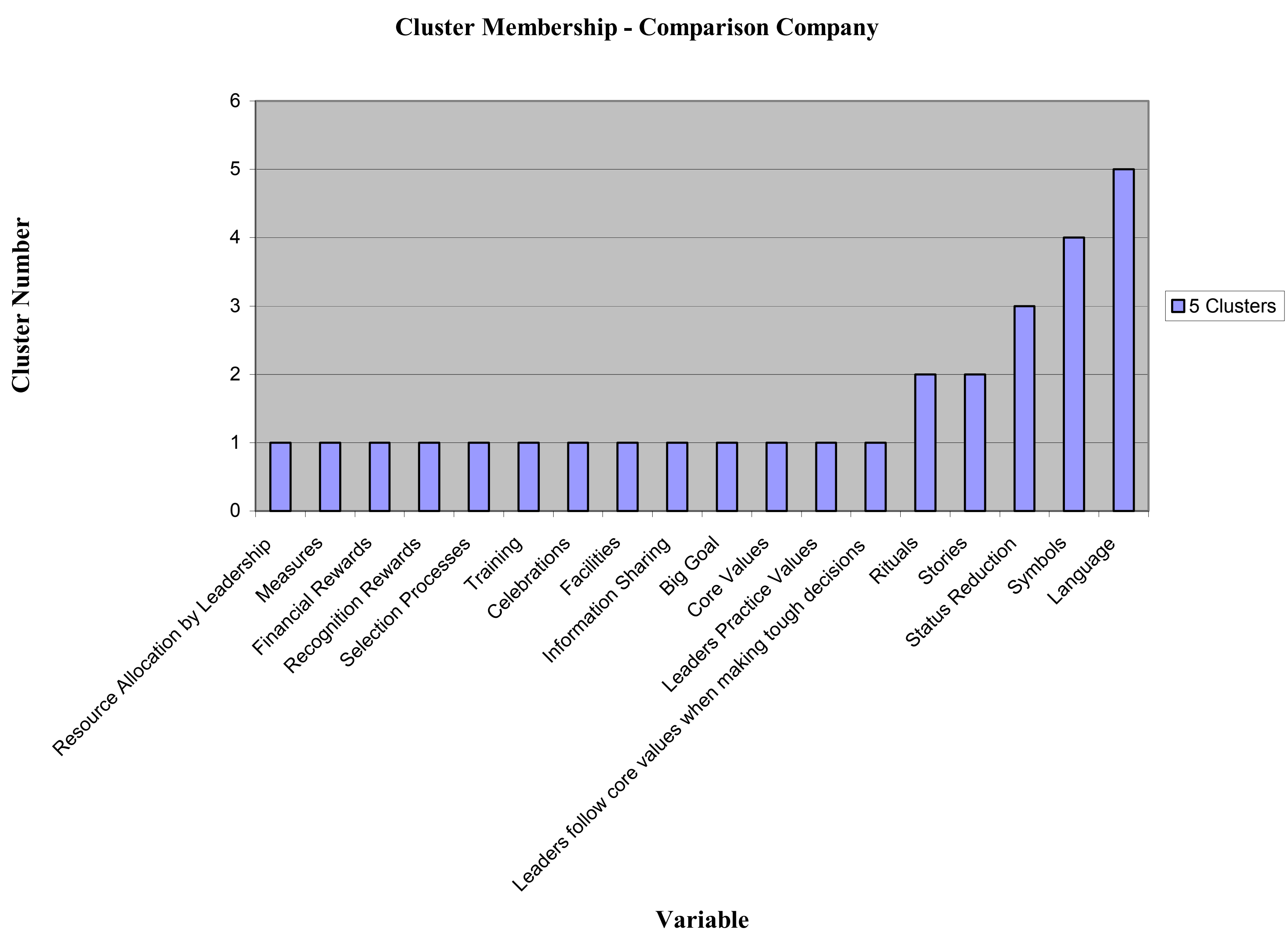

Cluster Membership - Top 100 Compaines
Cluster Number
Variable
5 Clusters
0
1
2
3
4
5
6
Resource Allocation by Leadership
Measures
Financial Rewards
Stories
Facilities
Big Goal
Recognition Rewards
Rituals
Selection Processes
Status Reduction
Celebrations
Information Sharing
Core Values
Leaders Practice Values
Leaders follow core values when making tough decisions
Symbols
Training
Language

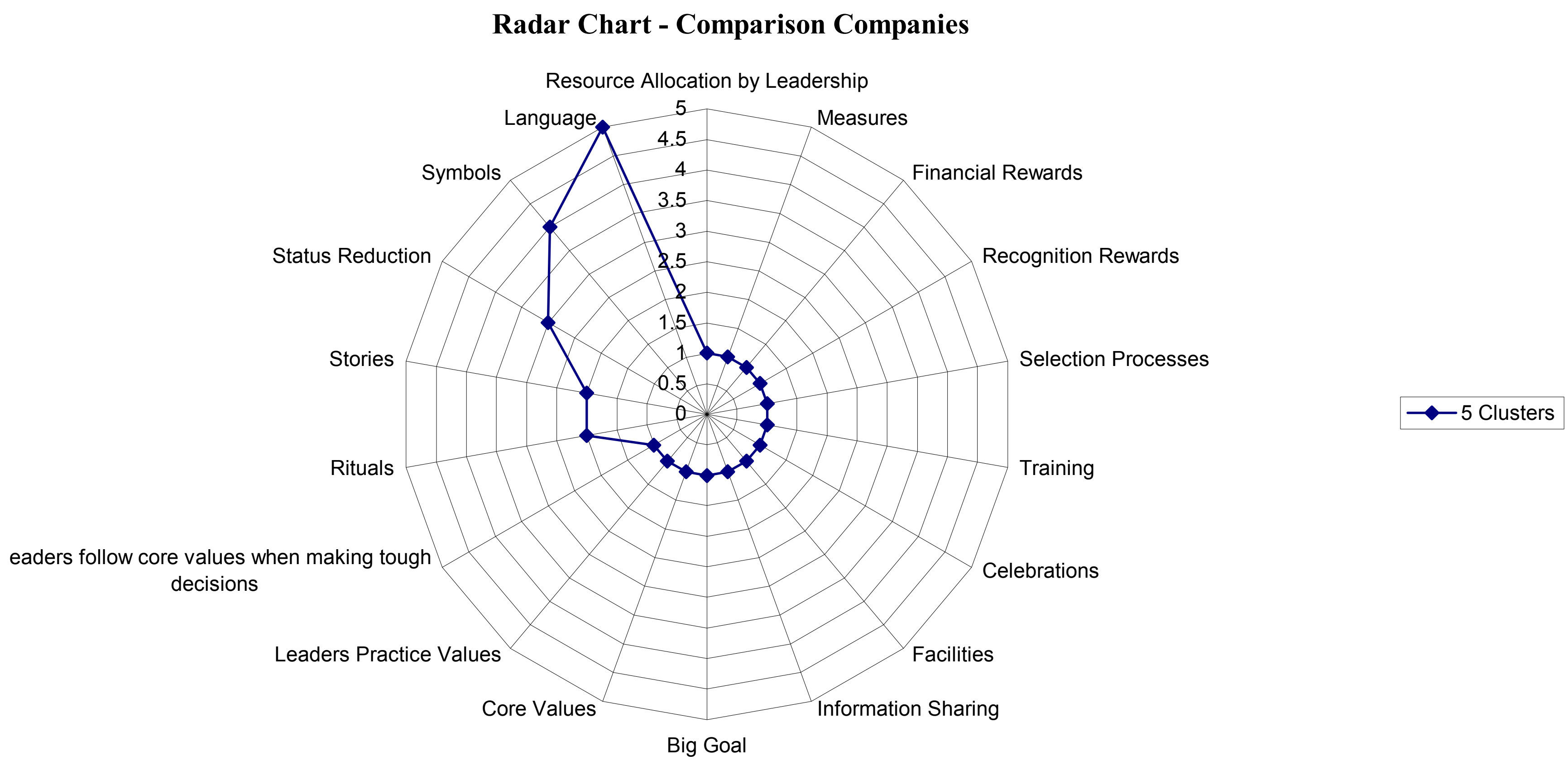
Radar Chart - Top 100 Companies



Cluster Membership - Control Companies
Cluster Number
Variable
0
1
2
3
4
5
6
Resource Allocation by Leadership
Measures
Rituals
Stories
Training
Celebrations
Facilities
Information Sharing
Core Values
Leaders Practice Values
Leaders follow core values when making tough decisions
Financial Rewards
Recognition Rewards
Selection Processes
Status Reduction
Big Goal
Symbols
Language
5 Clusters


Radar Chart - Control Companies
Resource Allocation by Leadership
Measures
Rituals
Stories
Training
Celebrations
Facilities
Information Sharing
Core Values
Leaders Practice Values
Leaders follow core values when making tough decisions
Financial Rewards
Recognition Rewards
Selection Processes
Status Reduction
Big Goal
Symbols
Language
5
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
5 Clusters


Cluster Membership - Comparison Company
Cluster Number
6
5
4
3
2
1
0
5 Clusters
Resource Allocation by Leadership
Measures
Financial Rewards
Recognition Rewards
Selection Processes
Training
Celebrations
Facilities
Information Sharing
Big Goal
Core Values
Leaders Practice Values
Leaders follow core values when making tough decisions
Rituals
Stories
Status Reduction
Symbols
Language
Variable


Radar Chart - Comparison Companies
Resource Allocation by Leadership
Measures
Financial Rewards
Recognition Rewards
Selection Processes
Training
Celebrations
Facilities
Information Sharing
Big Goal
Core Values
Leaders Practice Values
eaders follow core values when making tough decisions
Rituals
Stories
Status Reduction
Symbols
Language
5
4.5
4
3.5
3
2.5
2
1.5
1
0.5
0
5 Clusters

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