The Relationship Between an Organization's Culture

and its Leadership, and the Impact On Employee

Performance and Satisfaction.

by:

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Abstract

Culture is a driving force in today's organizations. An organization's culture is made up of many different factors including leadership, work environment, employee satisfaction and performance, and reward and recognition. When one of more of these factors suffers, the organization as a whole suffers. The purpose of this study was to determine the health of the cultures in the XYZ Company's four Eau Claire area stores using a climate assessment survey created by the researcher.

The results of the survey suggest that though two of the stores have a much healthier organizational culture, all four stores could likely benefit from a strong reward and recognition program. The research also suggests that bringing the employees together to reach common

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Table of Contents

LIST OF TABLES

Chapter 1: Introduction

Statement of the Problem

This study is being conducted to determine the current status of the organizational culture regarding leadership and recognition; what needs to change, and if the change is possible. There are many factors that are included in an organization's culture; however, there are some that are more influential than others such as leadership, trust, reward and recognition, and feelings of safety and security. When these factors are threatened, employees begin to lose morale and performance and satisfaction rates can decrease, causing an inefficient and ineffective organization. The survey instrument, developed and used by the researcher, was created to determine which of those factors could be identified as the most important, and what can be done to restore the culture to one that is satisfying and effective, if possible.

Company XYZ is a drug/retail store chain. Within the Eau Claire area, there are four XYZ stores – one in Chippewa Falls, one in Menomonie, and two in Eau Claire (identified as A and B). Each store employs roughly 30-40 associates, though Eau Claire store A is busier than the other three and is on the higher side of the scale. Similarly, the Menomonie store is slower than the other three and has fewer employees than the other three. Each of the stores has a management team of at least three assistant managers plus the store manager. The employees range in age from about 18 years to 65 years, and come from different backgrounds including college students and retirees.

Recently, these particular stores have experienced quite a bit of employee turnover. Factors contributing to this turnover most often relates to inappropriate behavior on the behalf of the leaders, feelings of mistrust, and feeling unappreciated. Due to the nature of the issues, there has been a significant amount of mistrust, anxiety, and fear on the part of the employees and also a lack of employee performance and happiness.

The consequences that have developed because of these issues have created a wounded organizational culture. Employees in any organization must be able to feel that they can trust the people in leadership roles, and in these stores, that component is seriously lacking. If the issues are not addressed and some changes made, the stores will experience greater turnover, which will increase costs (for recruiting, hiring and training new employees) and decrease performance and productivity (until, and possibly long after, training is completed).

Another issue is that within XYZ Company there is not a specific policy regarding recognition and rewards, therefore, generally speaking three of the four stores do not participate in many celebrations or reward giving events. This lack of recognition may cause employees to feel as though they are taken for granted and may lead to a decrease in employee performance and/or satisfaction.

Therefore, this study is being conducted to determine the current status of the organizational culture, what needs to change, and if the change is possible.

Purpose of the study

The purpose of this study is to determine, based on a climate assessment conducted of XYZ Company, the impact of an organization's leadership and its culture on employee performance and satisfaction.

Research Objectives

The objectives of this study are:

1. To determine to what extent the leadership impacts the organization's culture.

2. To determine the extent the organization's culture impacts its employees' performance and satisfaction.

3. To determine which attributes of the organization's culture have the greatest impact on an employee's satisfaction and performance.

4. To determine to what extent the direct leadership impact's employee performance and satisfaction.

5. To determine if a recognition and reward system would increase employee performance and satisfaction.

Significance of the Study

The significance of this study is to determine the extent that an organization's culture has on the employees that perform within it, and what factors contribute to the overall culture. Based on the climate study conducted of XYZ Company, those factors will be identified and determinations made regarding the status of those factors in relation to the employees involved.

Limitations of the study

The participation in the study was completely voluntary; therefore, not all persons who received surveys completed or returned them. There were a total of eighty-two surveys sent out, thirty-three were returned, completed, to the researcher.

The results of the study are limited to the four XYZ stores based in the Eau Claire area; therefore an overall determination cannot be made about the entire company. The cause for the study was based on occurrences that have taken place within only those four stores. Also, because only those four stores were included in the study, the findings of the survey, and subsequent recommendations, are based solely on those employees.

Assumptions of the study

The employees were given a statement regarding the confidentiality of the survey; therefore, the researcher assumes that the employees answered the survey as honestly as possible because there was guaranteed anonymity. The researcher also assumes that the four stores included in this study will not make significant changes to the organizational cultures or implement a recognition program within the next year. The stores are, however, assumed to make leadership changes within that time period.

Definition of Terms

Leadership: "…an observable set of skills and abilities that are useful whether one is in the executive suite or on the front line…And any skill can be strengthened, honed, and enhanced, given the motivation and desire, the practice and feedback, and the role models and coaching" (Kouzes & Posner, 2002 p. 386).

Culture: "…a pattern of shared basic assumptions that was learned by a group as it solved 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" (Schein, 2004 p. 17).

Performance: The use of the word performance as it applies in this case means 1A: the execution of an action, B: something accomplished; 2A: the fulfillment of a claim, promise, or request, implementation (Merriam-Webster, 2001 p. 861).

Satisfaction: The use of the word satisfaction as it applies in this case means 2A: the fulfillment of a need or want, B: the quality or state of being satisfied, C: a source or means of enjoyment (Merriam-Webster, 2001 p. 1035).

Recognition: "…an external motivator that applies to everyone. Recognition is a mind-set; it is a way of relating to your employees on a daily basis" (Podmoroff, 2005 p.103-5).

Methodology

The remainder of this paper will consist of a literature review of the components of organizational cultures, and the characteristics of which contribute positively or negatively to employee performance and satisfaction, including a discussion of various recognition and reward ideas as they relate. This paper will also discuss the instrument used in conducting the study, report the findings, and offer recommendations.

Chapter II: Literature Review

Introduction

Organizational culture, leadership, employee performance, recognition, and reward...these are all important factors in determining how well a company performs and how satisfied the employees are. Over the years, there have been many books written about each of these different ideas. Included in this literature review are excerpts and ideas from those various resources discussing the factors and components that contribute to an organization's culture and employee satisfaction.

Organizational Culture

An organization's culture is essentially the personality of the organization. It is comprised of many factors including but not limited to leadership style(s), professional growth, internal communication, life/work balance, employee satisfaction, reward programs, and the performance of the organization. Although culture is difficult to describe, it can be felt -by the employees, by the leadership, and by the patrons or clients of the organization. When any of the factors that contribute to the culture are compromised, the reflection can be seen throughout the organization - productivity slumps, profits decrease, and employee morale, plummets.

According to Schein (1999) culture consists of three levels. The most visible of which is artifacts, the observable level of culture that consists of what is seen, heard, and felt in a group. This level includes things such as the physical environment, language, technology, interactions between members, manner of dress, ritual, ceremonies, and published values, visions, and missions. "...At the level of artifacts culture is very clear and has an immediate emotional

impact. But you don't really know why the members of the organization are behaving as they do and why each organization is constructed as it is" (Schein, 1999 p. 16-17).

At the next level are espoused values. Though not actually observable, values largely determine behavior. When a group of people come together certain individuals will make suggestions about what is right or wrong, and what will and won't work, but those suggestions are simply that until the group acts together and validates those suggestions as successful. Then and only then does the group begin to create its shared values. The beliefs and values at this level are often what dictate the behavior in the first level.

At the deepest level of an organization's culture are underlying assumptions. This level includes the unconscious, taken-for-granted beliefs, perceptions, thoughts, and feelings that were formed and have since been shared by the members of the culture. Anyone new to the group assumes that the leaders of the organization have been successful while operating under these assumptions and therefore must be right (Schein, 1999).

According to Schein (1999), another way to look at and define culture is to think of it in terms of visibility and ease of change. The values and beliefs of an organization are at a very deep level and not very visible to people outside of the group. This level is also much more difficult to change. This includes such things as what the company is striving to do, make, or invent; what kind of rewards and compensation are the most important; and whether employees are thought to be disposable or not.

At the more visible level are the behaviors of the people within the organization and the everyday norms that anyone, including new members and clients alike, can see and understand.

This level is much easier to change, and often dictates how a new member will fit in with the established group simply based on how he/she reacts to it.

Every group, or culture, goes through a period of adjustment from its beginning until its establishment. According to Bruce Tuckman (1965), the processes included in this period are referred to as "forming", "storming", "norming", and "performing".

In "forming," members of the group are new to one another and therefore a bit timid about sharing any real feeling or thoughts and stick mostly to general information. Even items such as the objectives of the group are rarely discussed. Due to the nature of people, cliques are starting to form but at this point they do not have much influence on the rest of the group. Some people are more talkative than others, but are still only participating in general topic areas.

In "storming," group members are becoming more familiar with each other and are struggling to be heard. There is a lot of disagreement about the objectives or goals of the group and how to reach them; individuals, as well as cliques, are trying to have their ideas heard and are trying to influence others in order to gain power and respect, others are sitting back and kind of waiting for things to settle down. Conflict is very high during this process.

In "norming," group members are starting to feel more comfortable with each other and are more interested in reaching objectives and goals together. Most people are open to new ideas and are sharing information with one another in order to gain understanding. Cliques are dissolving and people are not simply trying to influence each other, so there is less conflict within the group.

Finally, in "performing," the group is meeting their objectives and are working together, seeking out other people's opinions and offering their own. They work hard to see all sides of an issue and view disagreements as a way to do just that (Tuckman, 1965 p. 396).

Once a culture has been established in an organization, changing it can be almost impossible. It becomes a way of life for all current and new members, therefore, initiating change takes either a major crisis, or potential for crisis, or a very influential and forward thinking leader. He/she must possess various skills in order to convince the others that change is necessary including the ability to see the organization from the outside, the power and leadership of someone successful, the ability to create and convey a new vision and strategies necessary for change, the capability to model the desired behavior, and a talent for motivating and encouraging others (Kotter & Heskett, 1992).

Leadership

Leaders come in a variety of shapes and sizes, though any good leader knows that it is the performance of the people who choose to follow that determines how great a leader he/she actually is. Leaders, in successful roles, are to be catalysts. Good leaders provide opportunities for employees to utilize their talents and strengths, and encourage them to do so. Leaders foster greatness, not for personal gain, but for the good of the people they lead. According to Jim Collins, in his book *Good to Great* (2001), refers to these people as "Level 5 leaders." Though not every leader possesses all five levels of leadership, a Level 5 leader possesses all of the other levels which are as follows: Level 1 – highly capable individual, Level 2 – contributing team member, Level 3 – competent manager, and Level 4 – an effective leader (p. 20).

"Level 5 leaders channel their ego needs away from themselves and into the larger goal of building a great company. It's not that Level 5 leaders have no ego or self-interest. Indeed, they are incredibly ambitious – but their ambition is first and foremost for the institution, not themselves" (Collins, 2001 p. 21).

While leaders can be found in anyone and can come from anywhere, there are certain practices and commitments that make people leaders. In *The Leadership Challenge (2002)*, the authors, Jim Kouzes and Barry Posner, identify five practices for exemplary leadership. Embedded within these five practices are ten commitments that serve as a guide for how leaders get extraordinary things done in an organization.

The five practices and corresponding commitments are as follows:

1. Model the Way

    a. Find your voice by clarifying your personal values

    b. Set the examples by aligning actions with shared values

2. Inspire a Shared Vision

    a. Envision the future by imagining exciting and ennobling possibilities

    b. Enlist others in a common vision by appealing to shared aspirations

3. Challenge the process

    a. Search for opportunities by seeking innovative ways to change, grow, and improve

     b. Experiment and take risks by constantly generating small wins and learning from

        mistakes

4. Enable others to act

     a. Foster collaboration by promoting cooperative goals and building trust

     b. Strengthen others by sharing power and discretion

5. Encourage the Heart

     a. Recognize contributions by showing appreciation for individual excellence

     b. Celebrate the values and victories by creating a spirit of community (p. 22).

Leaders play an important role in an organization's culture; in fact, leaders are one of the most crucial parts of an organization. In a study conducted by the Gallup Organization (Buckingham & Coffman, 2005), a very important discovery was made…"the manager - not pay, benefits, perks, or a charismatic corporate leader – was the critical player in building a strong workplace. The manager was the key" (p. 25). Ultimately, employees may join organizations for many reasons – great benefits; perfect hours, great pay, etc. However, the length of time the employee stays and how productive she is while she's there is determined by her relationship with her immediate supervisors. If the supervisor sets clear expectations, knows the employees, trusts them, and invests in them, the employees can forgive the lack of incentives. But if the relationship between supervisor and employee is broken, no amount of perks or benefits will encourage the employee to stay. "It is better to work for a great manager in an old-fashioned

company than for a terrible manager in a company offering an enlightened, employee-focused culture" (Buckingham, & Coffman, 2005 p. 28).

Employee Recognition & Performance

For decades, corporations have been talking about their assets and what makes their companies profitable. For a lot of companies "assets" used to mean materials...wood, steel, computer components, etc; and for some, it still does. Today, the term "assets" often refers to something even greater...people. People are what run business today, people are what generate the sales, people are what build and develop products; people are who decide if they want to be an "asset" or not. Turnover in business is higher than it's ever been and in a country where people used to stay in one job for the entirety of their lives the fact that the average worker today only spends about three and a half years in the same job is a large pill to swallow. Companies used to spend very little time recruiting, hiring, and retaining; now they have little choice. They must find a way to keep the talented people employed within their organizations, hence the development of incentive programs (monetary or otherwise), casual dress initiatives, flexible scheduling, work teams, and so on. And to a degree, all of these efforts have aided in employee retention. However, monetary efforts such as raises or bonuses rarely make much of an impact on employee performance beyond the moment. A study conducted of 1,010 Americans in May 2000 for American Express Incentive Services revealed that 29% of them had used their last cash reward, incentive, or bonus to pay bills. 18% did not remember what they did with the money, and only about 25% did something for themselves or their families with the additional money (Gostick & Elton, 2001).

The other programs, such as flexible scheduling are not always available due to the nature of the business or the specialization of the job. And casual dress, though comfortable and nice as a change of pace, does not often make a significant impact on an employee's happiness within the overall position.

Most companies still overlook a very powerful tool in their arsenal - recognition. "…There is a demonstrated correlation between workplace satisfaction and employee recognition, …that recognition is the most effective way to further your corporate goals, … that by creating memorable recognition experiences you can bond an employee to your organization" (Gostick & Elton, 2001 p. 18-19).

Recognition comes in many forms; the problem is that most managers think they are recognizing their employees when they really are not. Incentives, bonuses, and perks are not forms of recognition in and of themselves, they only become recognition when they are awarded for a job well done, not if you do this, then you get this. In order to count as recognition, the message must be clear, managers need to explain why someone is being awarded a plaque for example. Without an explanation for why and a basis for how, employees do not understand, and then the attempt at recognition becomes a wasted opportunity.

In his book *The 7 Hidden Reasons Employees Leave* Leigh Branham (2005), identifies feeling devalued and unrecognized as one of the seven reasons employees leave organizations. The want for recognition comes from the fundamental human need to feel a sense of worth. "Feeling confident that if you work hard, do your best, demonstrate commitment, and make meaningful contributions, you will be recognized and rewarded accordingly" (p. 20). However,

this is not often the case. Although numerous studies have been conducted to show the importance of recognition on an employee's satisfaction, managers still are reluctant, and continue to fail, to recognize their employees. Many of the reasons managers still do not properly recognize their employees are discussed in the following paragraph.

Sometimes managers have worked for others who's philosophy was that if they didn't hear anything, it meant they were doing their jobs right, and also that no one should be recognized for doing a job they were hired, and get paid, to do. Some managers simply do not pay enough attention to their employees to know how well or accurately they perform their jobs. Maybe they do not know enough about the employee's job to determine whether they are performing well or not, and therefore cannot recognize. Other managers are afraid that employees will think they are insincere in their efforts at recognition or that they will unintentionally "play favorites" recognizing some while forgetting others (Branham, 2005).

This does not mean that recognition is a lost cause, or should be viewed as one. Managers can be taught how to thank others for a job well done, and how to recognize when the thanks is necessary and warranted. The managers, as well as, the organization must be open to the idea, and must work to create and follow programs that will foster recognition within the organization.

When done right, recognition can enhance communication and trust, and improve employee morale. "The power of recognition can spread through your company like wildfire, creating a culture of recognition-a place where people are willing to put down roots because they

know their contributions will be acknowledged, appreciated and rewarded" (Gostick & Elton, 2001 p. 14).

The review of literature has identified many resources that address the key components in an organization, namely culture, leadership, and employee recognition and performance. These resources have shown that each component is important to an organization and the people with the organization. Much of the discussion and recommendations made by the researcher will be based upon the review of these resources. Chapter three will discuss the methodology of the climate assessment conducted of XYZ Company.

Chapter III – Research Methods

Research Design

At the time the research for this study was conducted, the researcher was employed with XYZ Company. Many situations including, but not limited to, leadership changes, inappropriate behavior, and changes in the general culture or lack there of had occurred prompting the researcher to assess the stability of the cultures of each of the company's stores in the immediate area. A climate assessment survey was conducted of the four Eau Claire area stores. A climate assessment method was chosen based on the specific objectives of the researcher. A climate assessment allows the researcher to gain an understanding of the organization's culture and how it is perceived by those surveyed. In doing so, a picture of the organization will develop which will provide answers to the stated objectives; the results of which will lead to findings and be the basis for all recommendations made by the researcher.

A random sample of the population of all four stores was conducted to choose participants. Participants were mailed surveys, created by the researcher, and asked to complete the survey and return it. Anonymity was assured and preserved during the course of the study.

After the surveys were returned, the data was evaluated and recommendations made based upon the findings. Those findings are explained within the following chapter.

Population Demographics

Within each of the four stores surveyed there are five departments that are part of the study. These include Customer Service, Photo, Cosmetics, SIMS, and Management. In each

store the number of employees within four of the five departments varies depending on the size and volume of the store. However, there is only one person per store in the SIMS department. Also, store managers were not surveyed; only assistant managers were included in the process.

Altogether, there were eighty-two surveys sent out and thirty-three were returned completed. Of those thirty-three, there were eight employees from Cosmetics, six from Photo, nine from Customer Service, four from Management, and two from the Strategic Inventory Management System (SIMS) department. There were three participants that chose not to answer this question, as it was optional.

Of the thirty-three participants that returned the survey nine had been working for XYZ Company for longer than ten years, one had been there more than four years but less than ten, fourteen had been with the company between one and three years, and nine had been there less than a year.

With regard to age of the participants, the majority fell into two categories – ages 16-25 and 41-60; twelve for each age group. Eight of the participants were between the ages of 26 and 40, and only one participant was older than 60. Most of the participants, twenty-four to be exact, were also rated at full time status, meaning they worked over thirty-two hours per week. Two worked between twenty-one and thirty-one, six worked between eleven and twenty hours, and only one working less than ten hours per week.

Finally, of the thirty-three participants, eight were students.

Instrumentation

A climate assessment was chosen as the means of data collection. The researcher created and developed the survey (see Appendix A) that would be used in the climate assessment, based on various educational influences including but not limited to the teachings of Leigh Branham, Marcus Buckingham and Curt Coffman, Kevin and Jackie Freiberg, Richard Gallagher; as well as the teachings within graduate coursework.

The survey used was developed to measure several different aspects of the cultures within the four stores including: Personal Commitment and Performance, Work Environment, Recognition and Satisfaction, and the Relationship with Management. The statements within each of these sections were to be answered using a five-point Likert scale ranging from *strongly disagree to strongly agree.*

Also included in the survey was a cover page designed to collect the demographic information discussed above (see Appendix B). An open-ended statement at the bottom of this cover page directed participants to make any additional comments on the back of the page if they so chose.

Data Collection Procedures

The researcher obtained the names and addresses of each of the employees within the four stores from a manager in each. The information was then entered into a spreadsheet and the random sample chosen from there. In order to collect the data, the surveys were sent to each of the employees in the random sample group. Included with the survey was a confidentiality form explaining that the results from the survey would be kept confidential as well as the identity of

the participants; a cover letter explaining the project and how the participant came to be chosen was also enclosed (see Appendix C). Also included was a postcard, addressed to the researcher's advisor, requesting the results of the survey be forwarded to the individual once completed. All of the return envelopes were addressed to the researcher's advisor so as to maintain the confidentiality further.

Participants were also sent a follow-up letter about two weeks later reminding them to fill out and return the survey if they had not yet done so (see Appendix D).

Data Analysis

A quantitative analysis method was used in compiling the results from the survey. The questions from the climate survey were used to determine how the organization was performing in regards to the interaction between the employees, including management. The sections of the survey were each directed at gaining specific knowledge in a certain area affecting the employees and their consequent performance and satisfaction.

Limitations

The participation in the study was completely voluntary; therefore, not all persons who received surveys completed or returned them. Although anonymity was guaranteed and confidentiality maintained throughout the process, some may not have felt confident that their responses would not be reported to upper management levels, and therefore did not complete a survey or answer as honestly as expected. There were a total of eighty-two surveys sent out, and thirty-three were returned, completed, to the researcher.

The results of the study are limited to the four XYZ stores based in the Eau Claire area; therefore an overall determination cannot be made about the entire company. Also, because only those four stores were included in the study, the findings of the survey, and subsequent recommendations, are based solely on those employees.

Chapter IV: Findings

This study was conducted to determine the current status of the organizational culture regarding leadership and recognition; what needs to change, and if the change is possible. There are many factors that are included in an organization's culture; however, there are some that are more influential than others such as leadership, trust, reward and recognition, and feelings of safety and security. When these factors are threatened, employees begin to lose morale and performance and satisfaction rates can decrease, causing an inefficient and ineffective organization. The survey instrument, developed and used by the researcher, was created to determine which of those factors could be identified as the most important, and what can be done to restore the culture to one that is satisfying and effective, if possible.

The following tables reflect the responses to each question for each section of the survey. Numbers are actual, not percentages. The tables also represent the stores collectively, not individually. The responses are based on the Likert scale used for the survey and are as follows SD-strongly disagree, D-disagree, N/U neutral/undecided, A-agree, and SA-strongly agree.

The first section in the climate assessment survey was personal commitment and performance. This section was designed to determine how the employees felt about their jobs on a basic level, nothing too probative, just basic questions about how they felt to be in the position they occupy. Questions included the following items - if they liked going to work, cared about doing a good job, enjoyed working for this particular company, took on extra jobs and responsibilities, were able to balance work and personal life, if the workload they had allowed

them to perform well, and if they thought that, as employees, they added anything to the

company.

Table 4.1 Personal Commitment and Performance

	SD	D	N/U	A	SA
I usually look forward to coming to work	1	-	3	20	8
I care about doing a good job	-	-	-	7	26
I enjoy working for this company	1	-	1	16	15
I willingly take on extra tasks and responsibilities	-	-	3	11	19
I am able to balance my work life and home life	-	3	3	15	12
My workload allows me to perform my job well	-	2	7	21	3
I feel my work adds value to the company	-	-	5	16	12

Overall, the responses were positive, suggesting that most of the employees within these

four stores generally like their jobs, and think they perform them well. Most of the employees

seemed to take their jobs seriously and felt as though they were a vital part of the company's

performance.

The four stores included in the survey were not equal with their responses however. Of

the four stores, there were two whose employees answered the questions in a similar manner,

Eau Claire A and Menomonie, the stores with the most and least employees, respectively.

Based on this particular section of questions, the employees in these two stores seemed to have a

more positive outlook on their positions within the company and their commitment to those

positions. The Eau Claire B and Chippewa Falls stores had more negative responses to the questions overall.

The second section of the survey focused on the work environment as it applies to coworkers and the general feeling of teamwork in each of the stores. Most people thrive in an environment that feels open and collaborative, this environment allows people to be themselves and still work with others in a productive way. As most people spend at least twenty-three percent of their time at work over the course of the week, the comfort level in the workplace is an important factor. Therefore, the questions in this section included the following- a sense of belonging at work, feeling like part of a team, if the employees work together to reach goals, how high the morale is, if there is good communication, how management is at keeping employees informed, and how comfortable they feel at work.

Table 4.2 Work Environment

Question	SD	D	N/U	A	SA
I am satisfied with my sense of belonging at work	1	1	2	17	12
I feel like I am part of a team	1	1	1	14	15
The employees work together to reach goals	2	1	5	18	7
The employee morale is fairly high	1	2	4	17	9
There is good communication in the store	2	6	5	15	5
Management keeps employees informed	2	4	5	18	4
I feel comfortable in my workplace	1	-	2	20	10

In this section there were many more negative responses to the questions than the previous one, particularly in regard to the communication question. Also, when asked about management keeping them informed, more people disagreed than they had before with other questions. Many more chose to respond neutrally to this set of questions than they had in the first section also.

Again, the two stores, Eau Claire A and Menomonie, had more positive responses to the questions than did the other two. In fact, of the 25 disagree or strongly disagree answers from this section, 11 came from the Eau Claire B store, 10 from the Chippewa Falls store. In contrast, 2 of the like answers came from Eau Claire A and 2, from Menomonie.

The third section of questions on the survey focused on the ideas of recognition and satisfaction. People like to be, and deserve to be, appreciated and valued for the jobs that they do. When people are told that they do a good job, they often strive to do more, which means that recognition of employees is directly related to performance. The questions in this section were designed to find out how the employees in each store felt about how they were recognized and to get a feel for the overall satisfaction levels. The questions included feeling recognized for the job they do, how important recognition is, whether individual contributions were rewarded, reward programs in place in the company, the sincerity of the recognition, if celebrations/events were common, and satisfaction about compensation.

Table 4.3 Recognition and Satisfaction

Question	SD	D	N/U	A	SA
I feel I am recognized for the job that I do	2	1	8	18	4
It is important to me that I am recognized	-	2	4	16	11
Individual contributions are rewarded	3	8	10	9	3
I am aware of reward programs within the company	1	7	7	14	4
I feel the recognition I receive is genuine	1	1	8	17	6
Celebrations/events are a common occurrence	6	8	10	6	2
I am satisfied with my compensation	3	3	10	14	2

This section yielded many more disagree answers than the other two. Many people felt

that their individual contributions were not rewarded within the store and almost as many

responded that they were neutral to the concept. Twenty-four percent of the employees surveyed

did not even know of the reward programs established within the company. A large amount of

the participants responded that celebrations and/or events did not take place within their

organization very often. There were many more neutral/undecided answers in this section than

the others, which could suggest a number of things including ambivalence to the concept of

recognition or confusion about the meaning of recognition.

There was quite a difference in the results for this section versus the others. In the

previous sections the Eau Claire A and Menomonie stores had been fairly close with the

responses; however, in this section the Eau Claire A store actually had the most disagree

responses than any of the other stores. The Menomonie store, on the other hand, had the lowest amount of disagree answers. And while Eau Claire A and Menomonie still had more positive answers than the other two stores again, Menomonie had more positive answers than the Eau Claire A store particularly regarding the idea of genuine recognition and celebrations/events.

As leadership is an extremely important factor in any culture, the last section of the survey concentrated on this idea, with a much longer list of questions than the previous three sections. To get an idea of what kind of leadership exists within each of the stores, the survey posed various questions to the participants regarding their management teams. Some of the questions in this section included are management supportive, do they care about me as an individual, do they treat employees with respect, can they be trusted, and do they work as hard as they expect others to.

Table 4.4 Relationship with Management

Question	SD	D	N/U	A	SA
I feel management cares about me as an individual	2	1	2	19	9
Management is supportive of my performance	2	2	1	20	8
My ideas/suggestions are taken seriously	2	-	8	18	5
Management treats employees with dignity and respect	2	-	4	19	8
Management regards each employee as important	2	1	7	17	6
Management has the respect of the employees	2	2	7	13	9
Management can be trusted	2	1	2	17	11

I feel management would make personal sacrifices for the team	3	3	4	17	6
Management includes themselves as part of the overall team	1	3	3	15	11
Management works as hard as they expect employees to	-	1	2	17	13
I feel comfortable approaching management with concerns/questions	2	1	4	14	12
Management works as a team to reach the same goals	1	2	5	14	11

The responses for this section were quite positive, most people agreed that management was part of the team, could be trusted, were supportive, treated employees with dignity and respect, cared about the employees, and that they work as hard as they expect the employees to. Overall, the management within the stores seems to be respected by the employees. Of course, not all of the answers were positive. Of the 38 disagree or strongly disagree responses, 16 were from the Chippewa store, 12 from the Eau Claire B store. The Eau Claire A and Menomonie stores with 6 and 4 disagree responses, respectively.

The overall results obtained through this climate assessment of XYZ Company were positive. A couple of the stores seem to have a healthy organizational culture, while the others do not. A discussion of the factors of organizational culture and recommendations for improvement based on the survey results will be discussed in the next chapter.

Chapter V: Discussion

As it has been discussed throughout this paper, there are many factors that contribute to an organization's culture including, but not limited to: leadership, employee satisfaction, work environment, and recognition and reward programs. These factors determine the health of the organization and any, or all, of them can lead to a downturn, a decrease in employee performance. Based on the results of the survey, the researcher will make recommendations regarding possible areas of improvement. These improvements may prove to be beneficial to the overall health of the organizations.

Limitations

Although the research collected is informative and gives the researcher important information about the stores, it is necessary to remember that not all information can be provided through the research. The survey was used to gain insight into the feelings and perceptions of the employees within the stores. The survey results do not explain why the employees answered the questions they way that they did. The questions may have been interpreted differently than the researcher intended. The participants may have also been confused by the goal of the question and therefore may have answered neutral/undecided.

Also, because there are at least three managers in each store, employees may have had a difficult time answering the questions regarding management. Because each manager has his/her own style, it might have been difficult to choose an answer to best describe the overall management within the store. These limitations may have led to inaccurate results readings.

Conclusions

Within each of the four stores included in the assessment there is a culture, a culture that includes leadership, employees, work environment, and recognition and reward programs. However, the factors within those four stores are not the same throughout. Based on the survey results, the Eau Claire A and Menomonie stores seem to have the more stable, employee-friendly cultures while the Eau Claire B and Chippewa stores appear to be struggling in this area.

In each of the stores, employees responded that they cared about their jobs and performing them well. The first section of the assessment regarding the personal commitment and performance scored very highly for all of the stores. Therefore it is safe to assume that most employees feel that their jobs are important and that they are important to the organization. However, it is not enough for the employees to feel that way if they are not treated that way by the leadership staff.

Although the research shows that the employees feel they are important to the organization, it also shows that they do not feel that they are part of a strong team. The research indicates that the employees need to work together more, so that they feel part of something bigger. The employees need to become a team that is working toward common goals rather than being individuals performing their very own tasks.

Another issue suggested by the research is that the communication in all four of the stores needs to be improved. This includes top down communication, meaning that the management needs to keep the employees informed about what is happening at not only a store level, but

corporately as well. When employees have more information, they feel that they have more ownership and autonomy and the translation is that employees will perform better and be more satisfied.

The results of the climate assessment show that the greatest issue affecting these stores is the lack of recognition and rewards within the organization. That particular section of the climate assessment yielded the most negative responses from all of the stores. A recognition and reward system would help the employees feel more appreciated and, particularly if celebrations are included, would make great strides toward a team atmosphere.

Recommendations

The primary recommendation to the organizations based on the climate assessment results is to develop an employee recognition and reward system that includes celebrations. Celebrations are a vital part of recognition and rewards and can go a long way in uniting employees. Celebrations can provide an opportunity for building relationships, give employees a sense of the organization's history, help people to look toward the future, celebrate milestones, reduce stress, inspire motivation and reenergize people, build self-confidence and remove fear, and can help mourn the losses associate with change (Freiberg & Freiberg, 1996). When employees come together to celebrate events they have something to share, something in common, which helps them feel like a team. Building a team means building relationships, and doing so between the people in an organization can lead to greater performance and higher satisfaction; which can mean a better bottom line. As a part of Southwest Airlines Culture Committee, Terry Millard explains it this way - "If you want your company operating at

maximum efficiency, you have to have trust. In order to have trust, you must have some kind of relationship. So all the things we celebrate give us opportunities to establish and strengthen our relationships" (Freiberg & Freiberg, 1996 p. 178).

As for recognizing and rewarding employees within the organization, the right kinds of each are critical to showing the employees that they are important. Recognition and rewards must be given as a motivation, and must be sincere in delivery, or they will fall short of their intended goal. Involving employees in designing and implementing such a reward program would also go a long way in showing that their opinions are respected and would provide more opportunities for building relationships with each other, contributing to a team mentality.

Another recommendation for the leaders of the organizations is to evaluate the communication flow within their respective stores and determine how much of the information that comes to them makes its way to the employees on the floor. "Information is power: it equips people to do their jobs better" (Freiberg & Freiberg, 1996 p. 285). When the employees who are in direct contact with customers have access to important information they have the knowledge they need in order to come up with a solution for the customer, making the customer happy without having to cut through the red tape. Knowledge about the organization - how it runs, how profits are made, etc - creates a feeling of ownership and responsibility, which are great motivators for performance service. Information can help employees work toward the common goals of the organization, as a team, once again building the relationships within the organization and ensuring its success at the same time.

The organizations, collectively or individually, could develop their own surveys in order to learn more information about the identified areas of concern. This type of survey might include open-ended questions that would allow the employees to offer suggestions about the issues. This may provide leaders of the organization a starting point for making changes within the organization.

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Appendix A

Corporate Culture and Performance Survey

This section of the survey will consist of questions related to your job and the workplace. Please respond to each question as it applies to you, based on the following scale:

1 – SD = Strongly Disagree   4 – A = Agree
2 – D = Disagree   5 – SA = Strongly Agree
3 – N/U = Neutral/Undecided

Personal Commitment and Performance	Responses SD D N/U A SA
	1 2 3 4 5
I usually look forward to coming to work................................	1 2 3 4 5
I care about doing a good job..	1 2 3 4 5
I enjoy working for this company.......................................	1 2 3 4 5
I willingly take on extra tasks and responsibilities.......................	1 2 3 4 5
I am able to balance my work life and home life.........................	1 2 3 4 5
My workload allows me to perform my job well.........................	1 2 3 4 5
I feel my work adds value to the company...............................	1 2 3 4 5

Work Environment	Responses SD D N/U A SA
I am satisfied with my sense of belonging at work.....................	1 2 3 4 5
I feel like I am part of a team..	1 2 3 4 5
The employees work together to reach goals............................	1 2 3 4 5

The employee morale is fairly high…………………………………… 1 2 3 4 5

There is good communication in the store………………………….. 1 2 3 4 5

Management keeps employees informed…………………………… 1 2 3 4 5

I feel comfortable in my workplace……………………………… 1 2 3 4 5

Recognition and Satisfaction	Responses SD D N/U A SA				
	1	2	3	4	5
I feel I am recognized for the job that I do…………………………	1	2	3	4	5
It is important to me that I am recognized………………………….	1	2	3	4	5
Individual contributions are rewarded..…………………………….	1	2	3	4	5
I am aware of reward programs within the company…………….........	1	2	3	4	5
I feel the recognition I receive is genuine………………………….	1	2	3	4	5
Celebrations/events are a common occurrence……………………..	1	2	3	4	5
I am satisfied with my compensation……..…………………….…...	1	2	3	4	5

Relationship with Management	Responses SD D N/U A SA				
I feel management cares about me as an individual………………….	1	2	3	4	5
Management is supportive of my performance………………………	1	2	3	4	5
My ideas/suggestions are taken seriously……………………………	1	2	3	4	5
Management treats employees with dignity and respect……………..	1	2	3	4	5
Management regards each employee as important……………………	1	2	3	4	5

Management has the respect of the employees............................ 1   2   3   4   5

Management can be trusted.. 1   2   3   4   5

I feel management would make personal sacrifices for the team......... 1   2   3   4   5

Management includes themselves as part of the overall team............. 1   2   3   4   5

Management works as hard as they expect employees to.................. 1   2   3   4   5

I feel comfortable approaching management with concerns/questions... 1   2   3   4   5

Management works as a team to reach the same goals..................... 1   2   3   4   5

Appendix B – Demographic Page

Thank you for participating in this survey.

You may use either a pen or pencil to complete the questions. This survey focuses on the culture of the location in which you work and its impact on your performance within your job. All information provided by you will be used for data collection purposes only and will be kept strictly confidential.

Please complete the following background information prior to proceeding to the rest of the survey. Circle the answer that best describes you.

1. What is your age?
   a. 16-25   b. 26-40
   c. 41-60   d. 61 and over

2. How long have you worked at your current job?
   a. Less than a year   b. 1-3 years
   c. 4- 10 years   d. Longer than 10 years

3. How many hours a week do you work?
   a. 0-10   b. 11-20
   c. 21-31   d. 32-40+

4. Are you a student?
   a. Yes   b. No

5. In what department of the store do you work? (Optional)
   a. Cosmetics   b. Photo
   c. Service (front) d. Management
   e. Sims

Please write any comments/concerns/examples related to responses on the back of the survey.

Appendix C – Cover Letter

1316 Kausrud Street
Menomonie, WI 54751
(715) 308-1525

April 28, 2007

«FIRST_NAME» «LAST_NAME»
«ADDRESS»
«CITY», «STATE» «ZIP_CODE»

Dear «FIRST_NAME»,

As a graduate student at the University of Wisconsin-Stout, as well as an assistant manager at the Menomonie Walgreens, I am conducting a study to identify the extent an organization's culture has on its employees; particularly which elements have an impact on employee performance and satisfaction. This survey is designed to determine what is important to you as an employee and what you think is necessary in order to have a productive workplace/organization. Your honesty is important in order to produce accurate results.

As an employee for this particular retail chain, your name was randomly selected as one of the participants in this project. Your responses are both valued and appreciated, and therefore, will be kept completely confidential, and will be used for data collection only.

Enclosed is a three-page questionnaire. Responding to this survey should take approximately fifteen minutes. I am asking that you complete and return the survey by May 20th in the self-addressed, stamped envelope provided.

As a participant, you may request a summary of the results by returning the post card provided in this mailing. If you have any questions about the survey, please feel free to write or call. My phone number is (715) 308-1525.

Thank you for your help and cooperation.

Sincerely,

Darlene Fowler

Appendix D – Follow-up letter

1316 Kausrud Street
Menomonie, WI 54751
(715) 308-1525

May 10, 2007

«FIRST_NAME» «LAST_NAME»
«ADDRESS»
«CITY», «STATE» «ZIP_CODE»

Dear «FIRST_NAME»,

About a week and a half ago, I wrote to you seeking your opinion in a survey regarding organizational culture, its elements, and the effects on employee performance and satisfaction.

I would like to encourage you to complete the survey and return it by May 20th. The information you provide will be critical to the study. Again, the information provided will be kept completely confidential.

In the event that your questionnaire or response envelope has been misplaced, you may contact me at (715) 308-1525 and I would be happy to send another copy. If you have already completed and returned the survey, please disregard this letter.

Thank you again for your cooperation.

Sincerely,

Darlene Fowler

Appendix E

Table 4.1 Personal Commitment and Performance

	SD	D	N/U	A	SA
I usually look forward to coming to work	1	-	3	20	8
I care about doing a good job	-	-	-	7	26
I enjoy working for this company	1	-	1	16	15
I willingly take on extra tasks and responsibilities	-	-	3	11	19
I am able to balance my work life and home life	-	3	3	15	12
My workload allows me to perform my job well	-	2	7	21	3
I feel my work adds value to the company	-	-	5	16	12

Table 4.2 Work Environment

Question	SD	D	N/U	A	SA
I am satisfied with my sense of belonging at work	1	1	2	17	12
I feel like I am part of a team	1	1	1	14	15
The employees work together to reach goals	2	1	5	18	7
The employee morale is fairly high	1	2	4	17	9
There is good communication in the store	2	6	5	15	5
Management keeps employees informed	2	4	5	18	4

I feel comfortable in my workplace	1	-	2	20	10

Table 4.3 Recognition and Satisfaction

Question	SD	D	N/U	A	SA
I feel I am recognized for the job that I do	2	1	8	18	4
It is important to me that I am recognized	-	2	4	16	11
Individual contributions are rewarded	3	8	10	9	3
I am aware of reward programs within the company	1	7	7	14	4
I feel the recognition I receive is genuine	1	1	8	17	6
Celebrations/events are a common occurrence	6	8	10	6	2
I am satisfied with my compensation	3	3	10	14	2

Table 4.4 Relationship with Management

Question	SD	D	N/U	A	SA
I feel management cares about me as an individual	2	1	2	19	9
Management is supportive of my performance	2	2	1	20	8
My ideas/suggestions are taken seriously	2	-	8	18	5
Management treats employees with dignity and respect	2	-	4	19	8
Management regards each employee as important	2	1	7	17	6
Management has the respect of the employees	2	2	7	13	9

Management can be trusted	2	1	2	17	11
I feel management would make personal sacrifices for the team	3	3	4	17	6
Management includes themselves as part of the overall team	1	3	3	15	11
Management works as hard as they expect employees to	-	1	2	17	13
I feel comfortable approaching management with concerns/questions	2	1	4	14	12
Management works as a team to reach the same goals	1	2	5	14	11