



## Organizational Culture Assessment

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### Abstract

Organizational culture, embedded in how work gets done, enables or disables an organization from reaching desired successes. This assessment aims to examine the current and desired culture of a small, privately owned consulting organization. The Organizational Culture Assessment Instrument (OCAI) results show that the current and desired culture align from an employee perspective, but changes are needed to reach the desired goals. We present recommendations to promote aligned cultural dimensions, including the preference for a clan culture while shifting toward a market culture.

Keywords: culture, organizational culture, OCAI, consulting

Porter (1980) argued that for organizations to achieve financial returns, they must find a strategy to defend against the forces driving industry competition: current competitors, new entrants, bargaining power of suppliers, bargaining power of buyers, and the threat of substitute products or services (p. 36), now known as Porter's Five Forces. However, many successful organizations did not compare well to their competitors in all of these areas but were successful because of their organizational culture (Cameron & Quinn, 2011, pp. 3-5). Cultures of different types found success in different environments. Organizational culture is embedded in how work gets done and in a group's history (Schein, 2017, p. 29). Understanding the current cultural state and the desired culture and managing culture change to improve performance led to organizational success (Cameron & Quinn, 2011, p. 7). This organizational culture assessment examined an organization's culture to explore its current likelihood of success and the change needed to lead to future success.

## Organizational Overview

The participating organization is a consulting organization providing services, including strategy development, meetings and events, change management, talent activation, interactive engagements, and brand delivery to connect an organization's people to the company's brand, strategies, and culture. The chief executive officer is the founder and owner of the organization, which is celebrating its 21st birthday in 2023. Most employees reside locally and work at the office at least 3 days per week. Six employees live in other states. Some employees frequently travel for work when the clients and projects they are engaged in require it, although much client interaction occurs via virtual meetings and asynchronous communication. Those who live elsewhere travel to the office at least twice per year.

The organization's background and expertise lie in the hospitality industry, with long-time clients working in hotels, senior living, and automotive manufacturing. It has newer clients employed by healthcare and property management organizations. Before the pandemic, it struggled to expand beyond three primary client organizations but now works within 19 organizations. Its target client organizations are large, with annual revenues of \$1 billion. Its target clients are leaders who own their functions and budgets, are overwhelmed and understaffed, seek a safe, smart outlet for thinking, and need to drive outstanding results.

The organization's average project budget is \$50,000. However, it is common for the organization to work with smaller organizations and smaller budgets, and the organization has several much larger retainer budgets with long-term client organizations. The organization exceeded its revenue goal of \$4.6 million in 2023. Its work includes extensive engagements with leaders to conduct organizational assessments, create learning strategies, and design internal events for thousands. It also creates custom solutions such as e-learning modules, conference breakout facilitator materials, inclusion and belonging communications, and technical job aids.

## Survey Process

The author received permission from the organization's chief executive officer, who owns the organization, and the chief human resources officer to distribute the survey to all employees on December 16, 2022. The organization's leaders have a strong interest in continuing to learn about the organization's culture and desire to change. Employees are eager to gain experience using the Organizational Culture Assessment Instrument (OCAI) as they engage with clients in culture work and want to be sure they are well-versed in related tools.

The OCAI was distributed electronically to all employees on December 30, 2023. A Microsoft Teams post requested survey completion by January 20, 2023, via a survey posted on jotform.com. The author posted reminders to Microsoft Teams on January 3, January 9, and January 13 and had several individual conversations with employees. Since the initial distribution of the survey, six employees joined the organization. The new employees did not complete the survey as they had limited experience with the current state. By January 20, 20 employees had completed the survey.

## OCAI Results

The organization has a dominant clan culture with an internal focus and a lean toward flexibility and discretion (Cameron & Quinn, 2011, p. 81). It has relatively equal secondary adhocracy, market, and hierarchy cultures, as illustrated in Figure 1. The individual attributes of culture (Cameron & Quinn, 2011, p. 77) did not deviate far from the dominant culture type in shape, showing cultural congruence (Cameron & Quinn, 2011, pp. 84–85). Compared to the average culture plot of more than 1,000 organizations (Cameron & Quinn, 2011, p. 87), the organization is much more clan-oriented and less market-oriented. It also extends slightly toward an adhocracy but not to an extreme.

The preferred responses extended even more into the clan space than the current state in the dimensions of organizational characteristics, organizational leader, strategic emphasis, and criteria for success. Additionally, the dimensions of organizational characteristics, organizational glue, strategic emphasis, and criteria for success shifted slightly away from a hierarchical preference toward adhocracy. There were no shifts toward a more hierarchical focus. Only the criteria for success dimension shifted slightly toward a more robust market focus. The management of employees dimension was almost the same between now and the preferred state.

Overall, employees' responses were consistent in the survey. The relative number spread across categories was similar. However, there were individual outliers who were interesting to investigate. In the dominant characteristics dimension, most respondents reported a relatively even spread. However, one respondent placed 60 points in the organization's results orientation, and three others placed five points in the organization's focus on being dynamic and entrepreneurial (Cameron & Quinn, 2011, p. 30). These responses were not recognized in averaging the data but may indicate that a few individuals view the organizational culture differently than many others.

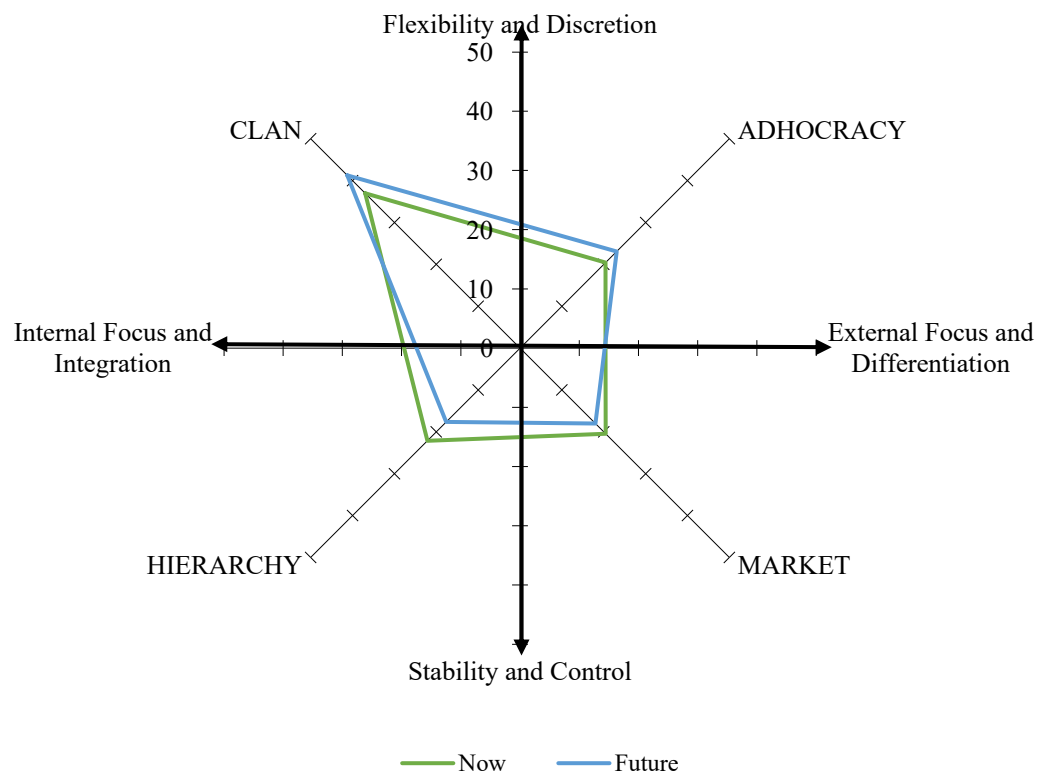
Most respondents provided similar responses between the current and desired future state, but several individuals indicated a need for more significant shifts. For example, in the management of employees dimension, four individuals had a larger-than-20-

point shift, with three respondents increasing and one respondent decreasing their response to "the management style in the organization is characterized by teamwork, consensus, and participation" (Cameron & Quinn, 2011, p. 31). In the criteria of success dimension, there were nine respondents with significant shifts in both directions in response to how the organization defines success based on the development of human resources, teamwork, employee commitment, and concern for people, ...the organization defines success on the basis of winning in the marketplace and outpacing the competition, ... [and] the organization defines success on the basis of efficiency. (Cameron & Quinn, 2011, p. 32)

These individuals may be organizational change masters with "the ideas that move beyond the organization's established practice, ideas they can form into visions" (Kanter, 1983, p. 28). If they are not the change masters, they might at least be bellwethers, providing the fuel and signaling shifts for the organization. They may be helpful with potential organizational changes to come.

### Figure 1

#### *OCAI Results*



## The Organization's Culture

The organization's culture closely fits the clan profile (Cameron & Quinn, 2011, p. 75) with a friendly, welcoming atmosphere. Individuals have personal relationships with one another. Commitment, cohesion, and morale are essential. Groups meet to work together, and an individual makes few decisions independently but collaborates with others to gain alignment. The organization's risk-taking shows a secondary prominence of adhocracy. The organization values being creative and bringing new ideas to clients but together, not by an individual on their own. Market culture can be seen in leaders' desires to hold a stellar reputation in the eyes of all stakeholders. The organization's strong project management and coordination focus illustrates the hierarchy culture. This focus is often a pleasant surprise for clients who spend far more time managing other creative partners and vendors with whom they engage.

As a consulting firm, the organization serves other organizations, and employees sometimes work as representatives of those organizations. For example, employees are learning management systems administrators for two key clients, and when interacting with end users of the systems, they represent the client organization. Therefore, employees need to be a part of the organization's culture and have the flexibility to fit into clients' cultures as well.

The organization's products are custom-made for each client; the organization does not offer an off-the-shelf solution. Clients value the organization's creativity and smart thinking. However, while products are unique, consistent processes allow the organization to price its services accurately. Additionally, with consistent processes, employees understand the work done across the organization and can step into projects where their talents are needed. The push and pull between hierarchical processes to control the work and adhocratic thinking to create solutions results in organizational effectiveness (Cameron & Quinn, 2011, p. 93).

## Cultural Analysis and Action Plan

The organization's OCAI results show organizational alignment between the current and preferred states. There is little call to make organizational changes within the survey results. However, the survey timing of December 2022 and January 2023 may have impacted these responses. Employees have persevered through the pandemic by acting as a team in the 3 prior years. Despite substantial financial losses for the organization, the owner ensured that employees kept their jobs. The clan culture is strong. This year looks like a turning point for the organization, returning to a healthy financial position. It may result in a shifting culture.

As the organization realizes profits, the culture may shift from an inward focus toward a more client-centered one. This shift is not unusual for clan cultures. Szabó and Csepregi (2015) found that individuals in project management organizations with clan cultures seek to increase organizational effectiveness by paying more attention to clients' needs and competitors' offerings (p. 603). Additionally, Schein (2017) explored how organizations shift as they find success and age, including employees becoming less familiar with the work others are doing, leaders seeking more consistency across the organization, and the organization struggling to align team needs to the strategic direction (pp. 208–210). Increasing organizational effectiveness by focusing equally on supporting aspects of the organization's clan and market culture while focusing less on aspects of its hierarchical and adhocracy tendencies may result in the organization being like those Cameron and Quinn (2011) noted as "supportive of and [developing] their employees (clan) but also demanded output and achievement from them (market)" (p. 93). The challenge for the organization and its leaders is maintaining the current culture's valuable elements while growing its profitability. Based on the survey results, with the current and preferred state closely aligned, part of this challenge may be convincing employees of the need to shift and manage the resulting change.

### **Leader Actions**

To shift toward a market culture, the leader can utilize the strengths of the clan culture that is in place by engaging employees to explore competitor strengths and suggest performance improvements. In making this shift, the owner has already initiated many activities, including engaging an external marketing agency to measure customer satisfaction, holding focus groups with existing clients, and shifting to make customer information more accessible through the organization (Cameron & Quinn, 2011, p. 214). Potential future actions the leader can take to increase the market focus include analyzing the organization's current competitors and sharing it with the organization. This analysis should include comparing the competitors to the organization in terms of time and costs to create products, along with examining the best products of competitors (Cameron & Quinn, 2011, pp. 214–215). The organization's competitors include other consulting firms, creative vendors, and clients' internal teams.

As a follow-up to this body of work, the owner may “establish a performance improvement program in which every employee is asked to suggest items that lead directly to increased profitability, productivity, quality, or responsiveness” (Cameron & Quinn, 2011, p. 215). This program will enable employees to share ideas while aligning thinking to the organization's clan and market focus. It may also support the development of employees' entrepreneurial orientation, encouraging their proactivity and risk-taking while working within the clan and market culture (Khedhaouria et al., 2020, p. 525).

Additional recommendations include conducting a critical assessment of current and planned work with consistent measurement and accountability plans for senior leaders at a future retreat, developing an existing customer-focused communication strategy that enables clients to understand the organization's products and services better, and evaluating the contributions to the organization's competitiveness of each group to determine where each should improve (Cameron & Quinn, 2011, pp. 215–216). These steps will enable the leader to shift the organization's focus to include more of an external perspective while involving employees. Employees will feel included and knowledgeable about the shift, perhaps the essential part of the change effort.

It is worth noting that the leader acts benevolently and is concerned about ensuring employees' mental, physical, and emotional health and the health of their families. A market culture is negatively correlated to benevolent leadership, while a clan culture is positively correlated (Lee & Ding, 2022, p. 16). It will be necessary for the leader to maintain the clan culture while emphasizing the market culture. Therefore, instead of decreasing the emphasis on clan culture to increase the emphasis on market culture, the goal should be to narrow the focus to less hierarchy and adhocracy.

### **Organizational Actions**

As the leader works to balance the organization's internal and external focus with a shift toward a more balanced clan-market culture, the organization can enable that shift by continuing to balance the pulls toward hierarchy and adhocracy. Employees can ensure that the shift toward a market focus does not unnecessarily increase hierarchical controls or adhocratic practices. Careful measurement of profitability, client satisfaction, and employee engagement will be essential to understand the success, but the organization cannot overemphasize hierarchical bureaucracy in nonmarket and clan areas. Creative and smart innovation must continue taking place in the organization, but it must occur collaboratively between employees and bring value to customers. Alignment to the focus of expanding the organization's market focus without losing its clan focus is vital to allow it to continue being a culture-driven, effective organization.

To establish shared dominance of the clan and market cultures while decreasing the adhocracy and hierarchy focus for the organization, the human resources function will continue to emphasize employee recognition and involvement in decision-making (Davis & Cates, 2018, p. 86). From a financial perspective, the organization must continue a central focus on measures and critical goals rather than necessarily requiring the same methods to reach those goals. The organization needs to align around less change, data collection, and procedures that are not aligned with building the internal community or knowledge about competitors (Davis & Cates, 2018, pp. 86–87). There is no space for data collection that does not align with the strategy.

## Conclusion

The organization is well-positioned to continue growing consultants to lead behavioral change efforts for clients within people-centered organizations. Its clan culture will continue to serve the organization. Changes include future growth and may shift toward a market-driven culture (Cameron & Quinn, 2011, p. 67) with a decreased emphasis on hierarchical and adhocracy culture. These changes will require "the insider change leaders to understand their culture at a detailed level and especially to identify various stable elements that were the source of the company's success" (Schein, 2017, p. 41) while being humble to others' skills and ideas in moving the organization forward (Schein, 2017, p. 230). Careful attention to this shift will allow the organization and the employees who work within it to succeed.

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### Author Information

Allison Schlansker Farr is pursuing her doctoral degree in organizational leadership at Indiana Wesleyan University. She serves as a senior consultant at Think Up Consulting, focusing on supporting clients in delivering their vision through their people with support in change management, strategic design, and learning strategy. Allison has a background in education and learning, nonprofit leadership, and consulting. Her research interests include positive organizational scholarship, strategic alignment, organizational design, and leadership capability. Allison lives with her husband and three teens in Greenville, South Carolina.

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