

FACTORS OF ORGANIZATIONAL CULTURE CHANGE

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Abstract. *Organizational culture has a significant impact on the organization members' life and in general it helps a company to achieve positive financial results. Organizational culture is very important in achieving internal integration and implementation of the strategy of adaptation in the external environment. Therefore a lot of companies explore their organizational culture and leaders, if needed, seek consciously to form, develop and change organizational culture.*

The aim of the article is to analyze the theoretical attitudes towards organizational culture change, to present research results of furniture manufacturing company's organizational culture, to describe the aspects that had impact on the organizational culture change and the matrix of organizational culture management.

The object of the research is factors that have impact on the organizational culture change.

Methods of research: analysis and generalization of literature, opinion survey of organization members by means of the designed questionnaire and in-depth interview as well as comparative analysis.

Results of the research show that organizational culture change during 2006–2008 can be described as the movement from the "hierarchy" type towards "adhocracy" type and the main factors that had made impact on the organizational culture change were persons from outside incorporated in the organization and the installation of new technology. The main conclusion of the article is that it is important to establish and ensure continuous monitoring of the organizational culture, to estimate factors that have impact on the organizational culture change and to establish the matrix of organizational culture management in order to manage organizational culture in the right direction.

Key words: *organizational culture, organizational culture change, factors of organizational culture change, organizational culture management.*

Introduction

Organizational culture is one of the most important factors of company's success or failure. Each company has an organizational culture, and depending on its strength, the organizational culture may have a prominent impact on the members of organization, their values and behavior.

Organizations can be flexible or stagnant, innovative or conservative, focusing on their external or internal environment. Making research in the organizations scientists have realized recently the important role of organizational culture in the lives of organization members and in general the contribution of organizational culture

into the company's successful performance. Nowadays due to the changes of micro and macro environments the formation of strong, integral, based on common values organizational culture becomes increasingly relevant to ensure the success of the whole company. That is why a number of companies conduct research of their own organizational culture, and their leaders attempt to manage their organizational culture consciously – to form, develop and change it, if necessary.

The purpose of the research is to investigate the organizational culture (the case of furniture manufacturing company), to make comparative analysis of organizational culture in the years 2006 and 2008, to identify and describe the changes of organizational culture and the factors that had impact on it, to create a matrix of organizational culture management.

Theoretical aspects of organizational culture change

The factors that form organizational culture and have impact on it are presented and grouped in the scientific literature differently. The examination of the various sources of scientific literature suggests that the said factors fall into three groups (Schein, 2004; Driskill and others, 2005, p. 53; Schabracq, 2007, p. 31–37):

1. Factors indirectly influencing organizational culture (macro-environment of an organization).
2. Factors directly influencing organizational culture (micro-environment of an organization).
3. Factor of leader's impact (primary and secondary mechanisms, methods of the change of the organizational culture).

Factors indirectly influencing organizational culture – macro-environment of an organization - consist of economic, social-cultural, political-legal, scientific-technological, natural environment and international events. Factors directly influencing organizational culture can be described as the micro-environment of an organization, which consists of consumers and customers, partners and other organizations (Driskill and others, 2005, p. 53). The third factor that has impact on the formation and change of organizational culture are leaders of the organization: i. e. beliefs, values and their building techniques brought by organization founders and later by its new leaders.

One of mysterious aspects of the organizational culture is that two companies, operating in the same environment, producing similar products by means of similar technologies and having similar origin of founders, function quite differently in the long term (Schein, 2004, p. 225). The reasons for this are different attitudes, values and goals of the founders and leaders of the organizations. The biggest influence on the formation of organizational culture is exerted by the organization founders (Robbins, 1993, p. 609; Driskill and others, 2005, p. 171). The founders not only design the basic purpose of the organization and the environment in which it functions, they also select other members of the organization, and shift their work and efforts in the direction necessary for the organization. There are managers who create an organization and develop an organizational culture by using such personal characteristics as charisma (Schein, 2004, p. 245). Charisma can be described

Table. Mechanisms embedding beliefs and values of leaders

<i>Primary establishment of culture mechanisms</i>	<i>Secondary expression and reinforcement of culture mechanisms</i>
1. What leaders pay attention to, measure, and control	1. Organization design and structure
2. How leaders react to critical incidents	2. Organizational systems and procedures
3. Observed criteria by which leaders allocate scarce resources	3. Organizational rites and rituals
4. Deliberate role modeling, teaching, and coaching	4. Design of physical space, facades, and buildings
5. Observed criteria by which leaders allocate rewards and status	5. Stories, legends, and myths about people and events
6. Observed criteria by which leaders recruit, select, promote, retire, and excommunicate organization members	6. Formal statements of organizational philosophy, values, and creed

as CEO’s ability to attract the attention of the subordinates and to pass on to them the most important values and beliefs. However, not all leaders have charisma, therefore, they use other mechanisms in the formation and development of the organizational culture. The Table shows that mechanisms embedding beliefs and values of leaders can be divided into primary (establishment of culture) and secondary (expression and reinforcement of culture) mechanisms (Schein, 2004, p. 246). Primary culture-embedding mechanisms are the most important tools that managers can use to train members of the organization, how they should understand, think, feel and behave in line with their own beliefs.

All primary mechanisms for the strengthening of organizational culture are closely interrelated and affect one another. Their division into six groups shows how leaders can shape and develop organizational culture. As researcher of organizational culture E. Schein states that there is no need to develop special training courses for the

new members to understand and learn the assessed values of the organization: the values of the organization are clearly visible in the daily work (Schein, 2004, p. 262).

Secondary cultural expression and reinforcement mechanisms (organizational structure, systems, procedures, rituals, stories) in a young and growing organization maintain and strengthen the primary mechanisms that created organizational culture, but they do not form it. On the contrary, in mature and stable organization the secondary mechanisms become the primary ones for the formation of organizational culture (Schein, 2004, p. 262). Secondary expression and reinforcement of organizational culture mechanisms (organizational structure, procedures, rituals, physical space, and stories) are not as strong and clear as the primary mechanisms. In order to understand properly the secondary mechanisms monitoring of organizational leaders and their real behavior has to be undertaken; secondary mechanisms also

reveal much to the new members about the organization and its culture. It is important that secondary mechanisms may help managers to strengthen primary mechanisms, but forming an organizational culture managers can never start from the secondary mechanisms.

Culture of the company, which was designed and developed by the leaders, is usually fairly stable and rooted, it is difficult, although possible, to change it. Organizational culture is firmly anchored in values and attitudes to which the workers are accustomed and committed. Organizational culture is also protected by many other factors such as rituals of the organization, designed physical space and facilities, philosophy of the statute, promotion and recruitment practices, organizational structure. Thus, the organizational culture can be a direct or at least indirect result of the actions taken by the organization founders/ leaders.

It is important to discuss the root causes, which may lead to the fact that organizational culture must be changed. First, the organizational culture must be replaced because the company's core values due to the change in company's macro-environment and micro-environment are no longer ensuring the success of its operations and competitiveness (Luthans, 1989, p. 55, Burton and others, 2004). In fact, the need to change the organizational culture arises when indicators show the declining efficiency of the organization and it suffers a financial loss (Robbins, 1993, p. 625; Driskill and others, 2005, p. 142). Thus, the organization needs to adapt to the changing environmental conditions or it may not survive. Second, the organiza-

tion founders and managers do not always develop a strong organizational culture, therefore, in such cases for the company to survive a new leader must be appointed and he/ she will establish a strong organizational culture (Luthans, 1989, p. 53, Robbins, 1993, p. 625). In general, to change weak organizational culture is much easier than the strong one, which is deeply rooted in the consciousness of organization members and is placed in the organization under the procedures, physical layout of the buildings, etc.

In organizational culture change process leaders must be change agents and they must be able to change the organizational culture, to convey new values and new ways of behavior to the organization (Schabracq, 2007, Cameron and others, 2006; Driskill, 2005). E. Schein describes in detail the important role of organization leaders/managers: the role of the leader in the organizational culture change process varies depending on the different stages of organization development. It is important to analyze what factors might help leaders to influence organizational culture change. First, managers can change organizational culture by using primary culture establishment and secondary culture expression as well as reinforcement mechanisms. However, when due to the past success organizational culture has stabilized, leaders notice that organizational culture change becomes more and more difficult, cultural change requires more resources, time, efforts and other ways to accomplish it. Thus, depending on the stage of organization development (the establishment and early development, growth and maturity) ten ways to change organizational culture can be identified

Development stages of organization	Establishment and early development of organization	<ol style="list-style-type: none"> 1. Incremental change through general and specific evolution 2. Insight 3. Promotion of hybrids within culture
	Growth of organization	<ol style="list-style-type: none"> 4. Systematic promotion from selected subcultures 5. Technological seduction 6. Infusion of outsiders 7. Scandal and explosion of myth
	Maturity of organization	<ol style="list-style-type: none"> 8. Turnarounds 9. Mergers and acquisitions 10. Destruction and rebirth

Picture 1. Change mechanisms of organizational culture

(Schein, 2004, p. 291; Kasiulis and others, 2003, p. 127) (see Picture 1).

In establishment and early development stage organizational culture is a positive and strong force, which must be further developed. In the growth stage subcultures form in organization and at this stage managers can choose the acceptable values from subcultures and change organizational culture in the needed direction. In maturity stage the major part of the elements forming the organizational culture must be changed.

In order to make the change of the organizational culture effective, employees should be involved; the results already achieved should be constantly highlighted; efforts should be made to infiltrate the organization and feel every aspect of it; it should be shown that there are no losers and every change is only for the best; employees should be encouraged to devote themselves to the new ideas and the focus on the desired culture should be constantly maintained (Armstrong, 2001, p. 125; Burton and others, 2004, p. 315).

In order to change the organizational culture the leader must first know what

elements the culture contains. Employees should be encouraged to change the old organizational culture and implement the new ideas, therefore they should be included into the organizational culture change process, and new organizational culture should not be “imposed” to them. Organizational culture change “from the grass-roots”, takes a considerable time: at least 3–5 years. It is important to remember that values, behavior and actions of the leaders speak for themselves: workers receive significantly more information from their leaders’ real behavior than they would obtain only from the words spoken.

Research methodology

To identify the change aspects of the organizational culture the research of the organizational culture in the furniture manufacturing company was made by means of quantitative and qualitative research methods. The study was implemented in two steps.

The first step took place in December, 2006. In the first step, the existing organizational culture was recorded. The second step was made in April, 2008 16 months

later after the first step. In this period the existing organizational culture was recorded and methods of the organizational culture change were revealed. The research was carried both outside the organization (analysis of the articles about the company) and inside it (interviewing of organization members by means of the designed questionnaire and performing in-depth interviews to reveal the characteristics of the organizational culture, changes of it and aspects that had impact on the culture change).

Results of the second research step were compared with the results of the first step to identify the possible changes in the company's organizational culture. Having in mind the identified changes and with the help of in-depth interviews the aspects and methods that were used for management of the organizational culture during the research period were revealed.

During the research the managers and specialists of the highest, middle and lowest levels working in the administration, finance, manufacturing, quality, logistics, sales, personnel, purchase, technical services and technology departments were interviewed. Managers and specialists were selected to participate in the study, because an assumption was made that seeing the internal organizational changes they will be the first to notice how changes influence the organizational culture and to identify these possible changes during research.

The required sample size was determined through the Creative Research Systems developed calculator for determining the sample size.

During the first step of research 91 employees were surveyed (representing 76.4%

of employees in the said departments), during the second step of research – 69 employees (representing 72.6% of employees in the said departments) and 8 workers were surveyed (9.6 %) through in-depth interviews.

Results of the research of organizational culture change

The data from the research carried out in 2006 and 2008 years were analyzed according to the organizational cultural characteristics (with a little modification) offered by S. P. Robbins: values and objectives, risk tolerance and innovation, personal initiative, singleness of action, integration and orientation to teamwork, support by management and colleagues, control, identity, tolerance of conflicts and communication.

Values and objectives. In 2008 (compared to 2006) the number of employees who can strongly identify the values and objectives of the company increased by 13%. However, even one third of the respondents are not sure, how they should evaluate this statement, therefore a conclusion can be made that while changes happen in the company, values and objectives are not explicitly declared, explained, or announced. In-depth interviews confirm this, too. Average assessment of the statement in points shows that in 2008 employees are more aware about values and objectives of the company than in 2006: accordingly 3.2 points compared to 3.5 points in 5 point scale (as can be seen from Picture 2).

In the in-depth interviews such company values as high quality and many years of furniture manufacturing experience, traditions, as well as the union care about

the company staff have been named; objectives of the company are related to the growth of sales and long-term contracts.

In 2008, no less than the 75.5% of workers pointed out that company paid great attention to the products quality assurance (this was also mentioned during the in-depth interviews while talking about company values). Average assessment of the statement in points increased from 3.5 points in 2006 to 3.9 points in 2008. As the in-depth interviews revealed, this change was due to the fact that the company had taken actions to improve the quality of production, because in summer of 2007 about 50% of the entire production had waster, the company received complaints about the production from the customers as well. During the research period the head of the quality department was changed, quality controllers began to check product's quality more rigorously and actively, they also began to monitor the output process and possible reasons of defect, employees who were making a lot of defects began to receive penalties. Those measures helped to improve the quality of products.

Tolerance of risk and innovation. In 2006 almost half of the respondents were not sure how to evaluate the statement, that the company focused on the new ideas and innovation, and almost one-third of the respondents disagreed with that statement. In 2008 even 62.3% of the surveyed respondents agreed that organization focuses on the new ideas and innovation, and only 5.7% disagreed with that statement. Average assessment of the statement in points increased from 2.8 to 3.7 points out of 5.

In-depth interviews revealed that during 2007 most of these changes took

place in the production section where new equipment and production planning and accounting system Navision were installed. However, the second step of the research showed that the system was not fully functioning yet (the employees had to keep double accounts of production), as well as the employees were not trained to work with the new system.

Changes in the use of resources are connected with the new ideas and innovation, more productive set of equipment and encouragement of staff to show initiative. In 2006 almost half of the respondents could not answer the question whether they were encouraged to perform their job assignments and use as small resources as possible, and more than a quarter of the respondents felt that they were not encouraged (mostly specialists). In 2008 nearly half of the respondents felt that they were encouraged to find solutions that save company resources – this was pointed out by the employees of the production, quality, logistics and technical services departments. At the same time, all middle and top level managers believe that they are encouraged to find ways and solutions to do their work using smaller resources.

However, changes did take place in the use of resources; failures in the company are not seen as one of the phases of the learning process and employees are not encouraged to make risky decisions.

Personal initiative. In 2006 almost half of the respondents failed to answer the question whether they were encouraged to show personal initiative, or not. In 2008 the number of employees who were not sure how to answer the question decreased by half; compared to 14.9% in 2006, in 2008

35.8% believe that they are encouraged to show personal initiative; but at the same time the number of respondents who think that they are completely not encouraged to show personal initiative increased in 2008. Average assessment of the statement in points in 2008 compared with that of 2006 changed slightly: 2.8 points respectively compared with 2.7 point out of 5.

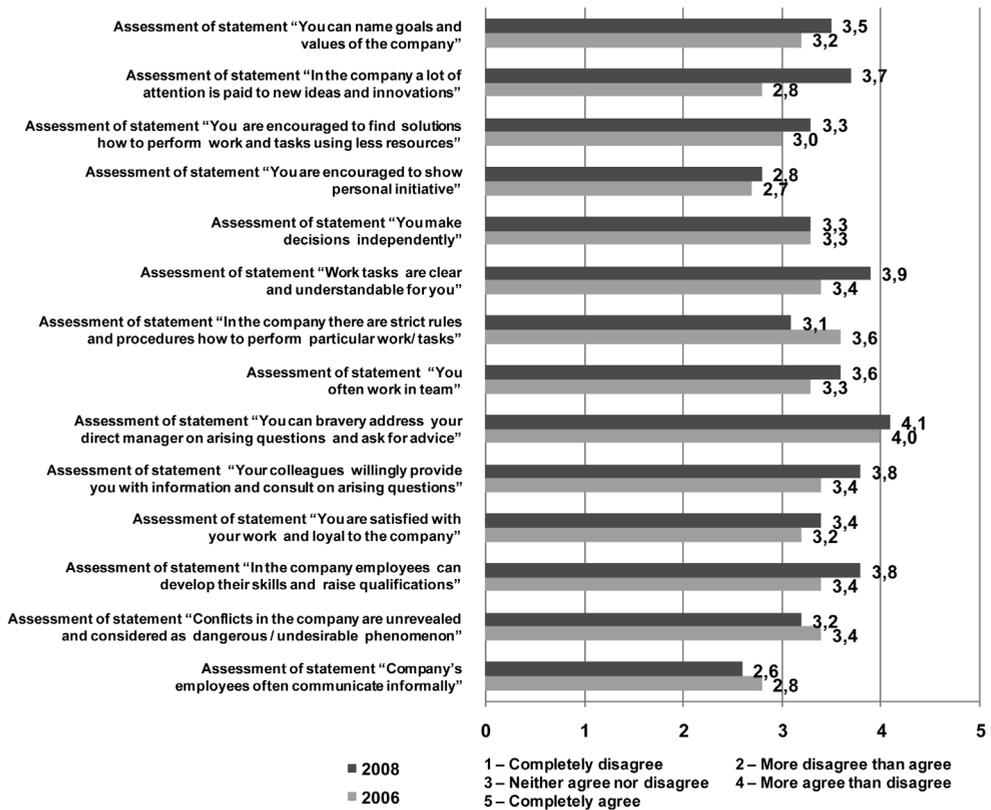
Encouragement of employees to show personal initiative depends on the head of department where the employee works. For example, employees having no managerial positions in the logistics department and former sales department are strongly encouraged to show personal initiative, but employees from personnel and production departments are discouraged to show the initiative. In-depth interviews revealed that CEO also encourages employees to show personal initiative and his behavior compared with the previous CEO is more open: he not only participates in the meetings with department managers, he also meets with the employees holding non- managerial positions and in case of problems ask employees about the decision one could offer.

Average assessment of the statement that employees took decisions independently both in 2006 and 2008 is the same: 3.3 points, so it can be concluded that there were no significant changes in this area. About 60% of respondents agreed with the statement that the manager controls only the final result of their work and they themselves decide the work organization issues. Analysis has shown that this perception is spread among the top and middle level managers; specialists, however, think that the manager controls their results, and work organization issues as well.

Singleness of action. The positive trend during the research period is seen in the evaluation of the singleness of action: in 2008 even 66% of employees agree that work assignments are clear and understandable, in 2006 the number of employees who were of the same opinion was significantly smaller – 42.6%. It can be concluded that the organizational change taking place in the company had a positive impact on this characteristics of the organizational culture. However, in 2008 there were 5.7% of employees for whom work assignments became vague; all of them are employees of the from production department. Although for the majority of employees of production department work assignments tasks are clear and understandable, these specialists need better clarification and more precise specification of their duties and responsibilities.

During in-depth interviews and answers to open questions in the questionnaire employees pointed out that performing a certain job or task, they are often not sure whether they really have to do it. The company has official personnel job descriptions, but it is also indicated that an employee must carry out the instructions of of his immediate manager. In employees' opinion, according to their job description they do not have to do all that work. On the other hand, part of the interviewed respondents agreed that precise job description of managers and specialists as it is in the case of ordinary workers is rather difficult (workers in the company have extremely detailed work specifications, which include all tasks and duties to be performed by an employee.).

Control. Assessment of control as one of the organizational characteristics was



Picture 2. Average assessment of organizational culture characteristics, in points

changing during the research period. In 2006 46.8% of employees agreed with the statement that there are strict rules and procedures in the company to perform a certain job or task. In 2008 the number of employees who agree with this statement decreased to 26.4% and the number of employees who failed to be sure how to evaluate the given statement increased to 45.3%. This can be accounted for by the fact that by reducing the number of managerial employees some work has been prescribed to people who previously were not doing it. In addition, employees are encouraged to show personal initiative and make decisions, so employees do not have the pos-

sibility to use the rules and procedures as they are encouraged to adopt other types of decision taking than before. Rules, instructions and strictness average assessment decreased from 3.6 in 2006 to 3.1 points in 2008 in the 5 point scale.

During in-depth interviews great bureaucracy, which during the research period was declining and the company grew more flexible, was identified as one weakness of the organizational culture. Only in the production department direct supervision of workers has increased and this was associated with the efforts to ensure high quality of products and reduce the number of defects. However, little attention as an

opposition to direct control has been paid to the motivation for employees.

Integration and orientation to teamwork. The company is in the process of the organizational culture change focusing on team work: the number of employees fully agreeing with this statement in 2008 increased almost 3 times; the average assessment of the statement increased from 3.3 to 3.6 points in the 5 point scale, so it can be concluded that teamwork for the part of employees is a normal daily activity. In-depth interviews revealed that due to different nature of work in some departments teamwork is more usual than in others: employees from sales and production departments often work in teams and employees from personnel and technology departments mostly do not do teamwork.

However, the results of the research show that there is lack of coordination between the departments: the assessment of coordination is low scoring, in addition, average assessment in points decreased from 2.8 points in 2006 to 2.6 points in 2008. The conclusion that while changes take place in the organization the employees lack coordination can be made. This conclusion is supported by in-depth interviews with the respondents who said that there was often a dominating sense in the company that can be described by the metaphor “the left hand does not know what the right hand is doing”: different departments pursue separate goals or employees from different departments are not after one common goal.

Support by management and colleagues. One of the highest valued organizational cultural characteristics of furniture manufacturing company is management support: 4.0 points in 2006 and 4.1

points in 2008 in 5 point scale. Employees pointed out that they were encouraged to ask questions or talk with their immediate manager. During the second step of research the respondents said that their relations with managers had improved. But in 2008 7.5% of the respondents emerged who were not able to ask or talk with their immediate managers about the employment issues (the majority of specialists working in production department).

It was noticed during the in-depth interviews, however, that part of the employees fear the responsibility and therefore contact their immediate managers; later, if it turns out that the decision was wrong the employees may claim that they were encouraged to behave in that way by their manager and therefore it is the manager who is responsible for the failure.

Employees are also used to interact , share information and help colleagues to respond to emerging issues. Both first and second steps of research and also in-depth interviews confirm the high degree of cooperation (*Quotation from the in-depth interview: “If you have some problem or question, the most important is just feel free to ask the colleagues, perhaps not immediately, but they will really try to help and answer your question”*). In 2008 compared to 2006 the average assessment of the statement about cooperation increased from 3.4 points to 3.8 points.

Identity. The assessment of several statements reflects the degree to which workers identify themselves with the organization. Employees’ satisfaction with work and loyalty to the organization are seen as an average of 3.2 points in 2006 and 3.4 points in 2008 in the 5 point scale.

Nevertheless, dissatisfaction dropped by one third, still part of employees (specialists working in the production department) are completely dissatisfied with their work and disloyal to the company. The conclusion can be made that for a part of employees the existing changes are not acceptable and they plan to leave the company.

In 2008 the number of employees who have no plans to leave the company increased 2 times (especially the employees working in the company over 10 years); therefore the number of employees loyal to the company has increased. However, there was an approximate 5% increase in the number of employees planning to leave the company: these are people up to 35 years old, have degrees of higher education, work in the company for around five years and are professionals from the production, logistics and personnel departments.

Employees identify themselves with the company, because they can develop their skills and qualifications (average assessment increased from 3.4 to 3.8 points). This perception has strengthened at the end of 2006 and 2007 due to various trainings of employees (for example, time planning, creative thinking, problem solving), for which the support was received from the European Union structural funds.

Irrespective of the fact that employees identify themselves with the company, evaluation of an opportunity to make a career in the company decreased. This was affected by the fact that in 2007 the company had to replace several managers of departments (for example, managers of personnel, technical services, production and quality departments), the sales department

was merged with the logistics department. Replaced managers were the ones who had made a career in the organization and their start was in specialist positions. New leaders who came to the company were outsiders, therefore the number of employees who believe that a career can be made in the company dropped by 15.3% (and most of them were specialists from the production department).

Tolerance of conflicts. In examining whether conflicts in the company are considered to be dangerous, unwelcome events and are hidden, or on the contrary – conflicts take place, are discussed and solved, it can be concluded that conflicts are perceived as unavoidable, but not an undesirable phenomenon. Therefore, conflicts are less hidden (the number of employees who think that conflict is undesirable and should be hidden in the research period decreased by 16.2%), but they are not discussed and solved (only 20.8% of respondents think that conflicts are immediately solved); generally conflicts are simply ignored - leaders simply disregard conflicts, therefore no less than the half of the employees failed to know how the company handles the cases of conflict. 28.3% of employees think that conflicts are solved and satisfactory solution for both parts is reached. During in-depth interviews employees said that in the case of a conflict nobody really listens to all sides, and a decision may be taken without finding out all details and the real state of affairs.

Communication. During the research communication was mentioned as one of the most important problems of the organizational culture. At present, communication between different departments in the

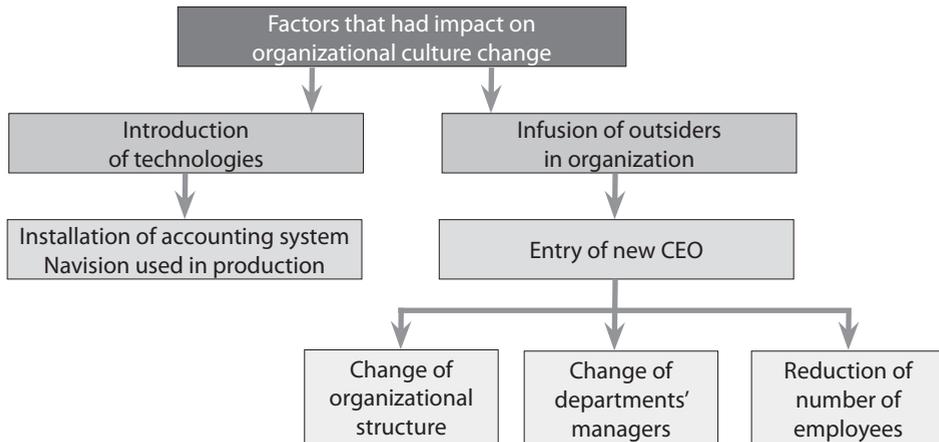
company is not efficient, the information in the company is usually transmitted by rumors, assistance is limited to formal government hierarchy, and informal communication is very limited. This is confirmed by the physical layout of the offices of department managers. Offices of most managers are not located close to their departments or in the same section; offices are located in the administrative building of the second floor. Employees think that this is done to maintain the hierarchy in the company and the communication inside the company becomes limited, as the leaders of departments are less aware of what is happening in their departments. Assessment that communication is limited to formal authority hierarchy in 2006 and 2008 remains unchanged: 3.5 points out of 5. The data also showed that both in 2006 and 2008 only one fifth of employees communicate informally during work and after work and the average assessment of this statement even decreased in the research period from 2.8 to 2.6 points. In-depth interviews confirmed the given results: in fact, the company organizes few common festivals, events. Every year all employees are invited to participate in the Christmas celebration party, although both specialists and managers pointed out that the party is more oriented towards ordinary workers. During in-depth interviews it was mentioned that two years ago the company organized summer sporting events, including basketball games, but at present, they are no more organized. To improve communication and cooperation between departments in the company more joint meetings and activities after work should be organized.

Results of the research carried out in December, 2006 and April, 2008, showed that significant changes took place in those characteristics of the organizational culture: company goals and values, tolerance of risk and innovation, singleness of action, control and identity.

Factors that had impact on the organizational culture change

In the analysis of the organizational culture change of furniture manufacturing company the focus was made on internal organizational changes that had impact on organizational culture change. Two main factors, which were used for management and change of organizational culture in the research period can be distinguished in the organization (see Picture 3).

To sum up the research data it can be argued that the appointment of the new CEO produced the greatest impact on the company's organizational culture change. Although the new CEO began to work in the company in September, 2006 it may be assumed that his influence on the organizational culture came out almost one year later. This explains the first step of the research, whereby the answer "neither agree nor disagree" dominated in the number of statements evaluation; these responses showed that employees at that time did not know what to expect from the new CEO. The new CEO began to change the company's organizational structure (cut the number of departments (for example, the sales department was merged with the logistics department), replaced the managers of departments (for example, in personnel, technical service, production departments), and reduced the number of employees in



Picture 3. *Change factors of organizational culture*

the managerial system (the number of employees in the company decreased by 30%: from 119 employees in December, 2006 to 84 in April, 2008).

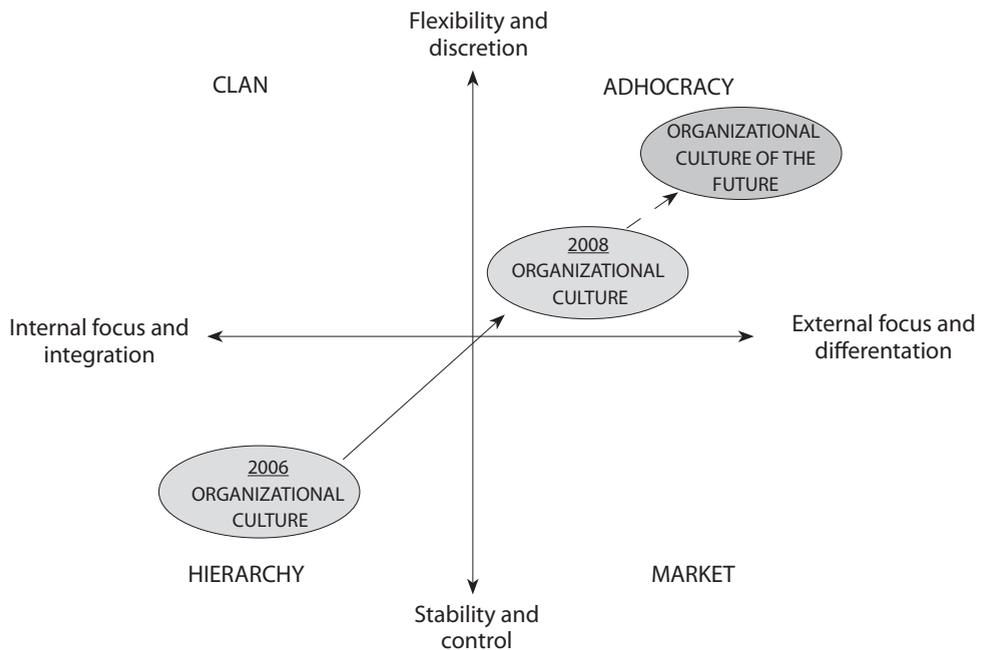
New technologies, installation of the Navision accounting system, also had an impact on the organizational culture change. As the research showed introduction of the Navision system in the company was taken quite painfully by its employees since it demanded new skills from them, as well as double accounting in the production department, which required additional time.

Matrix of the organizational culture management

Results of the research enable to distinguish the types of the organizational culture in 2006 and in 2008 in the furniture manufacturing company according to K. S. Cameron and R. E. Quinn typology. K. S. Cameron and R. E. Quinn divided organizational cultures into the types according to dimensions of two criteria (Cameron and others, 2006, p. 66). The

first dimension is defined as flexibility and freedom of action compared with stability and control, the second dimension is internal focus and integration compared with the external focus and differentiation. According to these dimensions four types of organizational culture are distinguished:

1. Clan. Such organization is a friendly place where people can share everything with one another. The organization is similar to a large group of relatives (a tribe). Company executives are advisors or fathers-guardians for the employees. Values of tradition and loyalty unite members of the organization. Mutual commitment level (between an employee and the organization) is particularly high. Long-term benefits of the organization are associated with the development of human resources; close relations with workers and their spiritual/ psychological condition are considered to be important. Success of the organization is described by concepts associated with sensitivity to customers and caring for the employees of the



Picture 4. Types of furniture manufacturing company's organizational culture in 2006, in 2008 and in the future

organization. Typical forms of activity: working in teams, participation and consensus.

2. Adhocracy. It is very dynamic, creative organization, which values entrepreneurship and leadership. Employees tend to take risks. Leaders are characterized by innovation and courage to risk. Organization members are related among themselves due to the dedication to experiments and innovation. Long-term benefits of the organization are associated with the new ownership of resources and growth. Success is associated with the unique and new products or services. The aim of the company is to be the leader of products or services. Employees in the organization are encouraged to take individual initiative.

3. Market. Such organization is focused on the results; the most important for employees is to achieve the set goals. Efforts of employees are oriented towards the achievement of goals; employees are encouraged to compete with each other, too. Leaders are determined, assertive, strict and demanding. Organization members are related among themselves in order to defeat the competition. Organization takes strong care of its reputation and success. Long-term benefits of organization are perceived through competition, measurable objectives and performance. The organization measures its success by market share and penetration into it; it is important for the organization to have competitive prices and to be market leader.

MAINTAIN	DEVELOP
<ol style="list-style-type: none"> 1. Attention to security high quality products 2. Attention to new ideas and innovations 3. Encouragement to work using less resources 4. Clarity and understandability of work tasks 5. Collaboration of employees, sharing of information and consulting 6. Possibility to address arising questions to direct manager 7. Encouragement to raise qualification and develop skills 	<ol style="list-style-type: none"> 1. Introduction of company's values and objectives to employees 2. Encouragement of employees to show personal initiative and to take decisions individually 3. Satisfaction and loyalty of employees 4. Possibility to have a career 5. Solution of conflicts by paying attention for all interested sides
CHANGE	AVOID
<ol style="list-style-type: none"> 1. Weak communication in the company 2. Little cooperation and no coordinated action between separate departments 3. Uncertainty of employees about their duties and responsibilities 4. Lack of motivational system for employees 5. Lack of employees' evaluation system 	<ol style="list-style-type: none"> 1. Very strict and frequent control of employees 2. Denial and disregard of conflicts arising in the company 3. Spread of information through rumors

Picture 5. Matrix of furniture manufacturing company's organizational culture management

4. Hierarchy. This type of organization is very structured and formalized. Procedures describe everything how employees can and must do the work. Leaders are those who can organize and coordinate activities well and ensure their efficiency. The most important for the organization is smooth operational process. Organization members hold together formal rules and policies. Long-term benefits are associated with stability, smooth and efficient operation. The success is associated with a reliable supply of goods, clockwork schedules, low costs. Management of personnel must ensure the safe management of organization's resources and predictability of employees' behavior.

The type of furniture manufacturing company's organizational culture in 2006 according to K. S. Cameron and

R. E. Quinn typology can be described as the "hierarchy" type (see Picture 4): organization is not flexible, bureaucracy is dominating, only a small part of employees take their own decisions and are encouraged to show personal initiative, new ideas and innovation are not encouraged, work / tasks are based on the rules and procedures, the power of the hierarchy is highlighted.

After the organizational culture change the type of organizational culture in 2008 can be described as a move towards "ad-hocracy" type (see Picture 4): the flexibility emerges in the organization, more employees are encouraged to show personal initiative, to take risky decisions, the company focuses on the new ideas and innovation, encouraging employees' creativity, reduces the power of hierarchy, the company CEO discusses the objec-

tives and values not only with the heads of departments, but also with specialists and encourages them to search for solutions of the arising problems.

However, it is important to remember the key problems of organizational culture in 2008 as well: communication disorders, the lack of cooperation between the departments and the lack of personnel evaluation and motivation system.

As can be seen from Picture 4 the type of organizational culture is “adhocracy”, but yet not very distinguished. To build a strong organizational culture of “adhocracy” type and thus achieve the company’s operational efficiency, the management matrix of furniture manufacturing company’s organizational culture was designed (see Picture 5). The matrix presents important characteristics of the organizational culture that are divided into four groups: characteristics that must be maintained, changed, improved and avoided.

Conclusions

After the comparative analysis of organizational culture in 2006 and organizational culture in 2008 was carried out the conclusion that in the research period the organizational culture changes were taking place can be made.

The research has showed that the aspects of the organizational culture change are internal organizational changes. In furniture manufacturing company organizational culture was managed by making use of two main methods: instillation of technology (accounting system Navision that is used in production instillation) and incorporation of the persons from outside into the organization (new CEO; new CEO

has changed the organizational structure, division managers and cut the number of employees in the management system).

Taking into consideration the results of the research the type of the organizational culture of furniture manufacturing company in 2006 according K. S. Cameron and R. E. Quinn typology can be described as “hierarchy” type and the organizational culture of 2008 as the movement towards “adhocracy” type.

Organizational culture management matrix was introduced to create a strong organizational culture of “adhocracy” type in the company and in this way to make company’s work efficient. The matrix can be adapted to the management of organizational culture of those organizations that perform similar studies of their organizational culture. Building up the matrix attention should be paid to the characteristics of the organizational culture that are important for certain organizations at that time. In order to manage the organizational culture in other companies in the right direction, characteristics of the organizational culture must be examined and divided into four groups:

1. Strong sides of the organizational culture that the company should maintain.
2. Weak sides of the organizational culture that the company should change.
3. The existing sides of the organizational culture that at present are not very strong and that should be improved, because they have a great potential for the future.
4. The existing very weak sides of organizational culture that should be avoided and not stressed.

It is also important to establish and ensure continuous monitoring of the organi-

zational culture in the company in order to be aware of the the characteristics of the organizational culture and monitor their

changes over time and thereby shift the management of the organizational culture in the right direction.

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