

Doctoral Thesis

**Organizational Culture and Long-Term Efficiency
of Organizations**

**Organizační kultura a dlouhodobá efektivnost
organizací**

Author	Mgr. Maria Ershova
Study programme	P 6208 Economics and Management
Supervisor	doc. Ing. PhDr. Aleš Gregar, CSc.
Date of defense	June 2011

ACKNOWLEDGMENTS

This work would not be possible without the constant support, the deep, broad, insightful discussions and the wise guidance of my supervisor, *doc. Ing. PhDr. Aleš Gregar, CSc.* The dissertation was possible due to participation in the project “*Developing Managerial Tacit Knowledge*” (*GA ČR (Czech Science Foundation) grant-maintained project No. 406/08/0459*). Moreover, I am very much thankful to the *International Visegrad Fund*, the financial support of which made possible the research of the Roman Catholic Church in Eastern Europe. Moreover, the research on German protestant churches was supported by the *Erasmus Mundus Triple I* program funded by the European Commission. This project was carried out in cooperation with Göttingen University in Germany and *Prof. Dr. Jan Hermelink*, to whom I want to express my highest appreciation and with whom I not only realized a unique and insightful project in management, but also in theology. Furthermore, I am thankful to *Dr. Victor Pushnykh*, a professor from Tomsk Polytechnic University, who guided me in the organizational culture field starting from the bachelor’s degree, and whose feedback, cooperation and discussions enabled me to achieve what I achieved.

Also, I want to thank the colleagues from Tomas Bata University, in particular *Ing. Adriana Knápková Ph.D., Michaela Vystrčilová, Ing. Pavla Bartosová*, the *International Office* of the Tomas Bata University, and especially *Ing. Michaela Blahová* for her constant support, respectful and friendly attitude and help in the needed moments.

Furthermore, my deepest thanks to the people closest to me: *my family*, especially my mother *Olga Ershova*, my father *Alexander Ershov*, and my sister *Anna Ershova*, who supported me in every possible way with so much love, help and thoughts throughout the thousands of kilometers from Russia and France. From all my heart I want to thank *Michael Steinmann*, who with great patience listened, supported and discussed my ideas, gave feedback to the works and kept me going through the moments when I seemed to be stuck. Without him I would not be able to be where I am now.

Finally, I want to thank all my friends, who read, helped with translation, language proof and gave feedback to my work: my dear friends *Amanda Schalk, Eva Eckenhover, Andreia Minelescu, Alexandros Bikoulis, and Daria Surnina*.

Thank you all.

ABSTRACT

Long-term efficiency has always been one of the most important problems for organizations. In the modern, turbulent environment, when the average life expectancy of firms is 12.5 to 40 years, it is clearly of utmost importance for business leaders to pay attention to the long-term efficiency of their organizations. Until now, most of the research which has been done on the topic of long-term efficiency was carried out using businesses as examples, missing out on certain long-living organizations like churches, theaters and universities. This doctoral work aims to fill this gap. The main research question asked is what kind of organizational culture allows organizations to be efficient in the long term. For this purpose, with the use of both qualitative and quantitative methods, the doctoral work researches organizational culture of three Christian churches, two theaters as well as five long-living business organizations.

Upon comparison of the identified factors of long-term efficiency, organizational cultures research shows that one of the most important reasons is that such organizations emphasize and balance both values- and goals- based approaches. Another factor is that all long-living organizations studied have a very developed and institutionalized system of training, which aims at ensuring good person-organization fit, continuity of culture, promotion of leaders from within, establishment of high commitment to the organization and constant tacit knowledge sharing. The final finding is that long-living organizations must be ethical, and not only towards the external, but also within the internal environment including their own employees.

This doctoral work has definite significance in the field of management. First, it expands the research on long-term efficiency of organizations by concentrating on the non-profit sector. Second, it enriches the research done on values- and goals-based organizations and approaches by adding more comparative data. Thirdly, the work contributes to the sphere of knowledge management by showing that there is a direct link between tacit knowledge sharing and the long-term efficiency of organizations. Finally, the doctoral work contributes to the methodology of management research instruments by showing that the Organizational Culture Assessment Instrument and the Competing Values Framework model on which it is based can be used to identify the elements of the values- and goals-based approaches in organizations. Moreover, the practical implications of these findings are manifold and have the potential to be applied with some refinements to many organizations.

Key words: organizational culture, long-term efficiency, tacit knowledge, Competing Values Framework, socialization, employee training, ethics, non-profit organizations

ABSTRAKT

Dlouhodobá efektivnost byla pro organizace vždy jedním z nejdůležitějších problémů. V moderním, turbulentním prostředí, kdy je průměrná délka života firem 12,5 až 40 let, je zjevně nanejvýš důležité, aby představitelé obchodní činnosti věnovali dlouhodobé efektivnosti svých organizací pozornost. Až dosud většina výzkumu, který byl proveden na téma dlouhodobé efektivnosti, byla provedena pomocí podniků coby příkladů, opomínající některé dlouhotrvající organizace, jako jsou církve, divadla a vysoké školy. Tato disertační práce si klade za cíl tuto mezeru zaplnit. Hlavní otázkou výzkumu je, jaký druh organizační kultury umožňuje organizacím, aby byly efektivní v dlouhodobém horizontu. Pro tento účel, s využitím jak kvalitativních, tak kvantitativních metod, disertační práce zkoumá organizační kulturu tří křesťanských církví, dvou divadel, stejně jako pěti dlouhotrvajících obchodních organizací.

Při porovnání zjištěných faktorů dlouhodobé efektivnosti, výzkum organizačních kultur ukazuje, že jedním z nejdůležitějších důvodů je, že tyto organizace zdůrazňují rovnováhu přístupů založených na hodnotách i cílech. Dalším faktorem je, že všechny zkoumané dlouhotrvající organizace mají velmi vyvinutý a institucionalizovaný systém vzdělávání, který má za cíl zajistit dobrý vztah osoby-organizace, kontinuitu kultury, propagaci vůdců zevnitř, zřízení vysokého závazku k organizaci a neustálé sdílení tacitních znalostí. Konečný závěr spočívá v tom, že dlouhotrvající organizace musí být etické, a to nejen vůči vnějšímu, ale také vnitřnímu prostředí, včetně svých vlastních zaměstnanců.

Tato disertační práce má nesporný význam v oblasti řízení. Za prvé, rozšiřuje výzkum dlouhodobé efektivnosti organizací zaměřením se na neziskové odvětví. Za druhé, obohacuje výzkum prováděný na organizacích a přístupech založených na hodnotách a cílech tím, že přidává další srovnávací údaje. Za třetí, práce přispívá k oblasti znalostí řízení tím, že poukazuje na existenci přímé souvislosti mezi sdílením tacitní znalosti a dlouhodobé efektivnosti organizací. Konečně, disertační práce také přispívá k metodice nástrojů řízení výzkumu poukázáním na to, že nástroj posouzení organizační kultury (OCAI) a model soupeřících hodnot, na kterém je založen, může být použit pro identifikaci prvků přístupů založených na hodnotách a cílech v organizacích. Navíc jsou praktické důsledky těchto zjištění různorodé a mají potenciál být použity s některými vylepšeními v mnoha organizacích.

Klíčová slova: organizační kultura, dlouhodobá efektivnost, tacitní znalost, model soupeřících hodnot, socializace, školení zaměstnanců, etika, neziskové organizace

CONTENTS

ACKNOWLEDGMENTS	2
ABSTRACT	3
ABSTRAKT	4
LIST OF TABLES	7
LIST OF FIGURES	8
LIST OF ABBREVIATIONS	9
LIST OF APPENDICES	10
EXTENDED ABSTRACT	11
ROZŠÍŘENÝ ABSTRAKT	14
INTRODUCTION	17
CHAPTER 1. PRESENT STATE OF PROBLEM SOLVING	21
1.1 Terms and definitions of organizational culture	21
1.2 Categorizations of organizational culture	25
1.2.1 Wallach categorization	25
1.2.3 Deal and Kennedy categorization	26
1.2.3 Harrison and Strokes / Handy categorization	27
1.2.4 Hofstede categorization	30
1.2.5 Cameron and Quinn categorization	31
1.3 Organizational culture and organizational performance	33
1.3.1 Organizational culture and long-term efficiency of organizations	36
1.4 Values- and goals-based approach in management and organizational culture	38
1.4.1 Issues in the management of values-based organizations	39
1.4.2 Values- and goals-based approach and Competing Values Framework	41
1.5 Tacit knowledge and organizational culture	46
1.5.1 The concept of tacit knowledge and tacit knowledge sharing	46
1.5.2 Factors of organizational culture supporting tacit knowledge sharing	48
1.5.3 Competing Values Framework and tacit knowledge sharing	49
1.6 Person-organization fit, socialization and long-term efficiency of organizations ..	52
1.6.1 The fit of person, organization and culture	52
1.6.2 Organizational socialization	53
1.7 Organizational culture, ethics and Corporate Social Responsibility	56
1.8 Summary of the chapter	59
CHAPTER 2. HYPOTHESES AND RESEARCH OBJECTIVES	61
CHAPTER 3. SELECTED PROCESSING METHODS	64
3.1 Objects of research	64
3.2 Methodology	66
CHAPTER 4. MAIN RESULTS OF THE RESEARCH	71

4.1	Quantitative and qualitative research on values-based organizations.....	71
4.1.1	<i>Innovative firm</i>	72
4.1.2	<i>Churches</i>	74
4.1.3	<i>Theaters</i>	85
4.2	Qualitative research on goals-based organizations.....	86
4.2.1	<i>IBM</i>	87
4.2.2	<i>Schlumberger</i>	88
4.2.3	<i>Shell</i>	89
4.2.4	<i>Procter & Gamble</i>	90
4.2.5	<i>Disney</i>	92
4.3	Results summary and the proof of hypotheses.....	94
CHAPTER 5. IMPLICATIONS FOR ORGANIZATIONS.....		97
5.1	Understanding the values and purpose for existence of the organization.....	97
5.2	Leading by values and keeping a balance with goals.....	99
5.3	Nourishing trust between leaders.....	101
5.4	Promotion from within.....	106
5.5	Ethical principles implementation.....	107
CONCLUSION.....		110
BIBLIOGRAPHY.....		114
LIST OF PUBLICATIONS OF THE AUTHOR.....		127
CURRICULUM VITAE.....		130
APPENDIX A. AVERAGE CULTURE PLOTS FOR THREE CHURCHES		132
APPENDIX B. ORGANIZATIONAL CULTURE ASSESSMENT INSTRUMENT FOR ANY ORGANIZATION.....		133
APPENDIX C. ORGANIZATIONAL CULTURE ASSESSMENT INSTRUMENT ADOPTED FOR CHURCHES.....		135
APPENDIX D. GENERAL QUESTIONS FOR QUALITATIVE INTERVIEWS.....		137
APPENDIX E. AVERAGE CULTURE PROFILES FOR VARIOUS INDUSTRY GROUPS.....		139

LIST OF TABLES

Table 1. Summary of characteristics of culture types according to the Competing Values Framework.	32
Table 2. Overview of the goals-based companies chosen for the qualitative research.	66
Table 3 Response summary for the quantitative research	68
Table 4. Values-based and goals-based hierarchies in church	84
Table 5. Overview of the crucial elements of sustainable organizational cultures in long-living organizations	95
Table 6. Functions of values- and goals-based approach	100

LIST OF FIGURES

Figure 1. Competing Values Framework.	31
Figure 2. Example of culture plot and values- vs. goals-based approaches to management.	42
Figure 3. Average culture plot for the innovative firm.	72
Figure 4. Average culture plots for three Churches..	74
Figure 5. The general steps of education to become a priest in the Roman Catholic Church.	78
Figure 6. Average culture plots for theaters..	85

LIST OF ABBREVIATIONS

CVF – Competing Values Framework

OCAI – Organizational Culture Assessment Instrument

R&D – research and development

NPO – non-profit organization

IBM – International Business Machines (name of the company)

P&G – Procter and Gamble (name of the company)

CSR – corporate social responsibility

LIST OF APPENDICES

Appendix A. Average culture plots for three churches	132
Appendix B. Organizational culture assessment instrument for any organization	133
Appendix C. Organizational Culture Assessment Instrument Adopted For Churches	135
Appendix D. General Questions For Qualitative Interviews	137
Appendix E. Average Culture Profiles For Various Industry Groups	139

EXTENDED ABSTRACT

The problem of long-term efficiency has always been one of the most important for organizations. In the increasingly turbulent environment of today, most companies are not able to cope with rapid, unpredictable fluctuations in the economy. The average life cycle of most business companies is estimated to be from 12.5 [1] to 50 years [2].

The situation with non-profit organizations is different. Scholars emphasize the uniqueness of longevity of non-profit types of organizations: universities, theaters and churches ([3]; [4]; [2]; [5]; [6]). Such organizations are a tremendous object for the managerial researchers from several points of view. One of them is that they fall into a category of organizations called *values-based*. As Pushnykh and Agranovich [7] write, the specifics of these organizations is that the results of their activity depend not only on formal features of the system of management (organizational and legal form, structure, financial system, etc.), but mostly on a system of values which defines the management approaches in those organizations. Thus, these organizations are *values-based organizations*, the purpose of existence of which is self-development by re-thinking and integration of social experience and knowledge based on the values and interests of individuals and the organization. Opposite to the values-based organizations are *goals-based organizations*, the sense of existence of which is the production of goods and services through the transformation of material, energy, and information into the achievement of organizational goals [7].

Most research on the long-term efficiency of organizations has been based on the goals-based (or business) companies, while missing the truly long-living organizations – the values-based ones (such as the above mentioned churches, universities and theaters). The Roman Catholic Church can be called the “champion” among them. While appearing from the first glance to be hierarchical and stagnant, this organization has managed to survive for thousands of years.

Why do organizations like the Roman Catholic Church, universities, and theaters live for hundreds and thousands of years while most businesses survive on average for 40 years? So far there is no single answer, and this topic stays under-researched. Out of all of the possible factors that are considered to play a role, this doctoral thesis concentrates on one aspect – *organizational culture*, which is able to provide organizations with the ability to be efficient in the long term. This work thus aims at understanding the aspects of the organizational culture supporting long-term efficiency of organizations irrespective of their

industry. Therefore, this thesis will research the long-living goals-based and values-based organizations and compare their cultures.

The Roman Catholic Church was chosen for this research since this organization is the oldest organization in the world (2000 years) and counts nowadays 1,372,000 employees in 172 countries [8]. Moreover, in order to increase the objectivity of data, in addition to the Roman Catholic Church, two protestant churches were researched: a Lutheran and a Reformed Church. Furthermore, other values-based organizations, such as theaters and an innovative company are studied. The data retrieved from the above mentioned values-based organizations is compared to the data from the long-living goals-based companies, such as IBM, Procter & Gamble, Disney, Shell, and Schlumberger. This comparison allows the factors which are crucial for any kind of company or organization, whether profit or non-profit, to be determined.

In order to solve the outlined research question, the doctoral work adopts qualitative and quantitative methods. Qualitative methods are based on the Competing Values Framework by Cameron and Quinn and include the Organizational Culture Assessment Instrument. The qualitative methods embrace literature study, qualitative interviews, and qualitative content analysis.

The main factors of long-term efficiency of both values- and goals-based organizations found in the work are:

- 1) They emphasize and balance both values and goals based approaches, especially in leadership.

- 2) The system of training ensures the balance between values and goals, and the continuity of culture. The balance between goals and values is not an easy undertaking: it requires the thorough preparation of employees which is embedded into a training system following the hiring of a new employee. The more detailed elements of such training systems include personal coaching, strict selection, doubt of person-organization fit, tacit knowledge sharing, promotion from within, and strong personal identification with values.

- 3) Code of Ethics is an integral part of values-based leadership. A final finding is that long-living organizations must embed another important feature of the values-based approach: i.e. be ethical, and not only towards the external, but also towards the internal environment, thus its own employees.

This doctoral work has definite significance in the field of management. First, it expands the research on long-term efficiency of organizations by concentrating on the non-profit sector. Second, it enriches the research done on values- and goals-based organizations and approaches by comparing them with

each other and thus adding more data. Thirdly, the work contributes to the sphere of knowledge management by showing that there is a direct link between tacit knowledge sharing and long-term efficiency of organizations. Finally, the doctoral work contributes to the methodology of management research instruments by showing that the Competing Values Framework model and the Organizational Culture Assessment Instrument based on it can be used to identify the elements of the values- and goals-based approaches in organizations. Moreover, the practical implications of these findings are manifold and have the potential to be applied with some refinements to many organizations.

Finally, the research done for the purposes of this doctoral work opens several directions for further studies. A broad field for further studies is longitudinal perspective with several time points and detailed observation of the training process, the reaction and decision-making. Further significant study can be done on these issues in the times of crisis and sharp change. Another potential field for further research is tacit knowledge and its sharing over time.

ROZŠÍŘENÝ ABSTRAKT

Problém dlouhodobé efektivity byl pro organizace vždy jedním z nejdůležitějších. V dnešním, stále turbulentnějším, prostředí není většina společností schopna se vyrovnat s rychlými, nepředvídatelnými výkyvy v ekonomice. Průměrný životní cyklus většiny obchodních společností se odhaduje na 12,5 [1] až 50 let [2].

Situace u neziskových organizací je odlišná. Učenci kladou důraz na jedinečnost dlouhodobosti organizací neziskového typu: univerzit, divadel a církví ([3]; [4]; [2]; [5]; [6]). Tyto organizace jsou obrovským objektem pro manažerské výzkumné pracovníky z několika úhlů pohledu. Jedním z nich je, že spadají do kategorie tzv. organizací založených na hodnotách. Jak napsali Pushnykh a Agranovich [7], specifickým těchto organizací je, že výsledky jejich činnosti, závisí nejen na formálních rysech systému řízení (organizační a právní formě, struktuře, finančním systému, atd.), ale především na systému hodnot, který vymezuje koncepci řízení v těchto organizacích. Tudíž, tyto organizace jsou organizace založené na hodnotách, jejichž účelem existence je sebe-rozvíjení prostřednictvím přehodnocení a integrace sociálních zkušeností a znalostí na základě hodnot a zájmů jednotlivců a organizací. Opakem organizací založených na hodnotách jsou organizace založené na cílech, jejichž smyslem existence je produkce zboží a služeb prostřednictvím transformace materiálu, energie a informací pro dosažení organizačních cílů [7].

Většina výzkumu dlouhodobé efektivity organizací se zakládá na společnostech založených na cílech (nebo obchodních společnostech), zatímco jsou opomíjeny dlouhotrvající organizace - založené na hodnotách (jako výše zmíněné církve, univerzity a divadla). Římsko-katolická církev může být mezi nimi nazývána „šampiónem“. Zatímco se na první pohled jeví jako hierarchická a stagnující, podařilo se této organizaci přežít po tisíce let.

Proč trvají organizace jako římsko-katolická církev, univerzity a divadla stovky a tisíce let, zatímco většina podniků přežívá v průměru 40 let? Zatím neexistuje žádná jednotná odpověď a toto téma zůstává neprozkoumáno. Ze všech možných faktorů, které v tom pravděpodobně hrají roli, se tato disertační práce soustředí na jeden aspekt - organizační kulturu, která umožňuje poskytnout organizacím schopnost být efektivní v dlouhodobém horizontu. Tato práce se tedy zaměřuje na pochopení aspektů organizační kultury podporující dlouhodobou efektivnost organizací bez ohledu na jejich odvětví. Proto bude tato disertační práce zkoumat dlouhotrvající organizace založené na cílech a hodnotách a bude porovnávat jejich kultury.

Římsko-katolická církev byla vybrána pro tento výzkum, protože tato organizace je nejstarší organizací na světě (2000 let) a počet jejích zaměstnanců v současné době činí ve 172 zemích 1 372 000 [8]. Navíc, pro zvýšení objektivitu dat, byly kromě římsko-katolické církve zkoumány dvě protestantské církve: lutheránská a reformovaná církev. Dále jsou zkoumány jiné organizace založené na hodnotách, jako jsou divadla a inovativní společnost. Údaje získané z výše uvedených organizací založených na hodnotách jsou porovnány s údaji z dlouhotrvajících společností založených na cílech, jako například IBM, Procter & Gamble, Disney, Shell a Schlumberger. Toto srovnání umožňuje určit faktory, které jsou rozhodující pro jakoukoliv společnost nebo organizaci, ať už ziskovou či neziskovou.

Za účelem vyřešit uvedenou výzkumnou otázku, pojala disertační práce kvalitativní a kvantitativní metody. Kvalitativní metody jsou založeny na modelu soupeřících hodnot podle Camerona a Quinna a zahrnují nástroj posouzení organizační kultury (OCAI). Kvalitativní metody obsahují studium literatury, kvalitativní rozhovory a kvalitativní obsahovou analýzu.

Hlavní zjištěné faktory dlouhodobé efektivnosti organizací založených na cílech i hodnotách jsou:

1) Zdůrazňují a vyrovnávají oba přístupy založené na cílech a hodnotách, a to zejména ve vedení.

2) Systém vzdělávání zajišťuje rovnováhu mezi hodnotami a cíli a kontinuitu kultury. Rovnováha mezi cíli a hodnotami není snadným úkolem: vyžaduje důkladnou přípravu zaměstnanců, která je zakotvena do systému vzdělávání v návaznosti na najímání nových zaměstnanců. Podrobnější prvky těchto systémů vzdělávání zahrnují osobní vzdělávání, přísný výběr, pochybnosti o vztahu osoby-organizace, sdílení tacitních znalostí, propagaci zevnitř a silné osobní sžití se s hodnotami.

3) Etický kodex je nedílnou součástí vedení založeného na hodnotách. Závěrečným zjištěním je to, že dlouhotrvající organizace musí vložit další důležitý rys přístupu založeného na hodnotách: tedy být etický, a to nejen vůči vnějšímu, ale i vnitřnímu prostředí, tzn. vlastním zaměstnancům.

Tato disertační práce má nesporný význam v oblasti řízení. Za prvé, rozšiřuje výzkum dlouhodobé efektivnosti organizací zaměřením se na neziskové odvětví. Za druhé, obohacuje výzkum prováděný na organizacích a přístupech založených na hodnotách a cílech tím, že je porovnává mezi sebou a přidává tak další data. Za třetí, práce přispívá k oblasti řízení znalostí tím, že poukazuje na existenci přímé souvislosti mezi sdílením tacitních znalostí a dlouhodobou efektivností organizací. Konečně, disertační práce také přispívá k metodice

nástrojů řízení výzkumu poukázáním na to, že model soupeřících hodnot a nástroj posouzení organizační kultury (OCAI), na kterém je založen, může být použit pro identifikaci prvků přístupů založených na hodnotách a cílech v organizacích. Navíc jsou praktické důsledky těchto zjištění různorodé a mají potenciál být použity s některými vylepšeními v mnoha organizacích.

A závěrem výzkum provedený pro účely této disertační práce otevírá několik směrů pro další studium. Širokým polem pro další studium je podélný pohled s několika časovými body a podrobné sledování procesu vzdělávání, reakce a procesu rozhodování. Další významná studie může být provedena o těchto otázkách v době krize a prudké změny. Jinou potenciální oblastí pro další výzkum jsou tacitní znalosti a jejich sdílení v průběhu času.

INTRODUCTION

Long-term efficiency has always been one of the most important problems for organizations. In the increasingly turbulent environment of today, most companies are not able to cope with the rapid, unpredictable fluctuations in the economy: Caulkin [1] stresses that the average life cycle of most companies is around 40 to 50 years. He says that a full one-third of the companies listed in the 1970 Fortune 500 had vanished by 1983. They were either acquired, merged or broken to pieces.

Even if the big, solid businesses seem to last no longer than 40 years, what happens to the smaller, less dependable enterprises? Statistics shows that the first 10 years are the most difficult for companies; this period is sometimes called the period of high 'corporate mortality'. Statistics on newcomers shows that in the first 15 years period, ca. 75% of new establishments drop out of business. [2]

The lifetime of organizations depends, certainly, on environmental factors like the country they operate in. In some countries, 40 per cent of all newly created companies last less than 10 years. Another study indicates an even more depressing picture: the average life expectancy of all firms investigated, regardless of size, in Japan and much of Europe is only 12.5 years. [3]

Family business tends to be one of the most long-living. Concerning the long-term ability to survive, well-known statistics report that 30% of family businesses make it to the second generation, 10-15% make it to the third and 3-5% make it to the fourth generation. [4] Family Business magazine has been researching and reporting on the oldest family owned businesses since 2002. Their research offers four principles of survival: stay small, do not go public, stay out of the big cities, and keep the family business in the family. [5] Even though these principles work well for family enterprises, they cannot be applied to most firms.

Only a few companies live longer than the above mentioned average. Considering long-living business companies, two of the oldest among them are the Swedish company Stora counting 700 years and the Japanese company Sumimoto Group counting 400 years [6]. Moreover, even though these companies have existed for such long time, their history is not that impressive, because they both switched their industries dramatically, so there is little left other than the name. It is much more compelling that there are organizations

which have managed to exist for hundreds of years, be successful and stay within the same occupational field.

In such tough conditions of survival, the main challenge of the leadership of any company today is to be ready to adapt a company to the changes in a turbulent environment. To accomplish this challenging task, the leadership of a company has to maintain on the one hand sustainability, and on the other hand adaptability, the qualities that are rooted in people and therefore in organizational culture.

Many scholars and management theorists have already asserted the importance of these qualities for organizational effectiveness. The company, optimally equipped for long-term survival, is likely to be a flexible organization that reconciles the conflicting forces of change and stability and maintains a dynamic fit with its environment ([7]; [8]; [9]). Those tensions have been described in the organizational literature in different ways: change versus preservation [10], preservation of the core versus stimulation of progress [11], and flexibility and discretion versus stability and control [7]. In solving these tensions, many scholars have focused on the concept of flexible organizations that somehow internalize friction between change and preservation ([12]; [13]; [14]; [15]; [16]). Research done by van Driel et al. concludes five basic factors that are expected to be responsible for the long existence of organizations: strong position in the supply chain; a versatile and flexible technology; an innovative and tolerant culture; decentralized structure and conservative financial policy. [9] What is more important, the authors suggest that those factors “contribute directly and indirectly to a high sensitivity to the environment” [9].

The ability of being sensitive towards the environment is very powerful, yet not new: it has been already discussed as an important issue by various academics. The real question is how do organizations acquire this sensitivity to environment and keep their sustainability? Several scholars answer that this ability is rooted in organizational culture ([7]; [11]; [6]; [17]). While the ability to change is in culture, paradoxically, culture is also the force of stability and the factor which prevents organizations from changing [8]. The resolution of this contradiction is found in the categorization of different types of organizational culture. One of the most interesting concepts for this is the Competing Values Framework by Cameron and Quinn [7] since this approach has been successfully used for the study of the organizational culture of hundreds of organizations, both profit and non-profit. The authors define four culture types, alternating between stability, internal orientation versus flexibility and external orientation: hierarchy, clan, market, and adhocracy. The authors assert that all four cultures are present simultaneously in the overall culture of organization to some extent. One or two culture types might be dominant, and that defines the

overall organizational characteristics. Moreover, all culture types are necessary for different aspects of an organization's functioning depending on the internal requirements of organizations as well as on the environmental challenges. Using this approach, it is possible to determine the various factors of long-term efficiency in organizational culture and distinguish the balance between them.

Most of the research on long-term efficiency and survival has concentrated mostly on business companies, missing an important detail: the history of firms counts only five to seven centuries, whereas some institutions exist for thousands of years. In this respect, scholars emphasize the uniqueness of longevity of non-profit types of organizations: universities, theaters and churches ([6]; [7]; [1]; [17]; [18]). Such organizations are tremendous objects for the managerial researchers from several points of view. One of them is that they fall into a category of organizations, called *values-based*. As Pushnykh and Agranovich [19] write, the specifics of these organizations is that the results of their activity depend not only on formal features of the system of management (organizational and legal form, structure, financial system, etc.), but mostly on the system of values that defines the management approaches in those organizations. Thus, these organizations are *values-based organizations*, the sense of existence of which is self-development by re-thinking and integration of social experience and knowledge based on values and interests of individuals and organization. Opposite to the values-based organizations are *goals-based organizations*, the sense of existence of which is the production of goods and services by the transformation of material, energy and information, directed on the achievement of organizational goals [19].

Most research on the long-term efficiency of organizations has been based on the goals-based companies, while missing the truly long-living organizations: the values-based ones, such as churches, universities and theaters. The Roman Catholic Church could be called the "champion" among them. While appearing from the first glance to be hierarchical and stagnant, this organization has managed to survive for thousands of years.

Why do such organizations as the Roman Catholic Church, universities, and theaters exist for hundreds and thousands of years, whereas most business companies survive on average for 40 years? So far there is no single answer, and this topic has not been researched extensively. Out of all of the possible factors that are considered to play a role, this doctoral thesis concentrates on one of the aspects – *organizational culture* that is able to provide organizations with the ability to be efficient in the long term. This work thus aims at understanding the aspects of the organizational culture supporting long-term efficiency of organizations regardless of their industry. Therefore, this thesis will research the long-living goals-based and values-based organizations and compare the factors of their cultures which contribute to long-term efficiency.

The model of the Roman Catholic Church is to be taken as one of the research objects, since this organization is the oldest organization in the world (2000 years) and has nowadays 1,372,000 employees in 172 countries [20]. Moreover, in order to increase the objectivity of data, two protestant churches will be researched: a Lutheran and a Reformed church. Furthermore, other values-based organizations including theaters and an innovative company are going to be studied. The data retrieved from the above mentioned values-based organizations will be compared to the data from the long-living goals-based companies, such as IBM, Procter & Gamble, Disney, Shell, and Schlumberger. The comparison will allow for the determination of the factors which are crucial for the longevity of any kind of company or organization, be it profit or non-profit.

In order to solve the outlined research question, the doctoral work is going to review the present state of the problem solving in academic literature, portray the hypotheses and aims, choose the methodology, present the results, and discuss the implications for other organizations wishing to increase their long-term efficiency.

With the use of the qualitative and quantitative methods chosen to verify the hypotheses and resolve the research problem, the doctoral work shows that the peculiarity of long-term efficient organizational cultures is the coherence of values- and goals-based leadership. Moreover, organizational cultures of long-living organizations independent from their nature of occupation (profit or non-profit organizations) have the same crucial elements. Furthermore, the long-term efficiency organizational cultures have a well-established system of training and socialization of new employees. Finally, tacit knowledge sharing is found to be an important aspect of such systems of training in long-living organizations.

The implications of these findings are manifold. They have the potential to be applied with some refinements to many organizations, and the doctoral work gives further details on how to do that. Finally, the conclusion of the doctoral work summarizes the significance of the work in the field of management and outlines the further research potential.

CHAPTER 1. PRESENT STATE OF PROBLEM SOLVING

The aim of this chapter is to give an overview of the existing literature on the question of the interrelation between organizational culture and the long-term efficiency of companies. Part 1.1 discusses the theoretical foundations, definitions and approaches to the term organizational culture with the purpose of choosing an approach on which the research will be based. Part 1.2 presents different categorizations of organizational culture and explains the choice of one of them for the purposes of the research of this doctoral thesis. Part 1.3 discusses the role of organizational culture in organizational performance. Part 1.4 presents the concept of values- and goals-based organizations and approaches in management and portrays the connection to organizational culture typology. Part 1.5 explores such concepts as tacit knowledge, its typologies and its role in organizational culture and the long-term efficiency of companies. Part 1.6 gives an overview of the literature on systems of person-organization fit and socialization in regard to the long-term efficiency of companies. Part 1.7 portrays the present academic literature and approaches to organizational culture, ethics and Corporate Social Responsibility and their connection to long-term efficiency. Finally, Part 1.8 summarizes the entirety of Chapter 1.

1.1 Terms and definitions of organizational culture

The concept of organizational culture emerged in the second half of the 20th century, and it increasingly became popular in analyses of institutional development. As Barley et al. [21] noted, the concept of organizational culture has a long history, dating to early sociological studies. There are many definitions of “organizational culture” as well as the approaches to its study ([7]; [22]; [23]; [24]; [8]). Some argue that organizations *are* cultures; others insist that organizations *have* cultures. The first perspective comes from an anthropological foundation, whereas the second one comes from the sociological one. Within each of these disciplines, two different approaches were developed: a functional approach where culture emerges from collective behavior and a semiotic approach in which culture resides in individual interpretations and cognitions. Metaphorically, culture is to the organization what personality is to the individual. It is a hidden but unifying force that provides meaning and direction [25].

Organizational culture has been defined in many ways by various authors. It has been described as the dominant values of an organization [26] that

constitutes the philosophy guiding organizational policy towards employees and customers [27], and that it is simply the way things are done in an organization [28]. It has also been described as the prevailing patterns of values, attitudes, beliefs, assumptions, expectations, activities, interactions, norms, and sentiments in an organization [29], as the sum of behavioral patterns built up over many years [30], and as the set of values and assumptions that underlie the official mission statement. Organizational culture is also defined as the behavior patterns or style of an organization that new employees are automatically encouraged to follow [31] and the underlying values, beliefs and principles that serve as a foundation for an organization's management system as well as the set of management practices and behaviors [32].

Based on theories from such domains as anthropology, sociology, and social psychology, several researchers used semiotics, rituals, ceremonies, stories, and language to explain the behavior of individuals in organizations (e.g., [33]; [34]; [35]). In this process, scholars discussed several important issues, for example, the definition of culture, the appropriate methodology for investigating it, and the proper level of analysis for its study. It was asserted by Barley [36] that all cultural research is based on comparable concepts and that differences appear only depending on the subjectivity and consciousness of the authors using these terms. A typical agreement on the issue is that culture is a set of cognitions shared by members of a social unit (e.g., [34]). In this respect, Rousseau [37] created a framework of culture including fundamental assumptions, values, behavioral norms and expectations, and larger patterns of behavior. Research on culture usually begins with a set of values and assumptions ([8]; [38]). These values, whether conscious or unconscious, typically act as the defining elements around which norms, symbols, rituals, and other cultural activities revolve. [39]

According to the definition of Gareth Morgan [40], organizational culture is the beliefs, values, and norms, together with symbols, events and personalities unique to a group. Morgan described norms as traditions or structure of authority. He stated that in order for a group to act successfully, the organization has to implant its norms into this group. Therefore, the socialization process is necessary for success. [40]

One of the most well-known scholars in the field, Edgar Schein, defined organizational culture as a “pattern of basic assumptions invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valid and therefore is to be taught to new members as the correct way to think and feel in relation to those problems” [8]. He also argued that culture becomes apparent on three levels:

- Foundation level – basic assumptions, which include subconscious, invisible, taken for granted beliefs, ways of thinking, feelings, behaviors etc. of organization members;
- Middle level – proclaimed values of an organization (philosophy, mission, strategy, goals);
- Upper level, which includes visible and audible artifacts within an organization.

Organizational culture also becomes important on the national culture level. Geert Hofstede [24] was one of the first scholars to research the impact of national culture on the workplace. Although other studies, such as GLOBE [41], are more current, Hofstede's work remains the most frequently cited. Hofstede defines culture as the “collective programming of the mind that is focused primarily on work-related values”. [24] Hofstede's book describes a survey of a large U.S. multinational company's employees. It encompasses 117,000 surveys collected from workers and managers in forty countries and twenty languages twice, in 1968 and in 1972.

Hofstede [24] argues that management practices and theories are connected to the culture they come from and that most management theory has been developed in the United States, which is culturally similar to countries which speak English and other northern European languages, but distinct from countries speaking Roman languages and most countries in Asia. To Hofstede, managers and scholars tend to assume that what works in their culture will work anywhere, an assumption that can have undesirable consequences. [17]

In this respect, Hofstede studied how national and organizational cultures are connected. One of his arguments is that a collective culture is a powerful form of organizational glue. In multinational companies, the culture of the home country tends to be the crucial one all over the organization in all parts of the world. This means that managers from outside the home country have to become bicultural. At the same time, many managers who work abroad, in Hofstede's view, incline to live in their home culture communities and therefore stay monolingual and monocultural. [24]

Despite all of the insights which Hofstede's research brought forth, it also has several limitations of which one should be aware. For example, his sample was from only one American company (IBM), and many nations were absent (China, Russia, most of Africa and Eastern Europe). Later on, additional research on the absent countries was carried out; however, many countries are missing. Furthermore, the data is always getting old, and due to the increasing tempo of life and globalization, is inadequate to some extent. However, no other work has been as influential (in terms of citations) in demonstrating the pervasive impact of national culture on organizations.

All the definitions given above, despite all their differences, have a central theme: organizational culture refers to a system of shared meaning, beliefs and values, and the mission of the organization together with the accepted approaches to manifest them.

Moreover, there is an overlap between the notions used to identify organizational culture. This overlap leads to attempts to develop frameworks which would sort crucial dimensions and offer a conceptual foundation for the study of organizational culture (e.g., [24]; [42]; [8]; [7]). Thus, values, ideologies and beliefs are considered to be particularly significant for understanding an organization's culture and have been regarded as a consistent representation [43]. Different assessment and measurement instruments of organizational culture are thus typically focused on organizational values.

Furthermore, it is very important that organizational culture is often cited as the primary reason for the failure in implementing organizational change programs. Researchers have suggested that while the tools, techniques and change strategies may be adapted to the necessary changes, failure occurs because the fundamental culture of the organization remains the same [7]. Several studies proved these statements (e.g., [44]; [45]). The findings in these works assert that the successful implementation of cultural change for corporate long-term efficiency might be largely dependent on the values and ideological basis of an organization's culture. Moreover, these in turn affect how efficient a company is in the long term and the types of outcomes that can be achieved.

In order to better observe the phenomena connected to organizational culture and its aspects which contribute to long-term efficiency, the most suitable definition for the purposes of this work out of the ones outlined is the one by Schein. [8] Schein's definition allows choosing the level of investigation of an organizational culture and an appropriate method for the study. The foundation level of organizational culture, where the basic underlying beliefs of the group exist, is mostly used in cultural change projects. The reason for that is that no culture can be changed without changing its basics, which are at the foundation level. As the purposes of this study do not include changing the targeted organizations, the necessary phenomena can be identified at the middle and upper levels of culture.

The best way to do that and to compare the results of different organizations is to use the categorizations of culture. Therefore, the next part of the chapter will outline the typologies of organizational cultures, where one will be chosen and the reasons for this choice will be explained.

1.2 Categorizations of organizational culture

There are many typologies of organizational culture. In this work the most influential ones in the sphere of management science will be presented. They will also be reviewed for the purposes of the research in this doctoral work.

1.2.1 Wallach categorization

One of the early, but still valid instruments developed to measure some well-recognized types of culture was proposed by Wallach [46]. This instrument assesses three commonly accepted aspects of organizational culture: bureaucratic, innovative and supportive. Each of these aspects is characterized by the author with adjectives that reflect the attitudes, behaviors, and values which distinguish them.

1. Bureaucratic culture. This culture tends to emphasize the hierarchical and compartmental structure, the clear lines of responsibility and authority, and the organized and systematic work. Bureaucratic cultures are control- and power-oriented. They are also described as cautious, established, solid, ordered, structured, and procedural.

2. Innovative culture. It is a dynamic culture filled with creativeness, challenge and risk. Organizations dominated by this culture type are described as driving, enterprising, challenging, stimulating, creative, result-oriented, and risk-taking.

3. Supportive culture. This culture provides a friendly, fair, warm, helpful, open and harmonious environment to workers. Organizations emphasizing this culture type are likely to be trusting, safe, equitable, sociable, encouraging, open, relationship-oriented, and collaborative.

According to Wallach [46], organizational cultures are not of one type, but usually contain different portions of each of the three facets. Wallach's measures are considered to have sound theoretical foundations [47], and have been studied in relation to such variables as organizational commitment [48], job satisfaction [49], and employee involvement [47]. The instrument to measure culture according to Wallach comprises 24 items, with eight items assigned to each of the three dimensions of organizational culture. The rating is accomplished on a four-point scale ranging from 'does not describe my organization' (0) to 'describes my organization most of the time' (3).

In the categorization by Wallach, however, there is a fourth type missing. Wallach does not take into account the culture oriented on competition and

achievement of goals. Therefore, for the purposes of this doctoral thesis this categorization will not be researched.

1.2.2 Deal and Kennedy categorization

Deal and Kennedy [26] are other researchers who contributed to the field of organizational culture. They argue that the culture of an organization can have varying degrees of strength. A strong culture has more advantages than a weak one: it can be a powerful asset to improving the efficiency of employees in their work [26]. Deal and Kennedy say that a strong culture has a system of informal rules that spells out how people are to behave and makes people feel better about what they do, so they are more likely to be motivated in their work. In other words, a strong culture helps to reduce workplace uncertainty. Weak cultures, on the other hand are identified by lack of clear values and certainty in employees when it comes to responding to particular situations at the workplace. Deal and Kennedy argue that organizations with strong culture tend to be more successful than ones with a weak culture. Moreover, Deal and Kennedy distinguish four culture types:

1) **Bet-your-company culture.** Bet-your-company culture is widespread in industries with long-term projects, which require a lot of resources. Moreover, high risks are typical. Classic examples are mining and construction companies. Big projects and their preparations are taken seriously. Proposals for them are often designed for long time, contain extensive analysis as well as detailed planning. These companies follow written agendas and communicate formally. Successful employees are mature and respect authority and technical ability. [26]

2) **Macho or tough-guy culture.** Macho or tough-guy culture is typical for companies that deal with big projects with short-term gains and rewards and high risk. These projects usually depend on relatively short preparation documents, but long technical documents. Usually these cultures are oriented on the short term and have troubles with long-term planning. Moreover, they are usually characterized by weak cultures. Common examples include police, sports and entertainment. [26]

3) **Work hard/play hard culture.** Work hard/play hard cultures emphasize short-term orientation with low risks. Usually companies are client-oriented. Stress coming from quantity of work rather than uncertainty. The amount of resources needed is often quite low. Selling and services are usually the dominant activities of such firms, and feedback is clear - targets either have been met, or not. Success depends on the number of contacts made. Such companies prefer to hire consulting firms that have a “can do” attitude and efficient processes. [26]

4) **Process or bureaucratic culture.** Bureaucratic cultures are long-term oriented and have low risks. They are typical at all levels of government and among such organizations as hospitals, insurance agencies, and universities. Process cultures rely on forms, ritualistic formal reports, proposals, and policy statements. They view external environment as predictable and stable. Job titles and roles are important. Since performance is judged by adherence to codes and procedures, recognition for the fulfillment of duties may only be precipitated by a challenge. [26]

Even though the categorization of organizational culture by Deal and Kennedy is one of the most well-known ones, by now it does not describe several important for this work organizations and organizational phenomena (such as innovative processes, values-based approaches and non-profit organizations). Therefore, even though the Deal and Kennedy's categorization was relevant at the time of its creation, more current definitions are needed in this day and age. Therefore, for the purpose of this doctoral thesis, Deal and Kennedy's description is only reviewed and will not be used for research.

1.2.3 Harrison and Strokes / Handy categorization

Harrison and Strokes [23] and Handy [50] have somewhat similar categorizations of organizational culture, which from the point of view of this doctoral work complement each other and create a holistic picture. These authors popularized a method of looking at culture which was used by other scholars to link organizational structure and organizational culture. The categorization of organizational culture according to Harrison and Strokes and Handy includes the following categories:

1. **Power culture.** Handy says that many small enterprises and large conglomerates demonstrate the characteristics of a centralized power culture. [50] In Mintzberg's theory [51] this culture type can be recognized in a divisionalized structure. Moreover, this model is very similar to Weber's Charismatic organization [52]. Harrison and Strokes [23] say that influence in this culture type is spread out from a central figure or group. Personal influence plays a key role, rather than procedures or purely logical factors.

Leadership in such organizations is based on strength, justice and paternalistic goodwill. Leaders are firm, fair and generous with loyal subordinates. Such orientation toward the use of responsible power seems to be typical for some of the best Asian and Latin American organizations. It is based on the acceptance of hierarchy as being legitimate by all members of organization. [50] One of the typical examples is the Roman Catholic Church with the Pope's and bishops' unquestionable power. The dominant managerial style may readily equate to Reddin's [53] task-oriented-entrepreneurial style and shares its potential

advantages and disadvantages. Individuals succeed as long as they are power-oriented, politically minded, risk takers with a low need for security.

The limitation of such a culture is that power cultures may suffer from staff disaffection. Organization is dependent on the ability and judgment of the central power: if it is weak, the organization will struggle. With the growth of the company, the centrist culture might break down if the central figure or group cannot keep up their interventionist, coordinating role. [50]

2. Role Culture.

According to Handy [50], in a Role Culture, people have a clearly delegated authority within a highly defined structure. Typically, such organizations form hierarchical bureaucracies. Power derives from a person's position and little space exists for expert power. This culture type is often regarded as a bureaucracy, since it works by logic and rationality. Communication is structured, and systems and products are well defined.

As Harrison and Strokes describe, the values of the role orientation are order, dependability, rationality, and consistency. At its best, the role-oriented organization provides stability, justice, and efficient performance. Due to the rules and guidelines, people receive protection from the arbitrary exercise of authority. People are able to spend less time looking out for themselves and can devote more energy to their job. [23]

This culture type has its limitations. The role culture may find it hard to adjust to changes. Rules, procedures, and tested ways of doing things may no longer fit the circumstances. Typical problems of mechanistic organizations are struggles to cope with dynamic market change. Further problems arise from the premise that people are not to be trusted, so they do not give individual autonomy or discretion to members at lower levels [23]. Similarly, Reddin's [53] bureaucratic management style tends to place less emphasis on task innovation and people relationships.

3. Task Culture (Handy)/Achievement Culture (Harrison & Strokes).

To Handy [50], this kind of culture is typical for network or matrix organizations. Metaphorically, this culture is like a net with small teams of cells at the interstices. Power and influence are distributed to the interstices of the net. The emphasis is on achieving results and getting things done. Resources are given to the right people at whatever level who are then brought together and given decision-making power to accomplish the task. The task, results, main focus, team composition and working relationships are founded on abilities rather than status. [50]

Harrison and Strokes [23] add another useful characteristic: the orientation on achievement makes people be highly motivated and committed to their job since they want to make a contribution to the world. People feel they are working for something bigger than themselves. They supervise themselves, seeking out what needs to be done without direction from above. Typical examples are theaters, R&D, high-tech, and innovation organizations.

If resources become scarce, top management may intervene. There may be competition between project leaders for available resources. Therefore, morale may suffer. Individual priorities and objectives take over, and the task culture may then become a power culture. [50] Another danger is that organizations dominated by team/achievement-oriented cultures frequently lack proper organization. Managers rely on high motivation to overcome the deficiencies in structures, systems and planning. Although this culture type evokes enthusiasm and commitment, people's needs are subordinate to the organization's mission and its needs. After a time, this may cause mistrust or high levels of emotional and physical stress. Under stress, organization members may withdraw into an idealistic fantasy world, losing touch with the realities of competition, customer needs, and the business environment (a typical phenomenon for R&D and high-tech organizations). [23]

4. Person (Handy) / Support (Harrison & Strokes) Culture

Handy [50] writes that for this kind of culture an individual is at the center. If there is a structure, it exists only to serve the individuals within it. This type of culture suggests that if anyone is responsible for us and our world, it is us. In the other three culture discussed above, the individuals are there to help the organization achieve its goals and are given something in return. In this culture type, the organization exists to help individuals achieve their purposes. [50] Harrison and Strokes describe this culture type as having an organizational climate that is based on mutual trust between the individual and the organization. In companies dominated by this culture type, people believe that they are valued as human beings, not just as cogs in a machine or contributors to a task. [23]

The weaknesses of this culture type are the negative sides of its humanistic strengths. [23] Handy says that survival can become difficult for such organizations in case there is a tendency towards conflict avoidance: in the interests of harmony, difficult issues are swept under the rug. Consensus may be overvalued, preventing the organization from moving decisively. Differences in skill and ability may be ignored in the interests of "equal treatment". Tough decisions about people's performance may be postponed "out of kindness", which negatively impacts the organization's effectiveness. [23]

Although the categorization of organizational culture by Handy and Harrison and Strokes are well-known and influential, from the point of view of this doctoral thesis they do not reflect all the complexity of the changes and trends in the economical environment nowadays. Moreover, they were mostly used for business companies and can barely be used to describe the phenomena of non-profit organizations. Therefore, for the purposes of this doctoral work, this categorization will not be taken as the way to look at the long-term efficiency and compare different organizations.

1.2.4 Hofstede categorization

As a result of his study, which was mentioned above, Hofstede [24] identified variables that distinguish managers of various nations, which resulted in the development of four dimensions of national cultures:

1) **Power distance** – a measure of power inequality between bosses and subordinates. High power distance countries (such as Mexico) display more autocratic relationships between bosses and subordinates than low power distance countries (including Denmark or Austria) that show more democratic and decentralized patterns.

2) **Uncertainty avoidance** – level of comfort with uncertainty and ambiguity. Countries high on uncertainty avoidance (Greece, Portugal, and Belgium) tend to make heavy use of structure, rules, and specialists to maintain control. Those low on the index (Hong Kong, Denmark, Sweden and Singapore) put less emphasis on structure and are more tolerant of risk taking.

3) **Individualism** – the importance of the individual versus the collective (group, organization or society). Countries highest on individualism (the United States, Australia, Great Britain and Canada) put emphasis on autonomous, self-reliant individuals who care for themselves. Countries lowest on individuality (Peru, Pakistan and Colombia) emphasize mutual loyalty.

4) **Masculinity-femininity** – the degree to which a culture emphasizes ambition and achievement versus care and nurture. In countries highest on masculinity (Japan, Austria, Venezuela, Italy), men tend to feel strong pressure for success, relatively few women hold high-level positions, and job stress is high. The opposite is true in countries low in masculinity (such as Denmark, Norway, the Netherlands and Sweden).

After some time, Hofstede had to add new dimensions to this culture categorization since the later research noted that Hofstede's previous four cultural dimensions did not adequately reflect Asian perspectives on culture. [54]

5) **Long term orientation - short term orientation.** Long term orientation stands for the encouragement of qualities oriented towards future rewards, in particular perseverance and thrift. Its opposite pole, short term orientation, stands for past and present, in particular, respect for tradition, preservation of ‘face’ and fulfilling social obligations. This also reflects the theory of Corporate Social Responsibility and ethics and the time orientation of Kluckhohn and Strodtbeck [55].

The categorization by Hofstede is one of the most influential in the field of organizational culture; however, as the study carried out in this doctoral work does not concentrate on national culture differences, this categorization will not be used as the methodology through which the necessary phenomena will be described.

1.2.5 Cameron and Quinn categorization

Cameron and Quinn [7] suggest that the cultures of organizations, as well as people, have archetypes of values, and can be categorized according to two different dimensions:

- 1) Stability and control versus flexibility and discretion;
- 2) Internal focus and integration versus external focus and differentiation.

These two dimensions generate four culture types, as shown in the Figure 1.

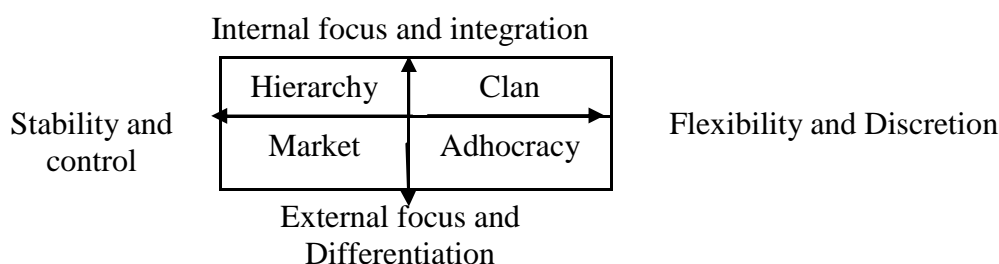


Figure 1. Competing Values Framework. Source: [7]

Hierarchy. Organizational culture compatible with this form is characterized by a formalized and structured place to work. Procedures govern what people do. Effective leaders are good coordinators and organizers. Maintaining a smooth-running organization is important. The long-term concerns of the organization are stability, predictability, and efficiency. Formal rules and policies hold the organization together.

Market. Market culture is a result-oriented workplace. Leaders are hard-driving producers and competitors. They are tough and demanding. The glue that holds the organization together is an emphasis on winning and reaching goals. The long-term concern is on competitive actions and achieving stretch goals and targets. Success is defined in terms of market share and penetration. Outpacing the competition and market leadership are important.

Clan. Clan culture is typified by a friendly place to work where people share a lot of themselves. It is like an extended family. Leaders are thought of as mentors and even as parent figures. The organization is held together by loyalty and tradition. Commitment is high. The organization emphasizes the long-term benefit of individual development with high cohesion and morale being important. Success is defined in terms of internal climate and concern for people. The organization emphasizes teamwork, participation, and consensus.

Adhocracy. Adhocracy culture is characterized by a dynamic, entrepreneurial, and creative workplace. People take risks. Effective leadership is visionary, innovative, and risk-oriented. The glue that holds the organization together is a commitment to experimentation and innovation. The emphasis is on being at the leading edge of new knowledge, products, and services. Readiness for change and meeting new challenges are important. The organization's long-term emphasis is on rapid growth and acquiring new resources. Success means producing unique and original products and services.

The summary of the characteristics of the culture types can be found in the Table 1.

Table 1. Summary of characteristics of culture types according to the Competing Values Framework. Source: adopted from [7]

Aspect	Hierarchy	Clan	Market	Adhocracy
Overall cultural characteristic	Well-oiled mechanism	Extended family	Goal-oriented dynamic place	Entrepreneurial, creative place
Leader	Coordinator, organization	Parent figure, mentor	Hard-driving, demanding producer	Visionary, innovative, risk-oriented
Strategic emphasis	Stability, predictability	Individual development	Competitive actions, goal achievement	Rapid growth, new resources
Success criteria	Efficiency, smooth running	Internal climate, people concern	Market share and penetration	Unique knowledge, product
Treatment of people	Procedures	Teamwork, participation, consensus	Competition, winning climate	Readiness for change and meeting new challenges

Organizational glue	Rules	Loyalty, tradition	Achievement, winning	Experimentation, innovation
Example	Governmental department	Family firm	Advertisement agency	Theater, software developer

This categorization will be taken as the main prism to look at the organizational phenomena in this doctoral work. Cameron and Quinn's categorization of organizational culture can describe both business and non-profit organizations. Moreover, its reliability was proven by the research of thousands of organizations in different industries, and was previously used by the author in other research. A review of the literature found few studies which used the Competing Values Framework on values-based organizations relevant for the purposes of this doctoral thesis: universities ([18]; [44]); healthcare organizations [56] and churches [57]. Furthermore, this model includes the change and persistence perspective in the organizational culture.

After the examination of the different categorizations of organizational culture and their suitability for the purposes of this research, it is important to understand exactly which role the organizational culture plays in the different aspects of a company's performance, such as economical efficiency, organizational empowerment, project management, effectiveness of foreign-owned companies in new markets, manufacturing strategies, information security management, supplier diversity, etc. Special attention will be paid to the role of organizational culture in the aspect of performance which involves long-term efficiency.

1.3 Organizational culture and organizational performance

Different aspects of organizational governance like strategy, market presence, financial policy, and technology play undoubtedly significant roles in organizational performance. However, scholars have also emphasized another important aspect - the power of a unique organizational culture, which is typical for most highly successful organizations. [7] Such culture reduces collective uncertainties (that is, facilitates a common system of interpretation for members), generates social order (makes clear to members what is expected), continuity (maintains key values and norms across generations of members), creates a collective identity and commitment (binds members together), and clarifies a vision of the future (energizes movement forward). [35] Most organizational scholars and observers recognize that organizational culture has a powerful effect on the performance and long-term efficiency of organizations. As many empirical studies have proven, strong, developed and congruent organizational culture is crucial for excellent organizational performance. ([58]; [32]; [35]).

The research of Kotter and Heskett [31] describes interviews with financial analysts who closely monitor certain industries and organizations. Seventy-five analysts were asked to compare the performance of twelve highly successful firms with ten lower-performing firms. The results demonstrated that seventy-four of them acknowledged culture as a critical factor in long-term financial success, which is especially remarkable since it is often believed that analysts take into account only “hard” data.

Research provided evidence for the impact of organizational culture not only on the group but also on individuals (employee morale, commitment, productivity, physical health, emotional well-being) [59]. At first glance this might not be evident, but it becomes obvious in the long term how expensive such issues are for organizations including work-life imbalance (which leads to high health care costs due to employee burnout), wearing down of staff commitment, replacement and retraining of employees, the loss of organizational secrets, and lawsuits from unsatisfied workers. All these unfortunate factors are important signs for the lack of attention to organizational culture. Not only management scholars, but also many consultants have asserted that “strong” cultures provide a solid basis for efficient and lasting performance. Culture is often called a stabilizing and conservative force, making things meaningful and predictable. However, strong cultures are also said to be stable and difficult to change.

Different studies measured which aspects of organizational performance are influenced by organizational culture. The findings of Berson et al. stress the role of organizational culture in improving organizational performance, and emphasize that CEO values are of the utmost importance in the culture formation process. [60]. Haskins [61] studied the connection between *organizational empowerment* and organizational culture and found out that free and responsible speech, presented as part of the organizational culture and congruent to it, is the most efficient way for preparing organizational members to face the unpredictability of the external environment. Gregory et al. [62] studied employee attitudes as a possible mediator of the relationship between organizational culture (in accordance with the Competing Values Framework [7]), and different measures of organizational effectiveness. The results of this study which was conducted in 99 healthcare facilities across the U.S., prove that employee attitudes indeed play a great role in the mediation of the culture–effectiveness relationship.

Yazici [63] investigated whether *project management* maturity relates to perceived organizational performance and how an organization’s cultural orientation is a contributing factor. The research was based on a survey and included 86 project professionals from different U.S. service and manufacturing organizations. The study revealed that an understanding of cultural orientation

plays an important role in project management maturity and advised modern project-based organizations to pay special attention to this factor when creating a strategy. Morrison et al. [64] empirically examined the relationship between organizational culture and the effectiveness of project management. The study used two conceptually developed constructs: a framework of organizational culture dimensions and a framework of project management effectiveness. The research found a statistically significant relationship and correlation between the two constructs.

Fey and Denison [65] examined the link between organizational culture and the performance of companies in an *international environment*. They studied the influence of corporate culture on effectiveness for foreign-owned firms operating in Russia. Beginning with a model of organizational culture developed in the United States, they presented a multimethod analysis of culture and effectiveness in a transition economy. Authors argued that effectiveness in Russia relies more on adaptability and flexibility than it does in the United States, thus the appropriate organizational culture must be developed when starting business in another country.

The study of Shih-Chieh and Jue-Fan [66] concentrated on how firms select their *manufacturing strategies* based on their organizational cultures. According to the authors, organizational culture has a big impact on manufacturing strategy and has to be taken into account when creating it. The authors also name such factors as continuous learning and innovation as important attributes. They highlight the key roles of managers' communication of their visions to their subordinates and of employee training aimed at adaptation to changing environments.

Chang and Lin [67] examined the influence of organizational culture on the effectiveness of implementing *information security management*. The authors created a model of the relationship between organizational culture and information security management. They demonstrated that control-oriented organizational culture traits - effectiveness and consistency - have strong effects on the information security management principles of confidentiality, integrity, availability and accountability. On the other hand, the flexibility-oriented organizational culture traits - cooperativeness and innovativeness - are not significantly associated with the information security management principles. The authors name one exception: cooperativity is negatively related to confidentiality.

Another study by Whitfield and Landeros [68] empirically examined the influence of organizational culture on *supplier diversity*. It explores the relationship between buyer behavior and culture using the Organizational Culture for Diversity Inventory. The results indicated that some culture types,

like achievement and affiliative cultures, positively influence the effectiveness of supplier diversity, whereas units with defensive or passive–defensive cultures demonstrated low supplier diversity.

Another study by Obgonna and Harris [69] concentrated on *changes in organizational culture* and analyzed the similarities and differences in the rationale, form, substance, and impacts of two separate culture change initiatives in the same macroculture with a ten-year perspective. The authors argued that not only does culture change significantly influence the performance of single organizations, but also of macrocultures, and that researchers studying organizational culture should devote significantly greater attention to this issue.

All the factors of organizational performance discussed in this part are important, but probably one of the most crucial questions that almost all managers ask, is how to make sure that the company will last as long as possible. The next part examines the present state of this problem. It identifies the gap in research regarding this question towards which this doctoral work will seek to contribute.

1.3.1 Organizational culture and long-term efficiency of organizations

Due to the very short life expectancy of business organizations and the turbulent economic environment, the question of long existence of organizations received special attention from scholars in the last few decades. ([1]; [3]; [70]; [71]; [72]) Research on longevity has concentrated on different aspects: “soft” (values-based) or “hard” (goals-based). The adherents of the “hard” methods, economists, try to predict changes in environments and organizations using such methods as cycles, historical data, and forecasting. Quite understandably, they are inclined to focus on economic and not cultural data. However, cultures do change over time together with and in similar ways as economies. Therefore, some researchers studied the correlations between culture and the “hard” variables of external economies which influence the longevity of organizations.

Bonn [73] examined four broad categories of variables of such responses that might affect organizational longevity:

- (1) environmental variables;
- (2) organizational variables;
- (3) company strategies; and
- (4) ownership characteristics.

The variables were derived from empirical research that studied the relationship between various dimensions which influence company performance. Bonn argues that the culture inside an organization develops in response to the pressures of the outside society, which partly reflects Schein's point of view on culture [8]. In the same way, as cultures of society evolve over time, organizational cultures evolve with them as well. Bonn shows therefore that the mechanisms of cultural evolution are similar regardless of the scale of the culture – national, organizational or individual. This point of view is revealing, albeit too broad and requiring refinement of the terms which the author uses.

Konz and Katz [74] used a modeling technique borrowed from biology to construct a model of an organization's development from the history of this organization. The authors studied managerial strategies of the organization from the perspective of social Darwinism. The study revealed that the evolution of a culture succeeds due to the survival of those traits within the culture that enable it to survive best in its environment. Thus an organization's culture continues to perpetuate those cultural traits that enable its continued existence. However, in practice many companies fail to do that and disappear – so the real question is how can organizations keep their core while adapting to the environment. This doctoral thesis contributes to answering this question from the point of view of organizational culture.

Another researcher, Montuori [75], also addressed social Darwinism, and discussed the importance of a learning organization. The author described the kinds of leaders necessary to lead organizations through uncertain environments. According to the study, turbulent changes in environment include the revolution of information, fast-paced technological change, the dissolution of national boundaries and cultural barriers to communication, and changing values. Montuori said that even though cultures tend to change over time to adapt to the changing external environments, those environments constantly change as well. Therefore, it is important for organizations to have the flexibility to adapt to some extent while keeping the core values. The role of leadership is important, but what exactly in leaders helps to do that and how to continue being efficient is not yet widely researched.

Other authors, who studied long-lived organizations (e.g., [11]; [6]), focused mostly on the internal processes of firms and found similar features among their structure and culture. De Geus, among other components of the long-lived company, highlights sensitivity to the environment, i.e. the ability to adapt. Collins and Porras point out a very strong devotion to a "core ideology" of organization and almost programming employees into "ideological commitment" to the firm. Two researches who studied highly successful firms, Cameron and Quinn [7], said that besides strategy, market presence and

technology these companies had also “sustainable and unique culture” that allowed for the creation of “continuity and a collective identity and commitment”. Therefore, one of the premises of the work is that the key factors of long-term efficiency of organizations reside in organizational culture.

Thus, the review of existing literature on long-term efficiency and the longevity of organizations reveals that there is not enough precision and agreement on the issue. Especially important seems to be that all the research done in this area has only been done on profit organizations, the maximum age of which is 700 years [6]. There is a gap in research on non-profit organizations and longevity, which seems to be a significant gap since non-profit organizations are in fact the most long-living. Some churches have existed for two thousand years, and universities and theaters have been around for hundreds of years. What distinguishes them from business organizations is that the aim of their existence lies beyond economical activity, and is rooted more in values and the social importance of society. This is values-based approach, in contrast to the goals-based approach that prevails in profit organizations. Thus, the next part of the chapter examines the issue of values versus goals-based organizations and approaches in management and organizational culture.

1.4 Values- and goals-based approach in management and organizational culture

With respect to the most long-living companies, various scholars have emphasized the special kinds of organizations which have existed the longest in the world: *universities, theaters and churches* ([6]; [7]; [1]; [17]; [19]). As Pushnykh and Agranovich [19] write, the specifics of these organizations is that the results of their activity depend not only on formal features of the system of management (organizational and legal form, structure, financial system, etc.), but mostly on a system of values which defines the management approaches in those organizations. Thus, these organizations are *values-based organizations*, whose purpose of existence is self-development by re-thinking and integrating social experience and knowledge based on the values and interests of individuals and the organization. Opposite to the values-based organizations are *goals-based organizations*, whose purpose is to produce goods and services via the transformation of materials, energy, and information directed towards the achievement of organizational goals [19].

Due to the fact that the focus of values-based organizations lies mostly in non-economic sphere, many values-based organizations are non-profit organizations (NPO). At the same time, most goals-based organizations are profit or business companies. Therefore, it is important to review the NPO literature.

1.4.1 Issues in the management of values-based organizations

Literature says that the contribution of NPOs to the third sector of the economy is widely acknowledged. The role of NPOs is that they provide goods and services not covered by the business or public sectors, develop useful skills, create employment, and foster pathways for social inclusion ([76]; [77]; [78]). NPOs have a unique operational model. They also depend on many stakeholders delivering the resources necessary to provide services to their partners and clients.

Government has been a traditional funding source for NPOs [79]. At the same time, government also causes a lot of uncertainty since many initiatives have not received full policy support. Recently however “reinventing government” schemes and new public management transformed government-NPOs relationship. Because of this, the non-profit sector attracted profit firms to service markets that were traditionally served by NPOs (e.g. health care), thus increasing the competition [80]. At the same time, the number of NPOs is growing, which causes instability of support in donations initiatives [81]. These changes in environment have forced NPOs to adopt new strategies to continue their pursuit of their social mission ([82]; [81]; [83]).

As the last decades have shown, increasing external environmental challenges faced by NPOs has attracted the attention of scholars. They have argued that NPOs must change different things in their governance in order to adapt to these challenges. For example, they are advised to implement entrepreneurial methods [84], innovative practices [85], concentrate on outcomes set by government policy, and find innovative ways of providing their services, thus increasing competitive advantage [84]. This indicates the need for market orientation to meet the increased competition. [86] However, others talk about the possible dangers of this rush and say that ‘marketization’, or the adoption of business models, contains potential conflicts with the core ideals of NPOs [87]. This need forces NPOs to change strategies to increase the efficiency and effectiveness with which they deliver their services. All this shows the increase in the use of the goals-based approaches in values-based organizations.

Despite the increasing importance of goals-based approaches for values-based organizations, the predominance of either one of these approaches is not the method to increase long-term success. The balance between values and goals-based approaches is of utmost importance. ([18]; [19]) A number of authors have emphasized the importance of balancing ‘mission’ and ‘money’, i.e. balancing the values-based, social mission with the goals-oriented, operational efficiency of NPOs [81]. Chetkovich and Frumkin called it a central issue in managing NPOs. [81] An NPO must ensure a flow of resources in order to sustain itself [82]. Typically, NPOs receive financial resources through some

activities giving income, governmental support and private donations. Researchers have suggested several strategies from the goals-based perspective that can be adopted by NPOs to gain financial substantiality, for example: usage of commercial means in order to increase the revenues [79], adaptation of business principles to fundraising ([81]; [83]), relationship marketing [88] and strategic alliances [89]. Moreover, some strategies for cost reduction were suggested, for example: encouragement of volunteerism and its productivity [90] and soliciting in-kind donations [91].

Over the last few decades a discussion over the issue of social entrepreneurs and their main interest has evolved. This discussion has important implications for the issue of organizational efficiency in NPOs. Authors started to strongly emphasize values-based approaches in social entrepreneurship: they strongly argue that social mission (e.g., [92]) is the most important for social entrepreneurs. For example, Peredo and McLean write that ‘any wealth generated is just a means to the social end’ and that ‘financial benefits to the entrepreneur has no place among the goals of the undertaking’ [93, p. 59]. Anderson and Dees add that ‘social entrepreneurship is about finding new and better ways to create and sustain social value’ ([94], p. 192). According to this view, social entrepreneurship undoubtedly belongs to the not-for-profit sector (e.g., [95]) and fully belongs to values-based management approaches. Others consider social entrepreneurship to be aimed mostly at wealth and thus fully goals-based [76]. This issue remains unresolved.

The review shows that literature on the issue of balancing values and goals for NPOs and for business companies is fragmented and relatively under-developed: there are many disagreements which are not fully resolved. Many authors talk about the importance of keeping the balance between values- and goals-based approaches, but there is very little written about how exactly this should be done. Addressing this issue in both non-profit and profit organizations, this doctoral work has the potential to enrich the understanding and development of long-term efficient business practices and to make a distinct contribution to the longevity discourse.

In summary, such organizations as churches, theatres, and universities were initially fully values-based. However, with the change of environment they had to introduce the goals-based approaches in order to stay alive. At the same time, goals-based organizations also started to apply values-based approaches as it is one of the powerful resources and competitive advantages. Collins and Porras [11] describe such “visionary” organizations as IBM, Disney, and Procter&Gamble who fully apply values-based approach. The proposed thesis argues that long-term efficiency is managed by the implementation and coherence of both values-based and goals-based approaches due to organizational culture.

To conclude the section, the above given review examined the main issues in literature existing on values-based organizations and identified a gap in research and a call for broader research, toward which this doctoral thesis attempts to contribute. Thus, it is necessary to review what relation the values- and goals-based approaches have to the main background concept in this doctoral work – the Competing Values Framework of organizational culture.

1.4.2 Values- and goals-based approach and Competing Values Framework

Since this doctoral work takes Competing Values Framework as the background theory on which the methodology and description of phenomena is based, it is important to see how it relates to the values- and goals-based approach. Essentially, each quadrant of the Competing Values Framework, or culture type, represents a set of valued outcomes and a coherent managerial ideology about how to achieve them. Zammuto et al. call managerial ideologies ‘broad management philosophies embedded in society’ and argue that they are brought into organizations through management education or professional training, and therefore influence ‘the way people think and behave within them’ [96].

Furthermore, Zammuto et al. [96] note that there is a direct correspondence between the subcultures of the CVF and the major managerial ideologies, which, as Barley and Kunda [36] say, have become predominant in western society during the past century. Moreover, the four major theoretical streams in organization theory (as analyzed by Scott [97]) are reflected in the CVF as well. Therefore, the CVF quadrants contain and reflect the most influential developments that have emerged in management and organization theory and have become widely accepted by theorists and practitioners [96]. These developments are reviewed below to develop propositions on the relation between each culture type and the values- and goals-based approaches

In terms of the Competing Values Framework the adhocracy-clan culture prevails in the value-based organizations while the hierarchy-market culture prevails in the goal-based organizations. Figure 2 illustrates a random culture plot according to CVF and shows the place of the values- and goals-based approaches in the CVF:

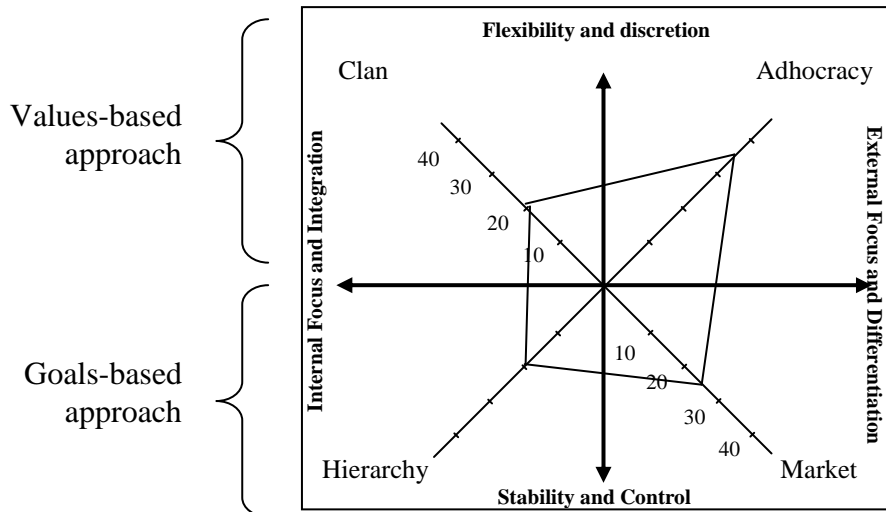


Figure 2. Example of culture plot and values- vs. goals-based approaches to management. Source: adopted from [7]

The next pages explain this connection and give a better understanding of how the four cultures of the Competing Values Framework relate to the values- and the goals-based approaches.

Hierarchy culture – goals-based approach

Linnenluecke and Griffiths say that the hierarchy culture is based on the management theories and philosophies that focus on economic performance and tend to ignore the external organizational environment. [98] The focus on economic performance is a typical feature of the goals-based approach. Moreover, it is acknowledged [98] that the hierarchy culture relates to ideology of scientific management described by Barley and Kunda's [36]. The main objective of scientific management is maximization of economic profits through rationalized production processes [99]. Moreover, this culture also relates to the classification of closed-rational systems models as described by Scott [97]. Scott's closed-rational systems models use formalized structures to improve organizational efficiency and economic performance and thus reach the fixed objectives. ([98]; [100]; [96]) The hierarchical organizational structure, guidelines and directives are very effective for smooth-running production in case the environment is stable and predictable [7]. The understanding and enactment of values-driven methods is limited in such culture: formalization restricts motivation, flexibility, range of choices and actions of employees. [97]

Based on this discussion it is suggested in this work that organizations dominated by hierarchy culture will place greater emphasis on economic performance, growth and profitability and thus *be attached to the goals-based*

approach to management. The long-term efficiency from the hierarchy culture point of view is that the organization seeks to maximize the production of goods and services. Hierarchy culture understands efficiency as a simplification of products, services and processes, which is aimed at cost reductions, maximization of output, and economic outcomes [7]. Therefore, the management of an organization, predominant by the hierarchy culture, attempts to expand consumption of the firm's products and services in order to increase income. However, such approach limits organization's consideration of the surrounding economical and social environment, which can lead to losing the competitive advantage. [98]

Russo and Fouts [101] assert that the realization of economic sustainability (i.e., the maximization of profits, production and consumption) alone is not sufficient for the overall long-term efficiency and existence of corporations. This point of view broadens the understanding of long-term efficiency and is considered to be an essential shift of perception compared to the orthodox management theory. [98] Moreover, concentration only on economic results might lead to missing out on innovations and other opportunities. Different studies proved that the creation of innovations and new business models is not possible if there is no flexibility, learning, and change in the culture [102].

Organizations that are dominated by hierarchy subculture pursue economical dependability, which might lead to conflict between their existing culture based on stability and control, and a need to introduce risk orientation, exploration and flexibility. In order to make any changes concerning the long-term efficiency, such organizations have to see the competitive advantage in terms of traditional bottom-line focused metrics and measurement systems [89]. Such criteria for making decisions are other typical features of goals-based approaches.

Clan culture – values-based approach

In contrast to the hierarchy subculture, clan culture is based on such management theories and philosophies that emphasize social interaction, interpersonal relations, employee development, and the creation of a humane work environment. Moreover, organizations dominated by clan culture are focused on internal environment. The clan subculture reflects Barley and Kunda's [36] human relations ideology, which emphasizes work conditions, social interaction, and group affiliation. It also corresponds to the classification of closed-natural systems models by Scott [97]. In this classification, informal structures and need for compromise are important. Moreover, this model recognizes that when there is a personal factor, there are many different interests and motives within organizations due to informal structures [97].

Since clan culture puts great emphasis on social interaction and interpersonal relations, it is argued in this work that organizations dominated by a clan culture will place greater emphasis *on values-based approach* in their pursuit of long-term efficiency. Therefore, an organization with a strong clan orientation takes care of employee training and advocates equal opportunity, workplace diversity and work-life balance as workplace principles [102]. Ethics and Corporate Social Responsibility together with opposition to discrimination and fraud are important values. Investing in human potential and capital as well as learning and education goes without saying. Moreover, such organizations often take care of environmental health and safety, human welfare and well-being. Clan culture assumes that the satisfaction and commitment of employees ensures productivity ([98]; [102]; [103]).

All these factors suggest that employees within an organization dominated by clan culture have potentially strong non-economic, and thus values-based, interests. However, if clan culture is too strong, it might become difficult for managers to focus on an organization's business purpose and objectives. The organization might experience tension between pursuing goals, applying business approaches and concentrating on values-based social purpose [89]. This is the classic tension between goals- and values-based approaches.

Market culture – goals-based approach

Management theories and philosophies relating to market subculture emphasize the role of the surrounding environment for the organization and the need for rational planning for achieving preset objectives. The market culture type corresponds to Barley and Kunda's [36] systems of rationalism ideology which concentrates on such activities as planning, forecasting, and controlling. Moreover, market culture also matches Scott's [97] classification of open-rational systems models, which addresses the rational organization of systems in order to meet the requirements of the environment. Open-rational system models concentrate on the efficient use of resources and rigorous goal setting.

Therefore, it is argued in this thesis that organizations dominated by a market culture will place greater emphasis *on goals-based approaches* in their pursuit of long-term efficiency. This approach promotes establishing long-term efficiency practices aimed at reducing costs and increasing operational efficiency. However, when estimating efficiency, it is necessary to consider its impact on the environment and society too, and thus values-based approach. Efficiency understood only as cost reduction and the simplification of products, processes and services is not enough to ensure longevity and successful existence in the long-term. [98]

Moreover, such practices can be easily copied by competitors and therefore represent a limited competitive advantage. A more balanced way is to benefit from such measures as cost savings and proper planning, and reinvest these gains in human capital, which allows for the attainment of sustainable longer-term gains due to the creation of the appropriate human systems. [98] Such measures provide organizations with coherence of goals- and values-based approaches.

Many organizations use values-based approaches to achieve their goals. For instance, they may implement human resources and environmental practices to decrease costs and increase efficiency. Investing in technical and interpersonal training means more expenses but results in better quality of products and services and thus compensates with added value. [98] This means that teamwork combined with cost-saving practices are optimal for long-term efficiency since they bring both values- and goals-based approaches. Another example is the development of external stakeholder relations leading to the building of solid networks which results in business benefits. These examples prove the importance of a balance between values- and goals-based approaches in organizations of any kind. However, the danger is that if they are not aligned and congruent, these measures may be in vain.

Adhocracy culture – values-based approach

Adhocracy culture reflects Barley and Kunda's [36] organizational culture and quality ideology. It highlights moral authority, social integration, flexibility, and employee commitment. Moreover, adhocracy culture corresponds to Scott's [97] classification of open-natural systems models. It emphasizes the crucial role of the external environment in influencing the behavior, structure and decisions of organizations. Important values are learning, adaptation [104], and the recognition of the external social and economic environment [105].

All the features described above are clear indicators of the *values-based approach*. Organizations dominated by adhocracy culture will place greater emphasis on innovation for achieving cutting-edge and avant-garde solutions, ecological and social sustainability in their pursuit of corporate long-term efficiency. Long-term efficiency is based on outside orientation, social sustainability, and contribution to society [98]. Such understanding leads to the necessity to accept wider responsibilities towards various stakeholders and agents with whom they work ([106]; [102]; [107]). In addition, risk orientation and creativity are the features that characterize this culture. It stands for change and flexibility, attentiveness for environment, and emphasis on the social values.

To conclude Part 1.4, it reviewed the literature on values-based and goals-based approaches and their role in organizational culture with special reference

to Competing Values Framework, the underlying theoretical approach of this doctoral work. The review revealed that there is a serious gap in research on non-profit (and especially values-based) organizations and their survival in long term, and this doctoral work will contribute to filling in this gap. Moreover, the review showed that the cultures of clan and adhocracy are values-based, whereas the cultures of hierarchy and market are goals-based. None of these cultures is the perfect one to ensure long-term efficiency, only the right combination of those cultures will be able to contribute to the long-term efficiency. As literature research shows, another subject, which is important for the long-term efficiency of organizations is tacit knowledge and its sharing. ([108]; [109]; [110]) Therefore, the next part of the chapter portrays the current literature on tacit knowledge, sharing it and its relation to organizational culture.

1.5 Tacit knowledge and organizational culture

1.5.1 The concept of tacit knowledge and tacit knowledge sharing

Knowledge can range from one end where there is the completely tacit and unconscious knowledge to the other end - completely explicit, structured and coded knowledge [111]. Tacit and explicit in such systems co-exist in a synergetic relationship. Tacit knowledge can be understood as actions in contrast to theoretical information. For instance, the illustration of tacit knowledge is the ability to ride a bicycle, cook without a recipe or have an intuitive feeling of the right decision. Tacit knowledge is obtained by experience, reflection, and the development of individual talents. These are all internal, individual processes of learning. Since it is so internal and is not so easily explained and externalized, tacit knowledge cannot be managed and taught in the same ways as explicit knowledge [108].

In contrast to tacit, explicit knowledge is stored mechanically or technologically, for example in books or information systems. Tacit knowledge is kept only in people's minds. It is impossible to lecture tacit knowledge, or obtain it from any explicit knowledge sources. Textbooks or manuals might have the description of tacit knowledge, but not the tacit knowledge itself: it is personal experience and thus is just found inside the human body and mind. Haldin-Herrgard [108] writes: "Different methods like apprenticeship, direct interaction, networking and action learning that include face-to-face social interaction and practical experiences are more suitable for supporting the sharing of tacit knowledge". The conversion of tacit knowledge to explicit, or at least the ability to share it, offers greater value to the organization due to several reasons. Even though having explicit knowledge is important, true quality in work is impossible without the unstructured and intangible tacit knowledge [108]. Explicit knowledge can be easily found and applied, but tacit knowledge is what distinguishes the mastery [112]. For any organization, core expertise is

more than the explicit knowledge of "know-what": it needs the more tacit "know-how" to apply "know-what" [15]. Due to tacit knowledge, it is possible to run work smoothly and thus increase quality. Moreover, tacit knowledge often sets apart a master of their profession [108].

Using tacit knowledge in organizational processes positively influences such aspects as decision-making, customer support, task performance accuracy, and production. [113]. Nowadays as time pressure gets higher and higher, experts can achieve major time saving with tacit knowledge. The role of tacit knowledge is often essential for being able to use coded knowledge, which can even be unusable without the augmentation of the tacit ([15]; [114]). For example, one can learn about the importance of negotiation techniques from textbooks but not learn the "sleight of mouth" by reading about it.

Organizational culture is found in literature as one of the most important notions connected to tacit knowledge. Some authors consider organizational culture as a form of tacit knowledge. Haldin-Herrgard [109] proposes the following systematization of tacit knowledge in regards to the:

- extent of abstraction in intangible and tangible;
- actors involved in individual and collective competencies;
- mental, emotional, social, and practical effects.

According to Haldin-Herrgard [108] culture consists of both intangible and tangible forms of knowledge which can easily be recognized by someone uninitiated. The author also says culture is one of the types (epitomes) of tacit knowledge but some even more general forms of epitomes of tacit knowledge can be found in culture. [108] Culture is also said to be the most extensive form of social tacit knowledge. Irrespective of the extension of culture (national or organizational) the foundation of culture is in tacit knowledge on behavior, values, language, etc.

Regarding the issue of tacit knowledge sharing, there exists an opinion that organizational culture is an inherent factor influencing transfer. According to O'Dell and Grayson [115], people and culture are the keys to sharing tacit knowledge because of the following reasons.

1. First, learning and sharing knowledge are *social activities*. They take place among people.

2. Second, *practices embedded in people, cultures, and contexts are complex and rich*. Descriptions, on the other hand, are poor in meaning and quite mechanical. The metaphorical illustration of that can be the difference between a

map and the journey itself. The methods to enrich learning are dialogue and demonstration since these are personal and face-to-face activities.

3. Third, to ensure efficient practices and knowledge transfer the *connection between people willing to share their tacit knowledge* is necessary.

It is important not only to know that organizational culture can be both the form of tacit knowledge and the key factor supporting tacit knowledge sharing but also to know what aspects of culture facilitate tacit knowledge sharing.

1.5.2 Factors of organizational culture supporting tacit knowledge sharing

From the review of relevant literature ([115]; [116]; [117]) the following common features of pro-sharing cultures can be distinguished:

a) Learning through teaching and sharing

According to O'Dell and Grayson [115], *mutual obligation* is one of the most powerful social forces. Inside an organization, once people start *helping* and *sharing* with one another, the effort becomes a self-perpetuating cycle. They are the vehicles by which rich, tacit knowledge gets shared among people who feel an obligation to help each other. Haldin-Herrgard [108] mentions that different methods like *apprenticeship*, *direct interaction*, *networking* and *action learning*, which include face-to-face social interaction and practical experiences, are more suitable for supporting the sharing of tacit knowledge.

b) Common areas of interest and expertise. Continuous exchange and creation of new knowledge as experimentation occurs.

Reagans and McEvily [117] say that there is a positive relationship between the level of common issues and problems and ease of transfer. Only supportive, collaborative cultures which have eliminated traditional rivalries can build effective knowledge management. [115] Of course, all this assumes a basic level of modern organizational skills, such as collaborative work, using problem-solving paradigms, and effective listening. Organizations that have not mastered these basic skills are not going to be able to do business at all.

c) Personal relationships and trust.

Szulanski [118] found that one of the strongest predictors of best practice transfer was the strength of the relationship between the source and recipient. The potential adopter of a best practice (the recipient) has to believe that the source is credible and knows what he or she is talking about. The source has to

be generous enough to devote the counseling and communicating time the recipient needs in order to really understand, adapt, and implement practice.

Alony, et al. [116] say, knowledge sharing can occur over dyadic relationships. The ties over which knowledge is exchanged have been found to impact the activity of knowledge sharing. Reagans and McEvily [117] and Hansen [119] say that both tacit and explicit knowledge are easier to transfer over strong ties. The range of ties is another factor positively affecting knowledge sharing [120]. These ties can be a source of useful information ([117]; [119]; [120]; [121]).

Ardichvili et al. [122] have conducted exploratory research to identify what impedes personal motivation to share knowledge. The study identified trust as an important factor and found two kinds of trust: benevolence-based trust and competence-based trust. Benevolence-based trust means “trust that the other members will not misuse the posted information”. Competence-based trust means “trust [the knowledge source] to be a source of reliable and objective information” [122, p. 72].

1.5.3 Competing Values Framework and tacit knowledge sharing

Based on the conclusions of the literature review, it can be assumed that tacit knowledge sharing is most natural and inherent in the clan culture and partly in adhocracy culture. In general, tacit knowledge sharing is high when the personal factor is high. The importance of personal, face-to face interaction, good relationships, open communication, and exchange, as well as common interests, are all features of clan culture, and at the same time tacit knowledge sharing supporting factors. [123] In order to gain a better understanding of the connection between tacit knowledge sharing and the Competing Values Framework model of organizational culture, the four culture types and tacit knowledge sharing are discussed further in more detail.

Clan culture and tacit knowledge sharing

Clan is the subculture which fosters tacit knowledge sharing the most. Underlying values directing the clan culture are flexibility, discretion, internal focus, and integration. These values represent the solid basis for supporting natural tacit knowledge sharing because such focuses result in the appreciation of shared values and goals, cohesion, participation, individuality, and the sense of “we-ness”.

Considering the leadership factor, the leader of a clan culture is a mentor or a parent figure. He/she is ready and willing to share their experience and to pass on the best practice. The leader builds and supports the team, creates a warm

atmosphere. Certainly, in such conditions it is easier to learn, to openly ask “stupid” questions, and to honestly tell about a problem. In such a culture, the feeling of being obliged to help each other is an inherent characteristic and creates a common space for the diffusion of expertise.

Taking the question of organizational effectiveness into consideration, it is obvious that the criteria of effectiveness of the clan culture include human resource development and teamwork. These factors are also connected with high tacit knowledge sharing. In this culture type, one important belief is that the involvement and participation of employees fosters empowerment and commitment. Cameron and Quinn write: “Committed, satisfied employees produce effectiveness”. [7] In other words, committed, satisfied employees are open to communication and therefore share more of their experience, expertise and understanding that in turn produce effectiveness.

Management skills important for clan culture include managing the development of others, managing interpersonal relationships, and managing teams. A manager living in this kind of organizational culture is ready to spend their time communicating their answers to the questions of the colleagues and making sure that they really understand, adapt, and implement practices.

Adhocracy culture and tacit knowledge sharing

The second culture type fostering tacit knowledge sharing is the adhocracy culture. Underlying values which direct the culture of adhocracy are flexibility, discretion, external focus, and differentiation. Ambiguity and information overload are typical for this kind of culture. It is obvious that tacit knowledge sharing is high when there is flexibility in ways to share, freedom in expression, and differentiation in how to diffuse and accept it. All these values support the importance of learning. Organizations with strong adhocracy cultures focus on external positioning with a high degree of flexibility and individuality.

Efficient leaders in organizations dominated by the adhocracy culture tend to be entrepreneurial, visionary, innovative, creative, risk-oriented, and focused on the future. Such leadership, which understands the importance of sharing expertise and experience, supports tacit knowledge sharing. Value drivers, such as transformation, innovative outputs, and agility, are better realized in practice with high tacit knowledge diffusion. If tacit knowledge is understood by leaders as a resource that always brings something new and is included in the vision, it becomes a very important factor making organizations more effective.

Tacit knowledge sharing fosters creative solutions to problems and cutting-edge ideas, which dominate effectiveness criteria in adhocracy culture. The underlying operational theory is that innovation and new ideas create new

markets, new customers, and new opportunities. As tacit knowledge sharing is an important part of the innovation process and creating new ideas, it also plays a significant role in this type of culture. Management skills crucial in this type of culture are managing innovation, managing the future, and managing continuous improvement. All these activities depend on tacit knowledge sharing to a great extent, and the higher it is, the better they perform.

Market culture and tacit knowledge sharing

Market culture is oriented towards the external environment instead of internal affairs. The major focus of market is to conduct transactions (exchanges, sales and contracts) with other constituencies to create competitive advantages. Competitiveness and productivity are core values. In such an environment where rivalry is emphasized more than unity, it is hardly possible that tacit knowledge sharing will be naturally high. Aggressive and decisive leaders which focus on winning and external competitors, barely pay attention to creating relationships and warm and warm atmosphere. As market culture in its pure form is focused on getting things done, hard work, productivity and accomplishing things, there is barely as much emphasis on helping each other compared to the clan and adhocracy cultures. Tacit knowledge sharing is supported only by the sense of being a part of the team, good and long relationships between members, and the willingness to share when the competitors are perceived to be outside in other teams and organizations. These features are actually related to clan culture. Therefore, tacit knowledge sharing is barely natural as part of market culture.

Hierarchy culture and tacit knowledge sharing

Hierarchy culture in its pure state supports tacit knowledge sharing probably the least out of all the four types of culture within the CVF. Hierarchy culture emphasizes internal focus and integration with stability and control. Control and coordination produce efficiency, and there is little space for a personal factor. A typical metaphor for this kind of organizational culture is machine, and the parts of a machine do not teach each other or support each other, they just do their job. Like in market culture, there is probably a lot of tacit knowledge inside this culture but hardly a lot of tacit knowledge exchange. Pure hierarchy is stable and not flexible or diverse. Internal orientation is more focused on procedures and rules than on people like in the clan culture. Documents and instructions contain explicit knowledge and are distributed openly. In contrast, implicit knowledge is in people, and if the personal factor is not important, there is hardly much exchange of practices and experiences. In order to raise the amount of diffusion, it is necessary to add the clan culture proportion to the overall culture of organization.

In conclusion, tacit knowledge sharing plays a crucial role in one more aspect of the long-term efficiency of organizations. When one considers the long-living organizations, the question on how to transfer the values and beliefs of organizational culture arises. The answer to that lies in the training and socialization systems with a deep tacit-knowledge sharing process, which allows newcomers to be taught the values of the culture and to integrate them in to the company. Person-organization fit is the factor that contributes to supporting strong loyalty and strong identification with the organization. The next part of the chapter gives an overview of that question in the existing literature.

1.6 Person-organization fit, socialization and long-term efficiency of organizations

The concept of organizational culture has been widely discussed in the study of organizational behavior in the past few years (e.g. [21]; [39]; [34]). Even though there are some disagreements over the definition and measurement, scholars tend to have the same opinion about the fact that culture is an important aspect in determining how well an individual fits into an organization (e.g., [124]; [8]). Many researches talk about *person-organization fit*. However, the person-organization fit is mostly based on person-culture fit. In this respect, the values and expectations of individuals interact with the components of organization, and the process of this interaction influences the attitude and behavior of individuals. Therefore, exactly how well a person and an organization fit is the matter of assessment of relevant aspects of both person and culture.

1.6.1 The fit of person, organization and culture

The question of fit has long been in the core of discussion in organizational psychology and behavior. The vocational choice theories ([125]; [126]) assert that a person chooses a job that is similar to their self-concept. Empirical research has normally proven that if individuals' personalities and the demands of their occupations are congruent, they are likely to stay in the job [127]. Lofquist and Dawis [128], for instance, suggested that satisfaction may come from “a harmonious relationship between the individual and his environment, suitability of the individual to the environment and vice versa” [128, p. 45]. Tom [129] researched the role of personality and organizational images in the recruiting process. This study showed that the more an individual's self-concept was similar to their image of an organization, the more that person favored that company.

Besides the general concept of person-organization fit, other researchers focused on the idea that organizations have cultures that are interesting to definite types of individuals (e.g., [110]). For example, Parsons asserted that a

cultural tradition develops around values, described as elements “of a shared symbolic system which serves as a criterion or standard for selection among the alternatives of orientation which are intrinsically open in a situation” [130, p. 11-12]. From this perspective, core values may be perceived as internal standard beliefs that influence behavior. If members of a group share values, this might create the foundation for social expectations. If they are more widely shared in an even larger social context, or an organizational culture, a value system may emerge. Therefore, researchers who study culture through norms (e.g., [131]; [39]) are researching social expectations originating from underlying values. Others who research culture through rituals, stories, or myths (e.g., [132]; [35]) are focusing on higher levels and signals that only mirror underlying beliefs and values.

The occurrence and significance of values in organizational culture are primarily connected to the psychological process of identity development in which individuals seem to search for a social identity that gives them purpose and a feeling of being connected [133]. A lot of different researches have shown that people incline to categorize themselves into social categories such as gender, race, ethnicity, and organizational affiliation. Moreover, they use those categories to characterize themselves. For example, people tend to be especially attracted to those organizations that they see as similar to themselves. Understanding basic values of organizations and groups may help people choose congruent roles, occupations, and even organizations.

For example, Schneider [134] proposed that individuals may be attracted to organizations they perceive as having values similar to their own and organizations tend to select recruits who are likely to share their values. New entrants are then further socialized and incorporated and those who do not fit, leave. Therefore, the persons’ crucial values or preferences for definite ways of behavior are reflected in organizational choices and further integrated within contexts of organizations. In the same way that research has demonstrated that comparable backgrounds, attitudes, and experience can improve fondness among people [135], it is probable that organizations demonstrating and encouraging different results and conducts are appealing to different types of people. Values give the first point with the mutual processes of selection and socialization which serve the purpose of ensuring person-organization fit [136]. Therefore, coherence between person's and an organization’s values are at the core of person-culture fit.

1.6.2 Organizational socialization

A significant part of a process like person-organization (or culture) fit is *organizational socialization*. It is the process during which newcomers are transformed from organizational outsiders to organizational members. [137]

Training and socialization are important parts of the person-culture fit process. Overall, literature shows that socialization and training are strongly related to organizational effectiveness. The closer a person's values are to the culture of the organization, the better the person-organization fit is. Nazir [138] showed that employees were committed to the organization because of the similarity between their own values and those of the organizations they worked in. Caldwell, Chatman and O'Reilly [139] argued that normative commitment is often associated with firms with strong cultures. In general researchers have suggested that high commitment and satisfaction are outcomes of person-organization fit ([124]; [33]).

Posner et al. [140] found that value congruence between managers and their organizations affected a number of individual level outcomes (e.g., personal success, intention to remain with the organization, understanding of the organizations' values, etc.). Other research indicated that through socialization, leaders can ensure a better understanding of organizational values, norms, and mission in employees [141]. Chatman [136] showed that person-organization fit is created, maintained, and changed during mentorship.

During first contacts with an organization, newcomers get new information, understand their roles, and adjust their behavior according to what the organization expects from them. This involvement allows newcomers to interact with organizational members and settings and ensures that a common meaning and understanding is developed between the organization and newcomers. Reichers [142] outlined the three strategies to accelerate socialization: inviting performance feedback, asking questions, and attending formal and informal social activities. In this process, personal contact of newcomers with previous organizational members plays a crucial role. The first interactions depend on an individual's motivation, abilities, skills, tolerance for ambiguity, and need for affiliation. [142]

Personal interaction with insiders during socialization was researched by different scholars. Anakwe and Greenhaus [143] suggested that experienced organizational members and supervisors are vital to the process of organizational socialization. Filstad's [144] study emphasized that organizational socialization must include social and cultural learning in a group. This author also shows that as a rule, newcomers get information and knowledge about job from personal sources, such as colleagues and supervisors, and use observations, interactions, and communication less frequently. Major et al. [145] confirmed that contact with organizational members influences how well a newcomer adjusts to the work situation and other socialization outcomes.

Other researchers agree with this position and emphasize the role of mentorship in successful training and socialization. [146] It is very beneficial for

newcomers to have a more experienced colleague or their own supervisor who patronizes them and supports them in their development and adaptation in their new workplace. Nowadays such beneficial cooperation is rare in most companies due to the lack of time and an unsuitable atmosphere and structure. [146] The main reason behind this seems to be that organizational culture is oriented mostly on goals and forgets about values. However, the business environment requires people to be able to quickly and efficiently network across organizational boundaries. [146]

One of the solutions proposed is an official mentoring program. Mentoring is defined as a one-to one process of helping individuals to learn and develop. [146] This understanding involves a more long-term perspective which focuses on the person's career and their development. A similar term, coaching, concentrates on the other hand on immediate performance. As a rule, older, more senior people informally take on the mentoring role. However, modern fast-changing organizations had to introduce formal programs, using experienced colleagues from the same or different fields to widen perspectives and develop staff.

Tabbron, Macaulay and Cooks [146] researched how the process of mentoring happens and found several advantages of mentoring. For a mentee, a confidential atmosphere allows one to explore their strengths and weaknesses. For a mentor, such a relationship widens their network of contacts and provides them with insights into the issues faced by their staff and colleagues. One of the most important benefits is often the increased sense of purpose for the mentor. For an organization, mentoring is a sound method to improve the socialization process and organizational culture adaptation, and thus increase long-term efficiency. Further advantages of mentoring include fostering talents in an organization, giving extra support to specific groups, being a role model, increasing the awareness of the values of the organizational culture, and building stronger and denser networks.

Thus, the process of socialization is closely related to employee commitment, which is very important for organizational effectiveness. Training is found by some researchers to be a crucial aspect in socialization ([147]; [148]; [136]; [145]; [149]; [150]). However, most of research is done on business organizations regardless of their age and success. Thus, there is a gap in the literature on which role the training system and socialization plays in influencing the long-term success and longevity of organizations. This doctoral work will concentrate on this gap and will aim at answering this question. The next part gives an overview of the relationship between ethics, Corporate Social Responsibility and organizational culture. Moreover, it portrays some aspects which influence these notions about long-term organizational efficiency.

1.7 Organizational culture, ethics and Corporate Social Responsibility

Most literature on business ethics encompasses the descriptions of organizational behavior ranging from unethical to ethical and introduces how the influencing factors may vary in organizations. One may glean that in aggregating ethics to the organizational level of analysis, factors relevant to an organization's ethical functioning include its leaders [151], formal and informal organizational processes [152], decision-making [153], ethical climate ([154]; [155]; [156]), and organizational culture [157].

The range of theories underlying corporate ethical principles include, among others, stockholder theory, stakeholder theory, relativism, social contract, and post-conventional corporate moral responsibility ([158]; [159]). On a more concrete level, some studies have been done on the connection of ethics with such issues as organizational identity, image, reputation, and branding. For example, Verbos et al. [160] concentrated on organizational identity and pointed out that an ethical organizational identity is created due to increasing interaction of authentic leadership, aligned organizational processes, and ethical organizational culture. Authentic leadership is a concept coming from the positive organizational scholarship theory and is based on positive values, beliefs and behaviors which incorporate moral capacity [161]. Verbos et al. [160] describe the ethical practices within what they call a positive ethical organization as the following: they are created and supported by authentic leaders; they are infused due to a positive organizational context where structures, processes and the systems of organization cohere with ethical practices; they are kept and supported in an ethical organizational culture with high ethical awareness and strong ethical identities of each organizational member.

Ethics has an influence on socialization too. In organizations that emphasize ethics, socialization is anticipated to put ethical identification in first place and is very important in communicating the ethical code to newcomers. [160] Socialization may be formal or informal and occurs on organization, group, and individual levels. Organization-level socialization processes include orientation programs, training, and mentoring ([149]; [150]). Orientation programs for new members normally involve the presentation of organizational history and the original philosophy of the founders, which are the ways the organization introduces the new members to the unique values and beliefs that underlie its artifacts, including the organizational position on ethics [8]. Such an introduction to organizational culture starts influencing the understanding of the newcomers of the ethical organizational identity and disseminates the ethical code. Training programs express the key aspects of the organizational culture

and reflects its artifacts and language, communicating shared values and beliefs through metaphors and stories [8]. Training programs have also been acknowledged as the basis of socialization and very important for sensemaking [149].

Interactions between mentee and mentor ensure the natural facilitation of learning and adopting the organizational ethical principles by passing them from more experienced to less experienced members. [160] In an organization actively promoting and living according to ethical principles, mentors are likely to act as role models of the ethical principles. Moreover the process of mentorship is supposed to increase the identification of the mentee with social and personal ethical principles, which in turn is further expected to strengthen the living code and the ethical organizational identity. [160]

The connection of ethics and organizational culture is an important issue which is worth being covered in more detail. Sims says that ethics can be institutionalized due to the development of an ethically oriented culture [162]. Organizational cultures have their roots in the history of the given organization. They are supported collectively and have enough complexity to resist change [163] and, at the same time, can support the moral development of an organization [164]. If an organizational structure or process does not fully correspond to ethical practices, organizational culture is the force that will play the crucial role in influencing ethical behavior [152].

Sims and Brinkmann's [165] case study demonstrated that if an organization is truly ethical, the organizational culture may supersede the written code of ethics in conflict situations. Verbos et al. [160] asserted that in a positive ethical organization, a written code of ethics is just a formality. James [152] argues that a written code is not even necessary. Nevertheless, it is one of the crucial elements of Schein's second level of culture [8], which is important as an instrument for communicating to the public the organizational philosophy and values. Ethical values can be expressed not only in a written code of ethics but other formal statements such as a mission or vision statement.

Two key factors regarding the organizational culture of the organization placing ethics into an important category are (1) high ethical awareness (i.e. great sensitivity to the potential consequences of organizational actions), and (2) a positive climate regarding ethics (i.e. interactions of members as well as perceptions surrounding decisions made at all organizational levels) [160]. An organization should define its ethics in a broadly, otherwise less attention will be paid to ethical issues [166]. Therefore, ethical awareness must be present at all levels of management. The ethical climate, "the shared set of understandings about what is correct behavior and how ethical issues will be handled," is an important factor in organizational decision-making [153]. In an organization

which emphasizes the importance of ethics, the positive climate regarding ethics supports the ethical values of authentic leaders not only formally, but on all levels of culture. [160]

There are not many studies on the question of how ethics and Corporate Social Responsibility (CSR) influence the long-term efficiency of organizations. However, from the resources available, the following studies should be mentioned. The study of Juholin [167] revealed that the major driving force behind CSR is companies' long-term profitability. The author says that the long evolution of Finnish companies since the 18th century has created fertile ground for CSR. Zahra and LaTour [168] researched the link between CSR and organizational effectiveness. They say that organizational effectiveness is a concept with many facets and cannot be considered only from the financial (goals-based) point of view. The result of the study proves that CSR practices affect not only financial (goals-based) criteria, but also non-financial (values-based) aspects of organizational performance. Vanhamme and Grobбен [169] studied the efficiency of CSR during the crisis times of organizations and came to the conclusion that the use of CSR claims in crisis communication is more effective for companies with a long CSR history than for those with a short CSR history, and consumer skepticism about claims lies at the center of this phenomenon.

Several studies on longevity show that ethics and CSR are important issues for companies being efficient in the long term. For instance, the research done by de Geus on Shell [6] shows that the Statement of Business Principles contains several ethical rules for employees. For example, it is forbidden to pay bribes or grant favors to local politicians. De Geus writes that ethical questions, especially for multinational corporations, usually match or mismatch with the corporate values and the values of the local society, i.e. context. Choosing short-term advantages may have devastating consequences in the long term. However, some decisions of high morals can have low practical value. Therefore, to de Geus, the CSR and ethics can be defined situationally, according to each community where the company works. The example of Shell illustrates that "a multinational company, working in more than 100 of the world's countries, can only choose to be itself and to remain truthful to its persona". [6]

Collins and Porras [11] researched 36 multinational companies, and wrote that the ones which they considered to be "visionary" (IBM, Procter&Gamble, Disney, etc.) do not have "maximizing shareholder wealth" or "profit maximization" as the dominant driving force or primary objective through their history. Collins and Porras write that profitability is a necessary condition for existence and a means to more important ends, but it is not the end in itself for many of the visionary companies. Profit is like oxygen, food, water and blood for the body; they are not the point of life, but without them, there is no life.

To conclude, even though there are not many studies on the influence of ethics and CSR on long-term efficiency, the review of literature showed that there is a positive connection between them. Organizational culture is one of the crucial bases which ensure the ethical attitude and CSR of organizations.

1.8 Summary of the chapter

The concept of organizational culture emerged in the second part of the 20th century, and it increasingly became popular in the analyses of institutional development. There are many definitions of “organizational culture” as well as the approaches to its study ([7]; [22]; [23]; [24]; [8]). This doctoral work adopts the definition of one of the most influential scholars in the field, Edgar Schein. Schein defines organizational culture as a pattern of basic assumptions invented, discovered or developed by a given group as it learns to cope with its problems of external adaptation and internal integration that has worked well enough to be considered valid and therefore is to be taught to new members as the correct way to think and feel in relation to those problems [8].

In order to be able to compare the culture of different organizations, it is necessary to have a comparison instrument – the categorization of organizational cultures. Out of all the different typologies of organizational culture, this doctoral work adopts the one by Cameron and Quinn, the Competing Values Framework, which suggest that the cultures of organizations consist of four culture types: hierarchy, clan, adhocracy and market. [7]

As the literature review demonstrated, organizational culture influences many aspects of organizational performance: employee empowerment, project management efficiency, the ability to be successful in an international environment, manufacturing strategies, information security management, supplier diversity, and organizational changes. Thus, organizational culture is one of the crucial elements contributing to companies’ success, especially in the long term.

Further review of the existing literature on long-term efficiency and the longevity of organizations reveals that there is not enough precision and agreement on the issue. Especially important seems to be that all research done in this area covered mostly profit organizations, while missing the truly long-living ones - the non-profit organizations. For example, churches which have existed for two thousand years, universities and theaters – hundreds of years. What distinguishes them from business organizations is that their aim of existence lies beyond economic activity but rather in the values and social importance of society. Such organizations are called by Pushnykh and Agranovich “values-based” [19]. *Values-based organizations* are organizations, whose purpose of existence is self-development by re-thinking and the

integration of social experience and knowledge based on the values and interests of individuals and organizations. Opposite to the values-based organizations are *goals-based organizations*, which are focused on achieving organizational goals [19] by producing goods and services through the transformation of material, energy, and information,

The chapter gave a review of the literature on values-based and goals-based approaches and their role in organizational culture, with a special reference to the Competing Values Framework. The review shows that the cultures of clan and adhocracy refer to values-based approaches, whereas the cultures of hierarchy and market refer to the goals-based ones. None of these cultures is the perfect one to ensure long-term efficiency. Only the right coherence of those cultures will contribute to the long-term efficiency.

Another subject which is important for the long-term efficiency of organizations is tacit knowledge and the sharing of it. It is crucial not only to know that organizational culture can be both the form of tacit knowledge as well as the key factor supporting tacit knowledge sharing but to also know which aspects of culture support tacit knowledge transfer. From the review on tacit knowledge sharing and the Competing Values Framework, it is obvious that tacit knowledge sharing is more typical for clan and adhocracy cultures. Therefore, it tends to prevail in the values-based organizations and thus the aspect of the values-based approach.

When one considers long-living organizations, the question arises of how the values and beliefs of the organizational culture are transferred. The answer to that lies in the training and socialization systems which allow newcomers to be taught the values of the culture and how to integrate them into the company. Person-organization fit is the factor that contributes to supporting strong loyalty and strong identification with the organization. The socialization process is closely related to employee commitment, which is very important for organizational effectiveness. Training is found by some studies to be a crucial aspect in socialization ([147]; [148]; [136]; [145]; [149]; [150]). A review of the literature on ethics and corporate social responsibility shows that ethics and CSR play an important role in the long-term efficiency of organizations. Organizational culture is one of the crucial elements which ensure the ethical attitude and CSR of organizations.

After the literature review of the different aspects of the present state of problem-solving has been covered and an indication of the gaps in the previous studies has been revealed, the main research question, hypotheses and the objectives of the doctoral work will be outlined in the next chapter of this doctoral thesis.

CHAPTER 2. HYPOTHESES AND RESEARCH OBJECTIVES

As it was argued before, the question of the longevity of organizations becomes increasingly important and was discussed by several authors during past decades. The average life expectancy of business companies according to some estimations ([1]; [3]) ranges between 12.5 to 50 years. Really long-living companies in business are rare. The two most long-living business companies are 400 and 700 years old. [6]. Moreover, even though these companies existed for such a long time, their history is not that impressive because they both changed their occupation dramatically, so there is little left from the original companies other than the names.

However, the picture of non-profit organizations is different. The long life of churches, universities and theaters is especially emphasized by various scholars ([6]; [7]; [1]; [17]; [19]). Some churches have existed for two thousand years, and universities and theaters have been around for hundreds of years. What significantly distinguishes them from business organizations, is that their aim of existence lies beyond economic activity, but is rooted more in the values and social importance of society.

Therefore, the **main research question** of this doctoral work is *what factors of organizational culture allow companies to be efficient in the long term and thereby exist for many years and generations?* Thus, the main aim of this doctoral work is to understand the elements of organizational culture which allow organizations to be efficient in the long term.

In order to solve this research question, the following **hypotheses** have been generated:

H1. The peculiarity of long-term, efficient organizational cultures is the coherence of values- and goals-based leadership.

The attributes of the goals-based approach are not the only ones which are important for survival and success in the long-term. Attributes of the values-based approach also play an important role. Efficient coordination, tough orientation on the achievement of goals, and other goals-based methods of leadership are clearly important, but the most efficient long-living organizations have many other competitive advantages residing in the more tangible, human resources, or social sphere – the values. However, neither of these two approaches is the panacea. What is important is the coherence between them.

H2. *Organizational cultures of long-living organizations, regardless of the nature of occupation (profit or non-profit organizations), have the same crucial elements.*

Long-living organizations operate in all kinds of sectors and industries. There is no universal sphere of business which automatically guarantees longer years of functioning. Despite of all the differences that various industries and profit and non-profit sectors have, the main, crucial elements of organizational culture that allow long-living organizations to exist for centuries can be identified. Therefore, several kinds of companies from different sectors will be researched.

H3. *Long-term efficiency organizational cultures have a well-established system of training and socialization of new employees.*

As long-living organizations sometimes exist for centuries and manage to maintain similar organizational culture principles over the years, even though they have changed generations of employees, the values of this culture have been transferred from generation to generation. This is usually the responsibility of the training and socialization systems of companies. Therefore, one of the premises is that those systems are one of the crucial elements in ensuring the long-term efficiency of organizations.

H4. *Tacit knowledge sharing is an important aspect of such system of training in long-living organizations.*

The transfer of values, beliefs, and experience of organizational culture is an intense process which requires the open sharing of tacit knowledge from the older generation to the younger one. This process is very important in the training and socialization systems and is exactly what ensures the proper transfer of culture.

In order to prove the above described research question and the outlined hypotheses, the doctoral work sets the following **objectives**:

1. To research organizational culture of profit- and non-profit long-living organizations;
2. To distinguish the elements of long-term efficiency organizational culture of long-living organizations;
3. To contribute to the gap in research on the role of training systems and socialization in influencing long-term success and the longevity of organizations;

4. To make conclusions and recommendations for organizations on how to create the long-term efficiency organizational culture.

The hypotheses will be verified and objectives will be achieved with the methodology which is described in the next chapter of this doctoral work.

CHAPTER 3. SELECTED PROCESSING METHODS

This chapter outlines the way research is designed and the methods which will be used to solve the hypotheses and objectives. First, the objects of the research are described. Second, the methods with which the study will be carried out are outlined.

3.1 Objects of research

In order to prove the *H1*, *H2*, *H3* and *H4* both profit- and non-profit organizations are taken into account. The sample of organizations chosen for the purposes of the doctoral work varies in terms of size and the nature of activities undertaken and therefore satisfies the Patton [170] criterion of maximum variation. The objects of research are:

Value-based organizations:

1) **the Roman Catholic Church in the Czech Republic and Slovakia.** The sampling frame of this research included two dioceses of the Roman Catholic Church in Eastern Europe: one is in the Czech Republic and the other one is in Slovakia. The researched diocese of the Roman Catholic Church in the Czech Republic has ca. 420,000 church members, 167 priests, and 11 deans. The researched diocese in Slovakia has ca. 680,000 church members, ca. 440 priests, and 18 deans. The Roman Catholic Church is appropriate for such research since this organization is the oldest organization in the world (2000 years) and has 1,372,000 employees in 172 countries. [20] This research was financially supported by the International Visegrad Fund.

2) **innovative organization** in the Czech Republic;

Innovative organizations are rich in tacit knowledge sharing ([171]; [111]; [172]). The study aims at characterizing organizational culture aspects that support tacit knowledge sharing in an innovative organization and to compare these aspects to the ones in the long-living organizations in order to prove the *H4*. *Tacit knowledge sharing is an important aspect of such systems of training in long-living organizations.* The organization chosen is a small IT-company in the Czech Republic. The organization is a good example of the innovative culture type and is well-suited for the purposes of the research.

The company's main activity is the development of IT products and services. It was founded in 1991 and at the moment of research had 21 employees, 10 of

whom were engaged in innovation activity of the organization. According to the main purpose of the research, they were of the central interest for the study. The company is not big, but it is successful (i.e. it is known in the market, it makes constant growth and has enough revenue). All of its employees highlighted its constant progress and the increasing number of projects.

Innovative organizations are understood here as organizations which are able to adapt and/or generate innovations effectively and constantly. Compared to industrial and manufacturing organizations, innovative organizations have only appeared recently and therefore cannot be considered as long-living organizations. One important characteristic of theirs is that they are very flexible, and thus can change their form, structure and activity very quickly. However, as they are often very much values-based and they are rich in tacit knowledge sharing, the given innovative organization will be studied for the tacit knowledge sharing purposes and not as an example of a long-living organization. This portion of the research project has been funded by the government of the Czech Republic “Developing managerial tacit knowledge”, registration number 406/08/0459.

3) two Protestant Churches in Germany;

One protestant church of the Lutheran denomination and one of the Reformed denomination were chosen. The Lutheran Church in Germany comprises ca. 3,000,000 church members, ca. 2,000 pastors, and 57 superintendents (equivalent to the catholic position of a dean). The Reformed Church has ca. 185 000 church members and ca. 150 pastors. The middle management, organized in 9 councils, plays the same role as deans and superintendents. Both protestant churches are around 500 years old and were studied in order to compare their systems of training between themselves and also with the Roman Catholic Church. The exact names of the researched objects (dioceses of the Roman Catholic Church and the names of the protestant churches) are not given due to the question of anonymity. This research project was carried out within and financially supported by the European Commission with the Erasmus Mundus Triple I program.

4) theaters:

There were two theaters researched in Russia, one of which was the state theater, and the second one – a private theater. The state theater included 57 actors and the private theater – 29 actors. The state theater had two leaders: the manager who was responsible for administrative tasks and the director who was responsible for the creative process. In the private theater, one person combined those two roles.

Goals-based organizations:

Goals-based organizations chosen for the purposes of the research included long-living business organizations older than 80 years old of large size (more than 100,000 employees), international (represented in more than 50 countries) and with the annual revenue of more than \$20 billion. Table 2 represents the overview of the companies chosen for the qualitative research on goals-based organizations for the purposes of this doctoral thesis.

Table 2. Overview of the goals-based companies chosen for the qualitative research. Sources: [6]; [11]; [173]; [174]; [175]; [176]; [177]; [178].

Company	Year of foundation	Number of employees	Number of countries presented	Annual revenue for 2009
IBM	1911 (1890 for root companies) [11]	399 409 [173]	170 [173]	\$96 billion [173]
Disney	1923 [11]	144 000 [174]	190 [174]	\$36 billion [174]
Shell	1890 [6]	101 000 [175]	90 [175]	\$278 billion [175]
Procter & Gamble	1837 [11]	138 000 [176]	130 [176]	\$80 billion [176]
Schlumberger	1912 [177]	105 000 [178]	80 [178]	\$23 billion [178]

3.2 Methodology

There are various methods to study organizational culture. One should choose a method according to the aims of the research. For the purposes of this research (see Chapter 2), a combination of quantitative and qualitative methods has been chosen. The methodology of the research consisted of:

1. Quantitative study with the use of the Organizational Culture Assessment Instrument (OCAI), based on the Competing Values Framework (CVF) developed by Cameron and Quinn [7]. CVF is a model of organizational culture which is based on the premise that the culture of any organization alters between two dimensions of values: the first dimension is flexibility and discretion versus stability and control; and the second dimension is external focus and differentiation versus internal focus and integration. Together, the two dimensions create four culture types: hierarchy, market, clan and adhocracy.

OCAI is the questionnaire which is designed to assess the culture of an organization according to these four culture types. The general OCAI questionnaire which was used for theaters and the innovation organizations can be found in Appendix B. The authors assert that all four cultures are present simultaneously in the overall culture of organizations to some extent. One or two culture types might be dominant and that defines the overall organizational characteristics. Moreover, all culture types are necessary for different aspects of an organization's functioning depending on the requirements of external and internal agents.

The CVF approach and OCAI were chosen to assess the culture since this model includes the change and persistence perspective in the organizational culture. Moreover, OCAI has been used in various studies of business and non-profit organizations, including the most relevant for the purposes of our study-values-based ones: universities ([18]; [44]), healthcare organizations [56] and churches [57].

The description of culture types by Cameron and Quinn [7] was presented earlier in Chapter 1. In this initial form, the culture types cannot be literally applicable for such special kinds of organizations like church due to its peculiarity, therefore the OCAI needed to be modified. After various consultations with church executives, the OCAI was adopted for church reality and given to the target groups within the churches. The adopted OCAI for churches can be found in Appendix C. This target group included the representatives of the top- and middle management:

1) in the Roman Catholic Church: diocesan bishops, bishop vicars, vicars general, vicars for priests, chief financial executives, public relationship managers, rectors of the priests seminaries and all deans. The target group in the Roman Catholic Church included 42 persons. The number of questionnaires filled in overall was 30, so the response rate is 71%.

2) in the innovative company: the CEO (who is also the head of the innovative process) and 9 employees involved in the innovative process. The target group included 10 persons, and the number of questionnaires filled in was 10, so the response rate is 100%.

3) in a Lutheran Church in Germany: bishop, regional superintendents, superintendents, members of the synod, employees of the Church Office, and other people, related to management of the church. Because there are quantitatively more people (only the synod consists of ca. 70 people), influencing the management of this church, the target group was bigger than for the Roman Catholic Church. Thus, 180 invitations were sent, 72 questionnaires were fully filled in, which makes a 40% response rate. In the Reformed church:

350 invitations were sent, 90 questionnaires were fully filled in, which makes a response rate of 26%.

4) in theaters in Russia: in the state theater 24 invitations to fill in the questionnaire were sent, and 16 returned, which constitutes a 67% response rate; in the private theater 18 invitations were sent and 14 questionnaires returned, making a 78% response rate.

The data on the responses for the quantitative research is summarized in the following table:

Table 3. Response summary for the quantitative research. Source: Author's own.

Organization	Target Group	Responses received	Response rate
Roman Catholic Church	42	30	71%
Innovative company	10	10	100%
Lutheran Church	180	72	40%
Reformed church	350	90	26%
Theaters (both)	42	30	71%

In order to make the representations of the organizational culture, the so-called organizational culture plots are made (see Appendix A, Figure 3, and Figure 6). They represent the average sum of the points of each of the subcultures. The sums are counted by summing the points given by all respondents to each of the answers of the OCAI questionnaire (Appendix B, Appendix C) and divided by the number of responses. The average sums are put on the plots and connected with lines for a better overview of the culture. This way the analysis of cultures becomes more graphic.

2. Qualitative study is to be carried out by studying organizational documentation and conducting interviews with church leaders with the Schein approach to organizational culture, since it is based on the perspective that organizational culture is formed in the process of adaptation to the external environment, which is the frame of the research. Moreover, interviews were necessary in order to interpret the quantitative results. During the interview, special attention was paid to the question of training. The questions used for interviews can be found in Appendix D. The interviews lasted 60-120 minutes. They were recorded and transcribed, and they were conducted with the representatives of the target groups:

a) for the Roman Catholic Church: 14 qualitative interviews including diocesan bishops, bishop vicars, vicars general, vicars for priests, public relationship managers, rectors of the priests seminaries, and deans.

b) for the innovative organization in Zlin: 9 qualitative interviews with employees working for different periods of time in this organization. All of the persons interviewed are fully engaged in innovation activity of the company.

c) for the Lutheran church: 14 qualitative interviews with regional superintendents, superintendents, members of the synod, employees of the Church Office, rector of the priest's seminary, human resource manager, an employee responsible for education, and training and other people related to management of church. For the Reformed church: 12 qualitative interviews with the president of the church, vice-president of the church, synod, members of the regional synods, members of the parishes councils (including pastoral and volunteer members).

Moreover, the research was carried out in close cooperation with the Faculty of Theology of Göttingen University in Germany. This collaboration resulted in intense consultations, the verification of observations and the inclusion of the theological perspective, and made it possible to conduct a deeper analysis of the qualitative data.

d) theaters: 12 qualitative interviews in the state theater with the manager, administrator, and actors; 8 qualitative interviews in the private theater with the director (who is also the manager) and actors.

Interviews represented open qualitative interviews, directed on such questions as the interpretation of organizational culture, values and traditions of churches, leadership style, the challenge of balancing spiritual and administrative leaderships, forces holding an organization together, goals, training, and the education system. The data was used to interpret the quantitative results retrieved from the questionnaire. Observations, participation in meetings, and the collection of general information about churches were aimed at observing the behavioral phenomena and comparing it to the information retrieved from interviews.

The sampling of persons chosen for the interviews proceeded until theoretical saturation was achieved. Theoretical saturation is a process in which themes and constructs from one case are substantiated by the evidence of another case and where sampling proceeds until no new issues or constructs are introduced. [179] The overall number of interviews is 69.

Reliability was achieved using a protocol for each interview that outlined the philosophy, procedures, and questions. Matrices were employed as an analytical tool to analyze and report data. The matrix technique promotes pattern matching and effective categorization of data. [180] The research also adopted a general analytical approach that prioritizes information through the development of categories of data and the examination of similarities.

Moreover, the qualitative research included *qualitative content analysis* [181] based on a literature study of long-living profit organizations (IBM, Disney, Shell, Procter & Gamble, Schlumberger) in order to compare the main factors of their organizational culture with the factors of non-profit organizations. The sources for the literature review included official websites of the mentioned organizations as well as publications of research on their long existence.

The factors of long-term efficiency were coded and compared with the results from the quantitative and qualitative results of the present study. This was done by the following procedure: the transcripts and documentary evidence from each organization were organized into “chunks”, and each “chunk” was labeled with a term based on the natural language of the interviewee or document, forming the basis of the coding frame. Codes were then used to develop sub-themes in terms of the hypotheses that are being examined and the objectives of the research. Chapter 4 of the doctoral thesis presents the results retrieved from the study.

CHAPTER 4. MAIN RESULTS OF THE RESEARCH

This chapter presents the qualitative and quantitative results of the study with the methodology described in the previous chapter. As for the purposes of the given doctoral work, the research encompasses several kinds of organizations as well as different methods of investigation. This chapter will describe them separately and then will generalize the most crucial results at the end of the chapter.

4.1 Quantitative and qualitative research on values-based organizations

The values-based organizations which were chosen for the research are an innovative organization, churches, and theaters. In terms of values- and goals-based approaches, innovative firms represent an interesting category of organizations. Depending on their activity and focus, they can be both values-, and/or goals-based. Innovations are often driven by the reasons based on values: they change with the needs and experience of society and often even are at the “avant-guard” of society, leading to the changes within it. However, innovations can also be goals-based if they are designed for some definite reasons, for example, some details of machines which simplify the process of production. For the purposes of this doctoral work, the innovative firm which was researched is more values-based, even though it has some goals-based aspects. In order to prove the hypotheses of this work, the premise of the work is that the given innovative firm is to be viewed from the lens of a values-based organization.

Churches are one of the most representative examples of values-based organizations. Their purpose of existence does not lie in the sphere of production of definite goods and services and cannot be easily measured. On the contrary, the purpose of existence of churches lies in a very intangible sphere of meanings and senses. Very similar in this sense is the theater. There is no definite production, and each play which is made is basically what each spectator understands for him or herself. It can be concluded that both organizations are aimed at self-development by re-thinking and the integration of social experience and knowledge based on the values and interests of individuals and organizations.

4.1.1 Innovative firm

The studies of the organizational culture of the innovative firm with the use of OCAI gave interesting results, which are presented in the Figure 3. As the given innovative firm cannot be called long-living due to its relatively short age (20 years), the study of its organizational culture was not aimed at the question of long-term efficiency. The reason is that innovative firms are a special type of organization which is full of tacit knowledge. Therefore, the aim was to study the structure of tacit knowledge sharing and its relation to culture types. This was needed in order to compare the elements of tacit knowledge sharing in the training systems of profit- and non-profit long-living organizations. The adopted OCAI questionnaire was provided online and translated into Czech. There were 10 responses to the questionnaire and 9 qualitative interviews with employees working for different periods of time in this organization. All of the persons interviewed are fully engaged in innovation activity of the company.

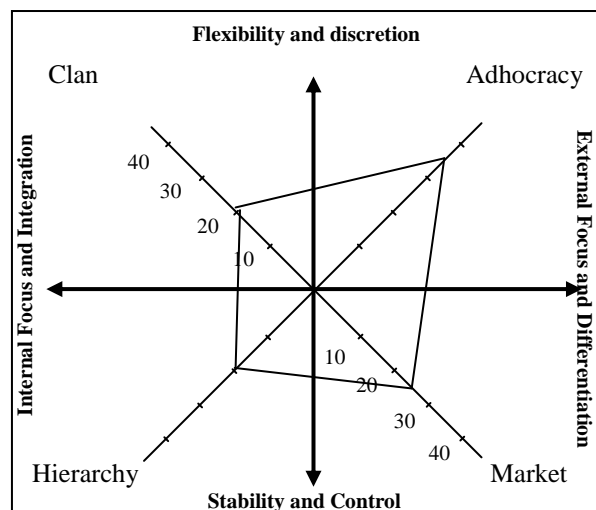


Figure 3. Average culture plot for the innovative firm. Source: Author's own.

According to the Figure 3, the innovative firm is managed mostly by values-based approaches, which is recognizable due to a very high adhocracy rate. Figure 3 shows that the major culture types for an innovative organization are adhocracy and market. Orientation outside and differentiation are the common characteristics. Such a cultural profile shows the importance in an innovative organization of a values-based approach: the culture of adhocracy is very strong. Moreover, as the figure illustrates, the organization has a relative balance between values- and goals-oriented approaches (with a slightly higher incline toward values-based). The firm operates in a competitive environment, but the

essence of its existence is the creation of new products and services- innovation. Innovation is the typical feature of the culture of adhocracy.

Another conclusion of the strong adhocracy subculture in Figure 3, which is supported by the qualitative data retrieved from interviews, is that creativity in the given innovative organization is an important part of its activity. The spirit in this organization expresses the dedication to innovation and inventiveness. Leadership in such an organization is open, collaborative, and directed on the development and self-realization of people. As the number of employees is small, it is easy to establish such directions in management.

Qualitative research shows further results which are significant for the purposes of this thesis: another important feature of the culture of this organization is mentorship. It became clear from the interviews that the CEO, who started the company, and the three engineers who have worked the longest in the organization, are teachers and mentors who take care of educating and training the newcomers and are approachable for other employees, unlike in many other organizations. Interviewees shared that mentor figures encourage communication and experience exchange between employees. Problems are solved together, and mistakes are not punished but are considered as an inevitable part of their job. Moreover, they are perceived as a necessary part of the learning process. Younger employees can easily come to the more experienced ones and ask for advice. It is important in the researched organization to spend time sharing knowledge between employees.

Furthermore, tacit knowledge sharing is so deep in this organization that employees developed a common language and terms which connect them and their experiences. The interviewees showed that the amount of words “talent”, “common decision-making”, “advising”, “learning”, “intuition” etc. indicates the depth of the tacit knowledge and the attitude to sharing this. Moreover, the company holds the meetings for the whole team every day. They discuss the current issues and exchange opinions and solutions to possible problems. That shows that tacit knowledge sharing is very important and deeply ingrained in organization.

A further important result which appeared often during interviews, was that the tacit knowledge sharing was also inspired by the atmosphere of innovation and creativity (the features of the adhocracy culture), which is based on the strong feeling of identification of each employee with the values of the company. As interviewees shared, since everyone is unified by these important values, all small obstacles become unimportant and the feeling of sharing these deep meanings is something that makes sharing experiences for the sake of higher values one of the most important priorities.

Another significant qualitative result is the leadership style. Both administrative (goals-oriented) and innovative (creative/values-oriented) leadership styles are embraced by one person – the CEO. This is also reflected in the quantitative results: supported by the cultures of adhocracy and market. As creative and administrative leaderships are not so easy to combine due to their different and often even opposite nature, it is a challenge for a leader to perform the management of both these sides. However, due to the small size of the company this works fine, but if the company starts growing, this might bring difficulties.

To summarize, the crucial elements of culture supporting tacit knowledge sharing in the innovative organization are trust and team atmosphere, personal coaching, and strong personal identification with the values of the company, thus creating a common spirit of belonging to creativity and innovation. All these features are the common features of the values-based approach. The next sections of the chapter will portray the research results of long-living organizations. It will be identified whether these three elements of organizational culture supporting tacit knowledge sharing will take place in the cultures of the long-living organizations too.

4.1.2 Churches

a. Quantitative results on organizational culture of churches

Figure 4 represents the quantitative results of the study.

[Insert Figure 4 from the Appendix A]

*Figure 4. Average culture plots for three Churches (See Appendix A).
Source: Author's own.*

As OCAI on Figure 4 illustrates, the dominant cultures in churches are clan and hierarchy. Figure 4 shows that the strongest culture types in the present state in all three researched churches are hierarchy and clan. Hierarchy and clan are autonomous and self-centered cultures which do not understand outside-oriented, competitive and innovative goals. Moreover, the hierarchy-clan combination of cultures means the presence and importance of spiritual (clan subculture) and administrative (hierarchy subculture) management. It also represents the clear division of two different hierarchies: spiritual (priest - bishop) and administrative (dean-cardinal; superintendent - president of church) hierarchies, which will be explained in more detail later (see Table 4).

From the management perspective, spiritual leadership means management by senses and an orientation on people and communication (important for values-

based organizations, such as church), whereas administrative leadership is goals-oriented management, comprising finance, law regulations, buildings maintenance, transactions and so on (used mostly by the goals-oriented organizations, such as manufacturing, sales, etc).

The combination of the cultures of hierarchy and clan is rare for business organizations. Such a high percentage of clan culture, like in church, is even rarer. Cameron and Quinn [7] show the average culture profiles of organizations according to different industries, and in this comparison there is no profile where the culture of clan would be that strong (see Appendix E). One exception is the service industry, which is in fact similar to church in many ways. However, even in the service industry the predominant culture is market and clan stays only moderate. At the same time, statistics show that the average life expectancy of organizations is 40-50 years [1], whereas churches exist for hundreds of years (the Roman Catholic Church – 2000 years).

Figure 4 demonstrates the difference between the cultures of churches. The Roman Catholic Church has the strongest clan culture, which represents a values-driven approach, and both protestant churches emphasize more the administrative side (hierarchy subculture). One of the explanations is that the Roman Catholic Church in Eastern Europe is financially supported by the government, which certainly gives the feeling of security. Protestant Churches in Germany are in a much more challenging position, as they experience decreases in income due to decreases in the number of members. Decreases in members means that they need to search for resources in order to stay alive. Moreover, it is rather typical for the Protestant tradition (especially in the reformed culture) than for the Catholic to accept formal rules and procedures. Therefore, both goals-based (administrative) and values-based (spiritual) sides are presented in the organizational culture of churches.

b. Qualitative results on organizational culture of churches

In order to further understand what aspects of the CVF culture types support long-term efficient organizational culture in churches, it is necessary to take into account the qualitative data and apply it to the quantitative approach. Thus, this section will discuss how exactly the four culture types are applicable for church, with special attention paid to which culture types support the long term efficiency of organizations. Moreover, as churches are the most long-living organizations, this section will explore it in greater detail.

Organizational cultures of the Roman Catholic Church and the Protestant churches are certainly different, like the cultures of any two different organizations in one branch. However, for the purposes of this doctoral work the differences between the two cultures will not be considered in detail. Much

more important are the similarities that unify them. Therefore, the tendencies for churches in general with respect to the peculiarities will be discussed. The four culture types are represented in the Roman Catholic Church and the Protestant churches as following (as retrieved from the quantitative part and mostly interviews analysis):

Hierarchy culture. This culture, together with the culture of market, is the most stable and resistant to change, which might be perceived to be the factors pertaining to longevity. However, qualitative data show that this issue is more complex. Hierarchy culture is formed in church due to the fact that it exists already for long time; it has significant experience and tacit knowledge. It already knows what works well and what not, and this reality is made into official rules and policies (Canon law). The organization has a very strong identity and ideology and wants to remain the same in its core. It wants to use efficiently the resources which it has. Many of those features are included in the Canon law which regulates church. The Canon law represents the procedures and rules of the organization, which is a typical hierarchy culture trait. In general, a church, dominated by the culture of hierarchy, is a stable, old institution. Its main concern is stability and the continuation of what has been achieved.

The relation to the environment is that the environment is stable and predictable, and therefore the organization can just concentrate on inside procedures and efficiency. A leader who emphasizes the culture of hierarchy is an effective coordinator and organizer. He or she is well organized him/herself, efficient, logical and structured. Deans and cardinals in the Roman Catholic Church represent such leaders, and they manage based on goals and rules and expect from the employees strict efficiency and dependability. This is also Mintzberg's mechanic bureaucracy. [51]

The danger of this culture is a big resistance to change, which can lead to full concentration on the rules and procedures which the organization has created, and lead to loss of contact with the outside environment. For churches this is applicable actual just like for any business organization. In the attempt to preserve tradition and its identity, churches put them into rules – official and unofficial ones. However, despite the fact that this culture type concentrates on stability, it is not able to provide the necessary attention to people. The real importance is to manage the identity and values which are prioritized over rules and procedures. That is why the importance of people, expressed in the clan culture, is crucial to the attributes of the culture of hierarchy.

Clan culture. Clan culture plays a very important role in both the Roman Catholic Church and in protestant churches. First of all, the typical feature for clan culture is that the “clients” are perceived as members of the organization

and not just external environment. They are encouraged to participate in organizational life and to contribute to the organization. Another feature is an emphasis on the development of employees and clients. This is also the spiritual factor, standing for constant development. Priests and pastors not only contribute to the personal development of “clients” but also pay attention to personal enhancement.

Moreover, church puts great emphasis on personal relationships, on knowing each other better, on building a friendly and welcoming place to work. The friendly, even family atmosphere in church is certainly contributing to the high commitment of the employees. Employees are encouraged to be committed, and pastors often do more than they have to. Church also provides its employees with life-long job security. It gives houses to the pastors’ families as well as social guarantees. Leaders are appointed *only* from within: bishops, cardinals and popes were priests and deans before. They got proper experience, represent a good role model and carry in them the values and beliefs of the organizational culture. Moreover, they all were properly trained by the organization itself.

Thus, another feature characterizing clan culture, and the most important one for the purposes of this paper, is the *system of training*. Church is an interesting model of a very careful personnel selection process and an excellent personnel training and selection system. As people are everything for church, and it will stop its existence without appropriately trained and committed priests and bishops, it will be interesting to have a closer look at how the training system of the Roman Catholic Church is organized. In different countries the details of the formation system differ, however, the principles are the same everywhere. The principles and general structure are going to be discussed here. With some variations of this system in different churches, the most important principles remain the same. This section will describe the educational process of the Roman Catholic Church since this is the most extreme and thus demonstrative training system of all the Christian churches researched. Figure 5 shows the general steps of this training system.

The trigger for a person to start their way to priesthood is certainly the wish to study theology and become a pastor. Often a person experiences the vocation to be a priest. During childhood and their youth, a person might be involved in church work.

Then, the first step of the preparation program consists of religious studies at a Faculty of Theology. Faculties of Theology teach general theological disciplines, Latin, Greek and Hebrew. The main aim is to give theological knowledge. However, not all graduates want to become priests after that. Some prefer to live the lay life, have a family and often stay as professors of theology or researchers.

Those who decide to continue to become a priest go into the priest seminary, the main aim of which is spiritual education. Starting from the entrance examination, potential priests get close, personal attention from the church. Each candidate has interviews with the rector, vice-rector of the seminary, and several ordained priests. In these personal talks, many different things are discussed. There is no pressure, but the main purpose of the examiners is to understand the strength of belief, the seriousness of purpose, the strength of vocation and personal maturity. Moreover, a candidate also undertakes official psychological tests.

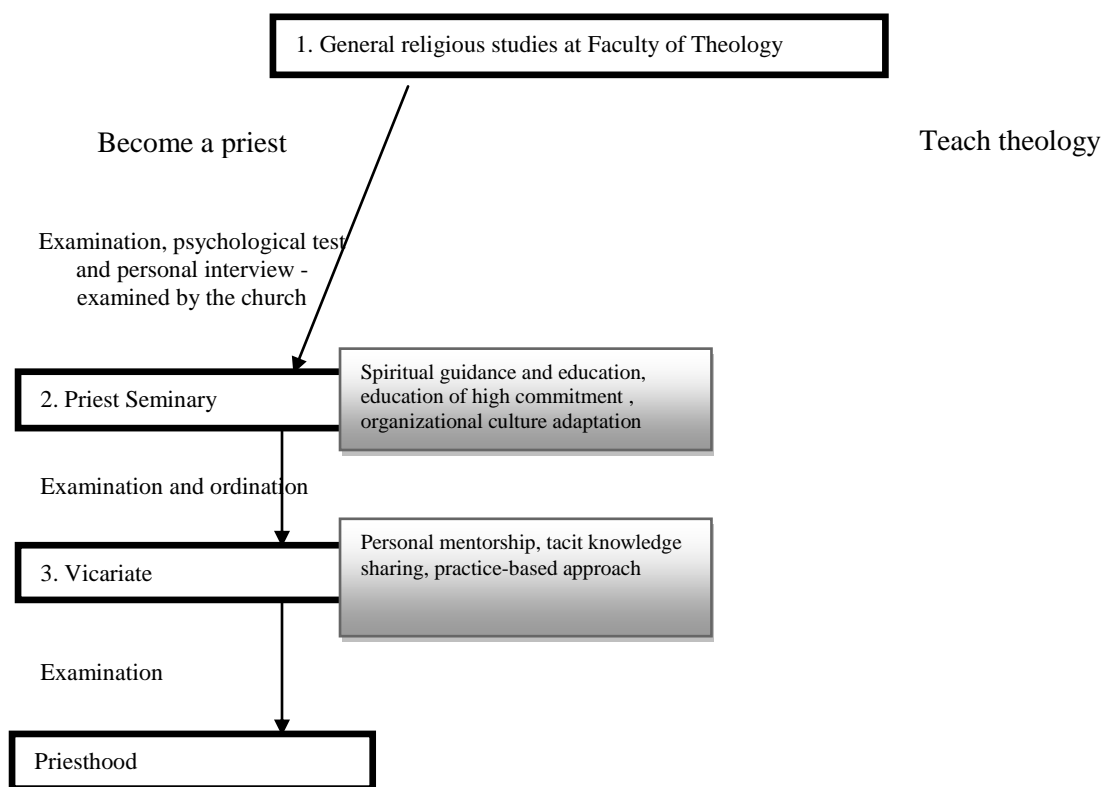


Figure 5. The general steps of education to become a priest in the Roman Catholic Church. Source: Author's own.

Among all those who apply to a priest seminary, normally around 60% of candidates are accepted, 30 % are declined and 10% are asked to take a year of thinking and life experience to learn theology further, and in case of certainty of purpose to come back after a year. The seminary is a crucial step in the long education process of priests, which is at the same time a personnel selection process. According to the rector of a seminary interviewed, "...it is better to take fewer students, but to be sure of them". Values of the Catholic Church, the strength of spiritual belief of the future priests, and the deep theological knowledge are ingrained during the 7-year period. The main focus is to educate

personal responsibility for one's own strength of faith, personal system of motivation and punishment, and personal identification with the church.

According to the Canon law, each bishop *should* have a priest seminary in his diocese. However, in countries where the number of Catholics is low, like in the Czech Republic, not each diocesan bishop has a priest seminary. The Vatican is not the head of seminaries. They are fully under the directive of local bishops. The only connection between the Pope and local seminaries is that bishops include information on the priest seminaries activity in their regular reports to the Pope. The bishop appoints the rector of the seminary who must agree on all appointments of formation staff with the bishop.

The seminary is organized in an interesting way. Sometimes seminaries are in monasteries. Sometimes they represent a closed building or a system of buildings with an open internal space, like a garden or yard. The overall principle is isolation to some extent and some similarity to a closed world. The head of the seminary is the rector who is usually a skilled pedagogue and has experience in teaching one of the crucial theological disciplines, like dogma, or catechism. There are also the vice-rector and prefect who perform assistance functions. Apart from being teachers of different disciplines, one of the crucial roles of a potential priest's formation belongs to spiritual mentors. The formation team usually lives in the seminary building along with the students.

Doubt resolution is a crucial part of the seminary education. As one of the seminary rectors said, "...doubt is not suppressed or punished in future priests. Vice versa, it is implicitly encouraged to talk about doubt and to discuss it, in order to resolve it and find ways on how to deal with it. On one hand, this is the preparation of future priests for the environment outside: to cope with the atheists, with those Christians, who belong to different confessions, and with other Catholics who also doubt. On the other hand, this is a very sophisticated part of the selection of the persons who truly fit to the church". As one of the bishops shared, "The ones who doubted and chose to leave, would otherwise probably have left later on anyway, or would have not been truly committed, or would have done something undesirable for the church". Such a system gets rid of the potential mismatches, saving a lot of money, time, and reputation. Curiously, the ones who doubt, learn how to deal with it and stay anyway, and often say that the doubt made their faith and certainty in their choice even stronger. Therefore, they are going to be the real assets for the church: committed, faithful, loyal, prepared for the complicated environment and not always favorable social prerequisites, like in countries, where atheism is high. The doubt questions are resolved with the spiritual mentor and in discussions with other students. But most importantly, they are resolved by the implication of openness towards it, shown by the teachers and spiritual mentors.

The decision on ordination for priesthood belongs to the bishop. He gets the recommendation of the rector and formation team, but the final decision belongs to him. Besides theological and personal capacity, the spiritual factor plays a big role here: as one of the interviewed bishops said, he first has to pray, in order to decide.

Thus, the church educates its future priests on its own: in its buildings, with its employees, and according to its own study program. Only the fact that the church trains its future employees on its own already implies a big part of the clan culture. Here we find the concern about the development of employees, internal focus, and diversity. The advantages of the system are manifold. First, it allows trust to be formed between potential leaders. Second, the process of deep socialization starts several years before future employees actually start working at the organization. Third, the system makes sure that the right people come and stay, and that they deeply share the core values and mission of the organization. One of the most important consequences is that such a system ensures that in the times of change, not only employees stick to those values and stay committed, but also find new meanings to the old values (and thus ensure flexibility).

Market culture. This culture type is not strongly emphasized in the church compared to other culture types. However it is important to analyze it, to see if it has an influence on the question of long-term efficiency organizational cultures. The pure description of the market culture type is very narrowly applicable for church. Some researches prefer to use the name “rational” culture, rather than “market” culture ([182]; [183]) because it excludes the customer and is oriented on results and goals. For the church, market culture means the following. As it is oriented outside and emphasizes stability and control, this indicated the orientation on the stable environment, which is the government. That is why market culture is what is responsible for everything concerning politics of the church: public opinion, the strategic political games, positioning, and reputation. Decisions on alliances and groupings and the positioning in those groupings belong to this culture.

When changes threaten deep values and the identity of organizations, politics have little relevance for ensuring its long-term efficiency. In such conditions, organizations must be led by values and through people and not by political games. Market culture is important for finances, political questions and strategy. However, this subculture has little relevance for long-term efficiency in terms of organizational culture, identity and values.

Adhocracy culture. This culture type, like market, is also not strongly emphasized in churches. However, from the qualitative data received, there are interesting observations concerning the question of the long-term efficiency organizational cultures. Some theologians say that church is about organizing

the non-organizable. The culture of adhocracy refers exactly to this. It is the “organized anarchy” or “disciplined imagination”. Adaptation and flexibility are important values. In practice, the adhocratic freedom in churches is present locally within the level of parishes: priests and pastors have their freedom within the limits of defined rules.

Moreover, in church the “product”, faith, is very innovative, because each consumer adapts it according his or her needs. In this way faith, the “product”, is never the same for two persons. And not only each “customer” is an innovator, but also each priest is, as he or she finds the way or several ways to reach each person, to find the way to be heard. Flexibility in searching for meanings is also a factor contributing to long-term efficiency organizational cultures, as it provides the range of what is acceptable according to culture behaviors with enough room for new explanations.

One more result retrieved from the qualitative study of the organizational culture of churches is *ethics*. This factor was named many times during the qualitative interviews. The importance of ethics seems to be high in organizational values as it is also an important part of the Christian values, and thus the part of the values-based approach. Indeed, for the church being trusted means continuous membership and thus long existence. The longer the church is trusted, the longer it will live.

From the qualitative research, it was found out that the definition of ethics for the church is similar to the definition of ethics for other organizations: the coherence between what is said and what is done. For the purposes of this doctoral work the exact meaning of ethics in churches is not going to be discussed in detail here. What is more interesting is that for churches, ethical conflicts are often the conflicts of goals and values. For instance, one of the conflicts named during the interviews involves the use of office supplies/machines or phone for personal purposes. Due to such a long and intense training system and careful selection process, the values and goals are aligned, and thus ethical values are educated in the future employees.

The recent decrease of positive church image caused by the unethical behavior of some priests makes it obvious just how important ethics is for long-term existence. This doctoral work is not a work on theological morale, and it is not up to this work to judge what is „good” or “bad”. No organization (including church) is perfect, although every organization should try to reach the perfectness of being fully ethical. For the purposes of this thesis another question is more important: to understand if ethics is one of the elements influencing long-term efficient organizational cultures. The example of organizational culture of churches shows that ethics is crucial for long-term efficiency, and once this ethics is violated, it influences the lifetime an

organization dramatically. Further implementation of the principle of ethics will be discussed in next chapter on implications.

To summarize the qualitative and quantitative results on churches, Appendix A shows that not only is the clan culture the strongest but also that out of all four cultures, the culture of clan seems to be the crucial one when it comes to maintaining the long-term efficiency organizational cultures. The hierarchy culture type emphasizes stability, but it is too formal and lacks the personal attitude. Market culture does not have the necessary internal focus. The adhocracy type emphasizes change and not preservation, however, like in the church adhocracy means creativity within core values and can give new ways of thinking about old values. Thus, the culture of clan is the most important for long-term efficiency as it has the necessary stability focus, values the development of employees as well as management by values and loyalty. Therefore, when difficult times come, it is essential that an organization puts emphasis on this culture, as it maintains a common spirit, inspires and encourages. Especially the role of the training system in churches deserves special attention. Thus, in the next part of the doctoral work this system will be discussed.

c. Analysis of the crucial factors of quantitative and qualitative results on churches

Summarizing the quantitative and qualitative results retrieved from the study of the organizational culture of churches, the following elements which are crucial for the purposes of the given doctoral thesis results can be concluded:

1) Emphasis of both values- and goals-based approaches

The essence of the existence of values-based organizations does not lie in the economic sphere; it is measured by more intangible and social criteria. However, no organization (and also no values-based organization) can exist without goals-based support, such as caring about finance, buildings, maintenance, and having enough resources to survive. Appendix A shows the strength of the clan and the hierarchy cultures and proves this: the organizational culture of churches has both values-based and goals-based elements which are necessary for its existence. Clan culture and adhocracy culture tend to be more typical for values-based approaches, and the hierarchy and market cultures tend to represent the goals-based approaches. As clan and hierarchy are the strongest cultures, this proves that churches use both values- and goals-based approaches.

This makes the results retrieved very insightful, as they allow the comparison of this issue with other organizations, and it is obvious from this comparison that most organizations do not use values-based approaches. In combination with the

fact that most organizations live ca. 40-50 years, whereas the values-based organizations like churches exist for hundreds of years, this result is especially significant.

2) The system of training is the mechanism of balancing values- and goals-based approaches and the instrument to transfer culture to further generations

Training is important in transferring the values, beliefs and understandings and thus appropriate organizational culture from generation to generation. Moreover, training is the instrument which ensures the alignment of the values- and goals-based approaches in church. It is the mechanism which makes sure that both goals-oriented and values-oriented leaders will work harmonically together, as they both share the same goals and understandings. In more detail, the crucial factors contributing to the system of training are:

- strict selection process, lasting during the whole training (2-6 years) ensures that the right people are going to work in the organization;
- churches educate their employees on their own, thus starting the socialization process already before employees start working;
- personal coaching as the way of tacit knowledge transfer and better alignment of values and beliefs of person and the organizational culture;
- learning to cope with doubt as the way to natural selection and learning to deal with potential uncertainty and changes in environment
- promotion from within: only fully-educated priests who have worked in the church for many years can become bishops; at the highest level – only bishops can be cardinals, and the Pope is appointed from bishops and cardinals.

3) There are two separate types of leadership: values- and goals-oriented

Leadership is one of the most influencing factors shaping organizational culture. In church, there are two important types of leadership: spiritual and administrative. They are also expressed by two dominant cultures in church: clan and hierarchy. Spiritual leadership (clan culture) takes care of the personal factor, inspiration, education and is fully directed on people. Administrative leadership (hierarchy culture) is aimed at maintaining the main activity of the organization.

Those two leadership styles represent two different functions performed by two different people or bodies according to Mintzberg [51]: professional and

mechanic bureaucracy. Table 4 illustrates the hierarchical distinction of the values- and goals-based leaderships in churches.

Table 4. Values-based and goals-based hierarchies in church. Source: Author's own.

Hierarchy level	Values-based leadership hierarchy	Goals-based leadership hierarchy
Top position of the whole church (highest)	Pope in Catholic tradition Bishop in Protestant tradition	Cardinals in Catholic tradition President/Vice-president of church in Protestant tradition
Top position for region (highest for region)	Bishop in catholic tradition Regional superintendent/Chairman of regional synod in protestant tradition	Vicar general/biscopal vicar in catholic tradition Superintendent/Regional synod in protestant tradition
Position in smaller districts within the region (middle for region)	-	Dean in catholic tradition Superintendent in protestant tradition
Operational position on parish level (lowest for church)	Priest in catholic tradition Pastor in protestant tradition	- Parish council in protestant tradition

Values-based hierarchy is the crucial one in church, while the administrative one carries only the supporting function. Values-based hierarchy represents the professional hierarchy according to Mintzberg. This means that there are few managerial levels between the strategic apex and the pastors. Control relies on professional training and indoctrination. Professionals are insulated from formal interference, freeing them to apply their expertise. Administrative leadership exists, only in order to free the spiritual leaders from administrative work, and therefore should be considered in connection to the spiritual leadership. [53]

The balance between them and their partnership is another important aspect in the thesis. The separation of these two leaderships ensures full attention to ensuring sustainability by empowering, inspiring and supporting people in the times of change and uncertainty, which is a contribution to long-term efficiency.

4.1.3 Theaters

Theaters are one more example of truly values-based organizations. The purpose of existence of theaters cannot be easily defined. There are as many explanations as people since the “product” – art – is also perceived differently. The two researched theaters are a state theater and a private theater.

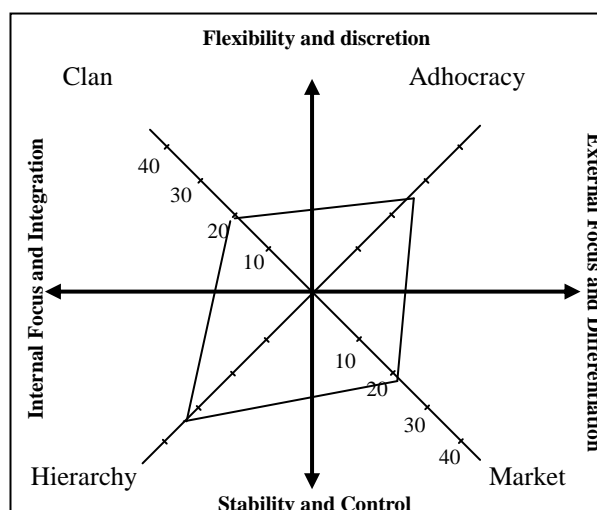


Figure 6. Average culture plots for theaters. Source: Author's own.

Figure 6 and further analysis of the received qualitative and quantitative results from theaters illustrate that the strongest cultures are adhocracy and hierarchy – a very rare and also controversial combination. The culture of adhocracy stands for creativity, which is an essential part of the life of theaters. This circumstance is not new, but it is necessary to highlight it because creative spirit unifies the people in theater (as well as in the innovative organization which was described before). Moreover, when applied to theater, creativity can be defined as the search for new ways of expressing feelings, the aspiration for the new, to surprise, to be unique, and to not stop achieving. This represents the values-based leadership. The culture of hierarchy stands for the administration and coordination of theater, the necessity to perform accounting, and to provide the stage with decorations, the actors with costumes, and the spectators with seats. This culture represents goals-based leadership.

Like in church, there are two different types of leadership – the creative (in church – spiritual) and the administrative one. The creative one is within the culture of adhocracy, and the administrative one in the culture of hierarchy. These two management frameworks need the managers with different qualities. Even though they are contradictory in their essence, they somewhat have to exist in unity. Without each of them, the achievement of the mission of the

organization is impossible. In other words, it is impossible to create the proper atmosphere without the appropriate costumes, makeup and decorations. Theater needs not only actors, but also accountants, decorators, mechanics, etc. Historically, like in church, these two functions in the theater are realized by two different people: the director, who is responsible for the main, creative part of theater, and the CEO of the theater, who is responsible for all the other activities.

Like in church, the main training of actors is done by the organization itself. The director is the teacher and the mentor who is respected for their professionalism. Actors learn from the director the vision of life and their job, mastery, and the ability to find unusual in the usual. This training happens in the process of common work and experience. This is the so called learning by action and thus, tacit knowledge sharing. Another special feature of theaters' organizational culture is that learning is so to say "in the blood" of the organization. An actor who stops asking the question "What can I do better than yesterday?" stops being a good actor. Thus, theater corresponds to the definition of a learning organization. This is confirmed by the high rate of adhocracy and market cultures.

Thus, the research demonstrates the strength of both values-and goals-based approaches and allows for distinguishing the following crucial points for the purposes of this thesis. First, such results indicate the strength of both values-and goals- based approaches, since the leadership is divided between two leaders, each performing their own function: one is values-oriented (director), and the other – goals-oriented (CEO). Furthermore, this shows that values- and goals-based leadership are equally important and should be distinguished, like in church, with different hierarchies. Finally, the results reveal broad and deep tacit knowledge sharing and mentoring by the creative leader (director).

This section gave an overview of the research results on values-based organizations. The next section will discuss the results of the qualitative research on the goals-based organizations.

4.2 Qualitative research on goals-based organizations

International organizations operating in hundreds of countries, like the Roman Catholic Church, cannot control everyday decisions of the managers working in far-away regions. There must be decentralization, as they often make decisions without checking with the superiors simply because there of time restraints. [6] The examples of such companies are IBM, Disney, Procter & Gamble, Shell and Schlumberger all of which will be described further. The qualitative content analysis of the chosen long-living goals-based organizations showed that they use many elements of the values-based approach. All of these companies, with

the exception of Disney, are included in the Universum, the employer branding company which ranked of the world's top 50 most attractive employers of 2010. Due to space restrictions, only several of the most crucial findings will be given in this section.

4.2.1 IBM

IBM has one of the most intensely *values-oriented training* and socialization processes. By 1930, IBM had fully institutionalized its indoctrination process and created a full-fledged “schoolhouse” that it used to socialize and train future officers of the company. In his book, *Father, Son and Co.*, Watson, Jr. wrote: “Everything about the school was meant to inspire loyalty, enthusiasm, and high ideas, which IBM held out as the way to achieve success. The front door had the motto “THINK” written over it in two foot high letters”. [11] Starting from the beginning, IBM used *personal coaching*: veteran employees in “regulation IBM clothes” taught the classes and emphasized IBM values.

Later, IBM created integration programs for potential employees already starting from school age for the teenagers. There are internship programs for bachelor's students and now even a master's degree within IBM called IBM @ Master, where a Master's student spends half of their time doing studies in IBM and then writes their Master's Thesis about the company. In this way, the organization gets to know the person and the culture integration has already begun. Furthermore, there are internship programs for graduates focused on the development of employees from inside the organization. One of the IBM mottoes is “Talents have not only to be discovered, but first of all to be raised” ([184]; [185]). This system is very much reminiscent of the church – the education of young people already starts from childhood.

Furthermore, newly hired IBMers learn the “three basic beliefs” and experience training classes which emphasize company philosophy as well as skills. IBM's profile in the 1985 edition of the *100 Best Companies to Work For* described IBM as a company that “has institutionalized its beliefs the way a church does. ... Some compare joining IBM with joining a religious order...”. This very much educates *personal identification* with the company, and according to the same source for instance “you must be willing to give up some of your identity” [11].

Moreover, the company has a very *strict selection process* of new employees. Throughout their history, IBM has imposed a severe tightness of fit with its ideology. Basically, anyone who wants to work at IBM is told: “Look this is how we do business... We have some very specific ideas about what that means, and if you work for us, we'll teach you how to treat customers. If our attitude about customers and service is incompatible with yours, we'll part ways – and

the sooner, the better”. [11] This is also something encouraging *doubt* in newcomers – if they are truly going to fit and if this is truly the company they want to connect their life to. After the doubting process, if they decide to stay, they probably will stay for decades. If they decide to leave, this is a wise decision both for them and for the company.

It became clear from the literature review that ethics and CSR are crucial values for IBM. The IBM website says “IBM is committed to principles of business ethics and lawful conduct. It is IBM's policy to conduct itself ethically and lawfully in all matters and to maintain IBM's high standards of business integrity” [173].

4.2.2 Schlumberger

For Schlumberger, the *strict selection process* and further *training* lasts around three years. As with other long-living companies, the recruitment process is about matching culture and attitudes. Schlumberger gives the person being recruited the opportunity to assess the company as much as the company wants to assess them. The first interview involves general selection questions and the second interview takes a couple of days and involves activities where recruiters look at people’s problem-solving abilities, group dynamics and how they cope under stress. [186]

After a candidate has joined the company, the managers keep filtering and find that quite a few people who were hired are not right for the job. About 25% of graduate recruits do not stay for more than one year. [187] In the filtering process, graduates spend one month in an operational environment after which they start training. Like this, they can assess the life and culture of the company. If they get through that and stay, they go to a training school for three months to learn about operational practices. During this time the organization can further evaluate what these people are like. [187] After four months, both sides have a good idea of whether a candidate will stay, which means that the training system of this company includes the *doubt* process too.

Training is done under the close *supervision of experienced trainers* with extensive *tacit knowledge sharing*, which is supported by software called InTouch. [188] The training is so rigorous that it is sometimes compared to military boot camps. [186] Knowledge sharing is one thing especially worth mentioning about Schlumberger. It is notoriously difficult for firms to capitalize on their collective knowledge, but it is a problem worth solving. As one case study shows, Schlumberger achieved a return on an investment of \$200 million in a single year from a recent knowledge management initiative. [188] As the survey reveals, a growing number of firms now believe that there are tangible rewards to be gained from sharing knowledge.

While being very strict about the organizational cultural values and beliefs, decentralization and empowerment are important principles which ensure that decision-making is done by lower level employees without losing time by consulting with headquarters on small issues. As one engineer put it, “if you are responsible for millions of dollars worth of customer property in the form of oil wells, you ought to be totally responsible at engineer’s level”. [186] This produces a strong degree of accountability on each employee’s part.

Furthermore, Schlumberger lives by the principle of *promoting from within*. It has a history of long CEO tenures, lasting from 9 to 20 years, which leads to an emphasis on long term planning and consistent corporate values. All CEOs came from within the company. The personnel staff is viewed as a key strategic resource, instrumental in the company’s success. [186]

Schlumberger also has official rules regarding ethics, documented in the Code of Ethics, which explains the “obligations and responsibilities to behave ethically in every aspect of business life”. [178]

4.2.3 Shell

Shell puts a lot of effort into the selection and training of its employees. One of the company’s beliefs is that the quality of future leaders depends on today’s entry-level recruitment. *Promotion from within* greatly valued. Top managers need to know that there will be a supply of good managers in the future. [6]

Like in other long-living companies, entry into Shell starts with a *strict selection process*. It is as if people are being admitted to a club, a professional body or a trade union. New members must carry the right professional qualifications, but the harmony between the member and the company is of equal importance. Shell recruiters do not simply look for computer specialists or people with a biochemistry background. They ask about each candidate, what is inside of that person and what their attitudes are towards work and the world. At the interview, recruiters also show the Shell statement of business principles to the applicant and ask if they are willing to adopt it. Recruiters are very critical and search for people who meet the high standards that the company has. [6]

The initial recruitment is only the first step. During the first two or three years, several of the new recruits depart. The company and the new employee look at each and decide if they in fact get along or not. Many stay, but many newcomers also go. This example also indicates the presence of the *doubt* resolution process.

Personal mentorship and *tacit knowledge sharing* take place at Shell as well as in other long-living companies. Newcomers to general management positions

or operating company are normally told that they have this position for at least two years, and thus they should focus their time during the first half year learning more about their new position and not be as concerned about producing results during this time. Moreover, managers are required to spend at least 25 percent of their time on the issues of development and the placement of people who report to them. [6]

Personal identification with the company values is also highly valued here as well. Arie de Geus wrote that during his time at Shell, he was continuously aware of the ‘membership’ with everyone he met. He could “encounter a salesman in East Africa or a depot foreman in North Pakistan and know of him – as he would know of him – that he was one of the company, a Shell person whom he could trust”. [6]

Like the previously described companies, Shell has a Code of Ethics too. Shell’s Code of Ethics asserts it should be read in conjunction with the Statement of General Business Principles of Royal Dutch Shell plc., which governs how each of the Shell companies which make up the group conducts its affairs. Violation of these principles is viewed as a serious offense, and is usually punished by expulsion. [175]

4.2.4 Procter & Gamble

Another example is Procter & Gamble where, like the Church, there are strict acceptance procedures to maintain the tightness of fit. P&G has long-standing practices of carefully studying potential new hires, hiring young people for entry-level jobs, “brain-washing” them into P&G way of thought and behavior, firing those who do not fit, and making middle and top vacancies available only to loyal P&Gers who grew up inside the company. [11] The 100 Best Companies to Work for in America writes that “no one ever comes into P&G at a middle or top-management level who has gathered his or her experience at another company. ... There is a P&G way of doing things and if you do not master it or at least feel comfortable with it, you are not going to be happy here, not to speak about being successful”. This shows the presence and necessity of the *doubting* process.

Moreover, another significant feature shown by these examples is that *promotion* is done only from *within*. As Collins and Porras [11] write, P&G understood the importance of constantly developing managerial talent so as to never face gaps in succession at any level and is therefore able to preserve its core throughout the company. P&G’s program for developing managers is thorough and consistent. It is directed toward developing leaders of the future year after year, who will stay there “in good times and in bad”. As one of the

CEOs said, “If you do not do it, X years from now we will have a gap. And we can’t stand a gap”.

After new hires are accepted, there is an obligatory training process. As Collins and Porras [11] write in their book *Built to last*:

“Indoctrination processes are both formal and informal. P&G inducts a new employee into the company with training and orientation sessions and expects them to read its official biography *Eyes on Tomorrow* (also known as “The Book”), which describes the company as an “integral part of the nation’s history” with an “spiritual inheritance” and “unchanging character ... that [has] remained solidly based on the principle, the ethics the morals so often pronounced by the founders [and] has become a lasting heritage”.

In this paragraph we see how many parallels with church are there: there is even “The Book” like the Bible. “Spiritual inheritance” and importance for society are all exact attributes that characterize the church.

During the training, internal company publications, talks by executives, and formal orientation materials stress P&G’s history, values, and traditions. Newcomers find nearly all of their time occupied by working or socializing with other members of “the family”, from whom they further learn about the values and practices of P&G. [11] Loyalty is coached from day one. New employees are immediately given responsibility over a project with intensive coaching from a supervisor. [11] This shows that P&G actively uses *personal mentoring* and has deep *tacit knowledge sharing* processes.

Moreover, P&G builds up in employees a strong *personal identification* with its culture. The culture of the company extends to all countries of the globe. One first has to adapt to the organizational culture and then to the national culture. As one of the P&G’s employees said, “belonging to P&G is like belonging to a nation unto itself”. [11]

P&G values ethics and CSR too. “P&G’s reputation is earned by our conduct: what we say, what we do, the products we make, the services we provide and the way we act and treat others. As conscientious citizens and employees, we want to do what is right. For P&G and our global operations, this is the only way to do business”. [11]

4.2.5 Disney

It is impossible to get a job in the Disney Company for those who do not share the spirit of magic and fairy tales. The *selection process is strict*. For example, potential recruits in the theme parks – even those being hired to sweep the floor – must pass at least two screenings by different interviewers. In the 1960s, Disney required all applicants to take an extensive personality test. [11] As Collins and Porras [11] write, “men with facial hair and women with dangling earrings or heavy makeup need not apply; Disney enforces a strict grooming code”. For instance, in 1991, members of the Disneyland staff went on strike to protest the grooming code; Disney fired the strike leader and kept the rule intact. [11]

Disney requires every employee – no matter what level or position – to attend new employee orientation (also known as “Disney Traditions”) taught by the faculty of Disney University. [11] The course is designed so, that “new members of the Disney team can be introduced to our traditions, philosophies, organization, and the way we do business” [189]. All new hires experience a multiday training program where they learn a new Disney language. The special language reinforces the frame of mind Disney imposes via carefully scripted orientation seminars delivered by well-practiced trainers. [11] After in-class orientation, each new recruit doubles up with an experienced peer who further socializes him/her into the nuances of the specific job. [11] All those are examples of deep *tacit knowledge sharing* and *personal coaching*.

Another feature is *strong personal identification* of employees with the company and its values. Collin and Porras [11] call the organizational culture of Disney “cult-like” and say that it traces back to its founder Walt Disney, who saw the relationship between himself and employees like that between a father and his children. He expected complete dedication from Disney employees, and he demanded unblemished loyalty to the company and its values. A dedicated and loyal “Disneyite” could make honest mistakes and be given a second (and often third, fourth, and fifth) chance.

Disney not only has a Code of Ethics but also especially values the training of ethics in its employees. Business standards and ethics training is provided by the company through its Business Conduct Training Center which organizes education and training to domestic and international employees through web-based tutorials via the My Disney TEAM internal portal, regarding the company's Standards of Business Conduct and related areas. It is the company's intent, through the Business Conduct Training Center, to ensure that all of its employees have the knowledge and training to act ethically and legally, in compliance with the company's Standards of Business Conduct. ([174]; [189])

This section portrayed the results of the qualitative content analysis of the goals-based organizations. The next section of the chapter will summarize all of the findings, report on the proof for the hypotheses from the Chapter 3, and present the most crucial factors for the long-term efficiency organizational culture.

4.3 Results summary and the proof of hypotheses.

To summarize the quantitative and qualitative results which were retrieved from the research in its entirety, the most crucial factors for long-term efficiency in organizational cultures were determined.

The first factor which was identified from the research is that all of the organizations place equal importance on values- and goals-based approaches. For the goals-based organizations this is especially remarkable, since normally goals-based management prevails for them. However, all of the profit organizations studied pay special attention to organizational culture, leading by values, communication, training of employees, ethics and CSR. Like values-based organizations, they are characterized by having a distinctive ideology and also by using this ideology for definite purposes. Moreover, the quantitative data (Figure 3, Figure 4 and Figure 6) demonstrates that the subcultures referring to values- (clan and adhocracy) and goals-based (hierarchy and market) approaches are in coherence, meaning that there is a certain balance between them and no strong disproportion towards one of the approaches. Even though there is no quantitative data on that for the profit organizations, the qualitative analysis indicates that such coherence exists too. This is proof of the *H1 “The peculiarity of long-term efficient organizational cultures is the coherence of values- and goals-based leadership”*.

H2 “Organizational cultures of long-living organizations, regardless of the nature of occupation (profit or non-profit organizations), have the same crucial elements” is proved, since the research showed that goals-based long living organizations use a lot of the same methods as the values-based approach used by the values-based organizations. Churches, theaters, as well as IBM, Schlumberger, Shell, P&G, and Disney all include a strict selection process for newcomers and have a well-developed system of training personnel which encompasses personal coaching, indoctrination into organizational culture, tacit knowledge sharing and the resolution of doubt of person-organization fit. Moreover, all of these organizations promote new leaders only from within and never or very rarely – from outside. All of these organizations showed that their employees have very strong personal identification with the values of the company. Thus, since the organizational cultures of both long-living values- and goals-based organizations have all these crucial elements, H2 has been proven.

Another result of the research is that the system of training is very important for both values- and goals-based organizations which proves *H3 “Long-term efficiency organizational cultures have a well-established system of training and socialization of new employees”*. All of the organizations studied indicated that training was one of the crucial values. Churches, which represent one of the

extreme examples of paying such close attention to training, educate their future employees fully on their own, starting from higher education and finishing with providing the first internships and work experiences. This training takes 5-8 years, depending on a church. In theaters, it is a well-known practice that even though most actors have received their official education at an acting school, it is truly the director who trains them, helps them to grow, and that good actors indeed are produced from such an education. All of the researched for-profit long-living companies demonstrate the significance of training and further implementing all of the factors of the training described above. They also acknowledge the investments of time and financial resources which are necessary for this by establishing special places for training and socialization and allotting several years (2-3 years) for this process. For them, such investments are truly paid off.

Finally, tacit knowledge sharing was found in all of the researched organizations, which proves the *H4 “Tacit knowledge sharing is an important aspect of such systems of training in long-living organizations”*. First, the organizational culture of an innovative firm with a good system of tacit knowledge sharing was researched with the aim of identifying the elements of organizational cultures supporting tacit knowledge sharing. These elements were found to be trust, team atmosphere, personal coaching, and strong personal identification with the values of the organization. When these elements were compared to the elements of cultures of the long-living values- and goals-based organizations chosen for the study, it became obvious that these elements correspond to the identified elements of long-term efficient cultures of all the long-living organizations. Moreover, tacit knowledge sharing is an important aspect of the training system of all of these organizations.

Table 5 summarizes the factors of long-term efficiency organizational cultures for different organizations and indicates that all of the hypotheses identified in Chapter 2 haven been proven by the research.

Table 5. Overview of the crucial elements of sustainable organizational cultures in long-living organizations¹. Source: Author’s own.

Factors	Churches	Theaters	IBM	Schlumberger	Shell	P&G	Disney
1) Strength of both values- and goals-based leadership	√	√	√	√	√	√	√

¹ *The innovative organization is not considered to be long-living. The purpose of studying it was to investigate the factors of organizational culture supporting tacit knowledge sharing.*

2) Balanced values and goals-based leadership due to trust	√	√	√	√	√	√	√
3) Values-based leadership: system of training	√	√	√	√	√	√	√
- Personal coaching	√	√	√	√	√	√	√
- Strict selection	√	√	√	√	√	√	√
- Doubt of person-organization fit	√	√	√	√	√	√	√
- Tacit knowledge sharing	√	√	√	√	√	√	√
- Promotion from within	√	√	√	√	√	√	√
- Strong personal identification with company values	√	√	√	√	√	√	√
4) Values-based leadership: Code of Ethics	√	n/a	√	√	√	√	√

Thus, all of the hypotheses have been proven by the research. The next question arises of how to use these results to increase the long-term efficiency and prolong organizational existence. The recommendations and implications on how exactly to do that will be discussed in Chapter 5 in the discussion and implications.

CHAPTER 5. IMPLICATIONS FOR ORGANIZATIONS

As the previous chapters have described, there are valuable findings from the research done on long-term efficient organizational cultures using the examples of values-based and goals-based organizations. The exceptional sustainability and adaptability of churches, theaters and the long-living business organizations described above have positive implications for organizations and enterprises who wish to achieve similar results in terms of long-term success in their activities. This chapter will discuss useful implementation strategies for those organizations wishing to increase their efficiency in the long-term.

5.1 Understanding the values and purpose for existence of the organization

Business organizations use mostly goals-based approaches while management of organizational cultures utilized a powerful values-based approach. Proper management of organizational culture increases organizational effectiveness. Unfortunately, not so many profit organizations use this principle.

Therefore, for the ones who want to change their situation and gain a competitive advantage in order to meet the challenges of a changing environment, the first step is to *realize the values on which the organization is based*. This is a task for the leaders of the organizations; they have to come to the conclusion that change is necessary and then start taking action in understanding their organizational culture. Schein [8] writes that there are basically two reasons for studying and deciphering organizational culture: for scientific purposes and consulting purposes. This distinction leads to different approaches on how to study culture. The first category of organizational culture research distinction was used for the purposes of this doctoral work (see Chapter 2). The second category is going to be discussed here. Some of the basic principles on how organizations can understand their cultures are portrayed as follows:

a. Interest of leaders.

As obvious as it might appear, without this step no change will happen in organizations. Only when leaders truly want to change things in companies, can these changes truly occur. Without the interest of the crucial decision-making element of the system, all intentions to make transformations are going to fail.

Even the realization of organizational values and culture are already a change in the system, so the commitment of the key figures is essential.

b. Defining the reasons/objectives

Having a clear understanding of what the problems are and what the company wants to achieve is very important. This defines where the company is at the present moment and where it wants to be in the future. Moreover, this is vital for the identification where efforts to change will be needed.

c. Gathering the working group

The key figures which have an overview perspective of the organizational culture have to be identified. It is important to include people who will be engaged in implementing change initiatives and whose acceptance is necessary for ensuring a successful change effort. If there are several subcultures and they are essential for the effectiveness of organization, the representatives of the group must be included, or the process can be repeated with those groups separately, and then compared to the result of the overall culture analysis.

d. Eliciting the artifacts

As mentioned in the Chapter 1, one of the definitions of organizational culture according to Edgar Schein [8] consists of three levels: artifacts, espoused values and underlying assumptions. It is easier to understand the culture starting from the upper level, the artifacts. It is done by asking the organizational members about the observable behavior, dress codes, physical layout of the workplace, how the time and space are used, etc. [8] After a list of such artifacts has emerged, the group can continue on to the deeper layers and think about what assumptions its members share.

e. Eliciting espoused values

The question that elicits espoused values is “Why are you doing what you are doing?” [8] That means that each of the observed phenomena of organizational life (artifacts) have some reasons why they are done in this or that. These reasons indicate the values that organizational members share. Moreover, at this step different organizational culture questionnaires can be used to help typify the culture. One can use the OCAI which was implemented in this doctoral thesis, the culture assessment according to Harrison and Strokes [23], etc. In addition, each of the results of the questionnaires has to be interpreted with regard to the unique culture of organization. That is, the culture types have to be explained by asking the question “What does this culture type mean for us and what does it

not mean?" [7] It is also important at this step to reach a consensus on what the espoused beliefs and values of the company are.

f. Eliciting underlying assumptions

As Schein writes [8], oftentimes conflicts and problems are hiding there, when such beliefs and values contradict each other on a deep level. At this point, the task is to search for the phenomena which were not explained or were conflicting with each other. It is important to pay attention to the beliefs and assumptions that explain organizational attitude to the values- and goals-based approaches.

g. Reach consensus on the underlying beliefs and values and create the mission statement

After the crucial elements of the culture were identified and agreed upon by all the crucial figures who have an overview of all of the cultures of the organization, they can be officially documented and the mission statement of a company can be created. The mission statement is the core of the values-based approach, which makes the essence of the organization explicit and clear for all the members. [8]

5.2 Leading by values and keeping a balance with goals

Initially, such organizations as churches, theaters and universities have been purely value-oriented. However, changes in environment force values-based organizations to implement the goal-based approach. Moreover, globalization and the ever-increasing price of resources made many goals-based organizations implement values-based approaches too. [19] Examples of such big international organizations are IBM, Shell, Schlumberger, Procter & Gamble, and Disney, described previously, for whom organizational culture is one of the main competitive advantages and who have shown how effective this approach is. However, a values-based approach itself is not the panacea: if there are only values and no goals, the organization stops functioning, and if there are no values but only goals, the organization loses its essence. The balance between the two is the real success factor.

In organizations, both values- and goals-based leadership and the balance between them are essential in order to cope with the challenges of changes in the economic environment to thus ensure the long-term existence of the organization. Values-based leadership is necessary to sustain focus on the mission of the organization in order to face changes, inspire and motivate people, and maintain their trust, confidence, and commitment. Goals-based leadership is necessary to make sure that the required resources to achieve the

mission are effectively utilized and to sustain the trust and commitment of those who supply them.

Concluded from the findings of the research, certain factors of values- and goals-based leadership can be made applicable for companies. Table 6 illustrates certain important features of value- and goal-oriented leadership.

Table 6. Functions of values- and goals-based approach. Source: adopted from Gluck [190]

Responsibility	Values-based leadership	Goals-based leadership
Crucial interest	Main aim of existence Vision (big picture, environment) Change and adaptability	Provide with resources Operations Effectiveness and efficiency
Overall direction	Mission Values Culture	Specific objectives
Priorities	Inspiration Motivation Trust Confidence	Hiring and firing Quality Skill Deployment Performance measurement
Resources management HR Finance Facilities	Match to priorities	Manage day by day

As Table 6 demonstrates, the key concerns of leaders who manage by values are transforming the employees into co-thinkers who share the same vision of their organization, not only because they are well-paid but because it is in coherence with their personal interests and, moreover, they participate in the creation of this vision. In spite of the fact that both values- and goals-based leaders shape an organizational culture, it is the task of the values-based leadership to understand it consciously, to *transfer it to other members of the organization, to stick to the core of the culture, and to make sure that all members are integrated into the culture*. Goals-based leadership is primarily concerned with an operations' effectiveness and efficiency and with setting specific objectives for the units that report to them. [190]

Values-based leadership shapes the overall priorities of the firm and cooperates with the goals-based leadership to translate them into action (and eventually into specific objectives for operating units). [190] Both goals- and values-based leaders work with people, but the ones who manage by values tend to be more concerned with inspiration, motivation, trust, and confidence, while the leaders who are oriented on goals need to continually deal with more everyday problems, such as hiring and firing, quality control, skill levels, and performance measurement. [190] However, there is always a goals-based component to values-based leadership and a values-based component to goals-based leadership. Values-based leadership needs to decide how to deploy their resources in accordance with their priorities. Goals-based leaders manage those resources in accordance with today's tasks. [190]

Values- and goals-based leadership styles have completely complementary functions and need to be closely integrated and carried out in a holistic way. This happens naturally when a single person carries out the roles of values-based and goals-based leader. In most organizations of every size, however, the chief executive officer (CEO) provides the values-based leadership and delegates most of the managerial tasks and their concomitant leadership roles. The key challenge for the CEO then becomes obtaining the necessary information, understanding how to provide the necessary leadership, and maintaining effective control of the organization. [190]

The challenge of fostering the proper kind of leaders is solved in long-living organizations by having a system to train the future leaders which is mostly directed on developing trust among them.

5.3 Nourishing trust between leaders

Acquiring necessary information and an understanding between the members of the top-management team is essential, especially for the balance between values- and goals-based leadership. This balance depends significantly on developing a cohesive team that is energized by mutual trust, respect, and confidence. Putnam [191] writes that once the main structure and its substructures have agreed that they have the same interests, goals and purpose in life, then true control appears which no discipline and power can possibly substitute. Such agreement on the values and goals means certainly deep trust between leaders. The question is how this trust is fostered? The research of this doctoral work gives an answer to it: the training system. Such training systems date back even earlier than the above described long-living organizations – to the Roman Empire.

The example of the Roman Empire is described by Peters and Waterman [186]. The Roman Empire existed for about five centuries and covered almost

all of Europe and parts of Africa and Asia: from modern-day Scotland in the north to Ethiopia in the south, and from the Portugal in the west to Armenia in the east. The period of the rise of the Roman Empire only lasted more than one hundred years. In each region there had to be a governor sent from Rome. At that time there was no postal service, airplanes, computers, telephones, or other means of fast communication like we have now. When sending a governor to Britain, for example, the emperor understood that it would take years until the governor would reach the country, size up the situation, send his report to Rome, and receive the instructions without any guarantee that the report or instructions would ever reach the addressee. It is clear that such a system cannot be run effectively from the center. The solution to the problem was choosing governors who would be able to manage independently but who would base all of their decisions on the interests of Rome. That meant that they could be *trusted*. The long time of existence of the Roman Empire proves that such a system of education existed then. The history of the Roman Catholic Church is very similar.

International organizations operating in hundreds of countries, like the Roman Empire, IBM or church cannot control the everyday decisions of the managers working in faraway regions. There must be decentralization, as they often make decisions without checking first with the superiors simply because of a lack of time.

The theater represents an example of trust between two different leaders too. The director, the representative of the creative leadership, and the CEO of the theater, the representative of the administrative leadership, have to be unified by trust and a commitment to the common values and beliefs. This is gained by the training which they both received and by their mutual love of the arts and theater. This can be a good example for other organizations too.

The conclusion can be made that the better the employee traineeship programs are established for an organization, the more suitable people it has, and the stronger the trust between them. Thus, such training programs must be first of all directed toward the indoctrination of the organizational culture: the values, beliefs, and the main purpose of existence of the organization. The more employees share the culture of organization, the more committed they are, and the more trust is there. The example of the discussed above organizations provide the following elements which can allow such a program to be built:

a) *Strict selection.* Long living organizations are very attentive to their future employees, for instance, churches to their future priests. There is very close personal attention starting from the moment when a person comes to them and expresses the desire to be a priest and continues for the whole time of their education. Applying this principle in the context of companies, they must first

design the criteria for the people they want to have as employees and be able to say “no” to the ones who are not suitable to their organizational culture. The strict selection process must be implemented starting from the recruiting stage and continue into the internship stage. The better suited to the organizational culture people are at the time of selection, the more efficient the organization will be. Strict selection includes a clear understanding of what kind of employees are needed for which positions, not only from the perspective of skills, education and experience, but also from the perspective of the personality, values and interests of a person. This ensures the maximum person-organization fit. Such processes require the adjustment of the job description and personal characteristics of an applicant for a position.

More and more organizations understand the importance of strict selection not only according to high professional qualifications, but also the fit of person to the organization. Therefore, more and more organizations apply these principles. However, they should also be aware of the fact that the selection process does not stop after hiring the newcomer. It continues into the socialization process and during the next few years many employees not suited for the company will naturally leave. This is a positive and important process of getting rid of elements which truly do not belong to the system. This process has to be ensured and encouraged by the company, even though it might seem inefficient from the first glance. However, it is a crucial step in the system of ensuring the long term efficiency of companies. This process can be described as doubt resolution and it will be discussed in more detail in the next section.

b) *Socialization process: resolving doubt.* Any long-living organization at some point in their history overcame major transformations, which in any organization are often connected to the feeling of loss of identity and belonging [72]. It is a very difficult situation for companies and their employees when the old belief system is not valid any more. The system of training of long-living organizations provides the solution to this problem.

One of the important values of the culture of clan is loyalty, which means that within this type of culture it is encouraged that a person stays loyal also when he/she is not close to the group to which he/she belongs. For that reason, churches educate personal responsibility for their faith in its future employees, a crucial part of which is doubt. Every priest and pastor has to learn how to deal with doubt – in faith, in the choice of profession, in the decision to work in the church. That is why future priests train coping with uncertainty with the help of a personal mentor and colleagues.

This ability, apart from the function of ensuring stronger loyalty and commitment, also has another important purpose which contributes to the question of sustainability during times of change. It is dealing with situations of

great uncertainty and loss of identity, which major change processes can bring. The process of doubt during the education of priests can lead to two alternatives.

First, people decide to leave the organization. For church, for theater and any other long-living organization that does not mean they lose their workforce; that means that those are not the right people for the organization. They would have left at some difficult moment in the future anyway. As it was described before, employees undergo this same process in IBM, Shell, Schlumberger, Disney and Proctor & Gamble. Being hired into the position is not the final decision and does not mean that that person will stay. After that newcomer starts working, there is a natural process of socialization – harmonization of values between a person and the company. During the first few years several of the new recruits depart. They did not fit, and the organization easily lets them go because this is the insurance of the future.

Second, future employees learn a very important ability – the ability to deal with the doubt; and that is why they stay. Those are the right people for the church who will also ensure the sustainability of the organization in times of great potential uncertainty in the future. Thus, future priests and pastors learn how to deal with the loss of identity and core values and beliefs already before starting to work. That does not mean that they find all the answers – but they learn to find different explanations and solutions pertaining to their identity and shared values in situations of uncertainty and loss.

Churches in Poland and Slovakia, two deeply Christian countries, underwent a deep crisis during the Soviet times. That was a big change which transformed, but did not undermine, the deep identity of Catholic priests. As one of the interviewees shared, when religious freedom was reestablished in the 1990s, a lot of people rushed into seminaries in order to become priests. Moreover, most priests who had to hide because of the suppression came back. This shows that despite such big transformations, the deep identity and ability to cope with doubt (both in oneself and of others), which was instilled during the system of training, ensured the long-term existence.

A similar process of open doubt resolution is also typical for the long-living business companies. Doubt and its resolution in newcomers occur in all of the examples mentioned in the previous chapter. The systems of training and socialization make sure that the newcomers are truly comfortable with the organization's values and culture. Companies wishing to increase their effectiveness in a long-term, should make sure that only the right people stay, as they will ensure loyalty, sustainability of values, and thus the coherence of values- and goals-based approaches in management. Therefore, they should not suppress and discourage doubting, but rather encourage it and provide them with all the support necessary to resolve the doubt. This can be done first of all

through mentoring via talks and frequent contact between a newcomer and a more experienced peer.

c) *Personal coaching/mentoring: deep and constant tacit knowledge exchange.* The example of churches illustrates that each potential priest has a personal mentor/coach during the process of education who plays the role of a practical adviser. This person not only gives practical knowledge on how to successfully run a parish and shares hints on how to be a good priest. The function of the personal coach/mentor is also very psychological, the sort of positive “brainwashing”, fostering the people who would be very committed, loyal, passionate, and who would ensure the future. Indoctrination into an organizational culture already starts from the educational phase. Integration into the organizational culture, tacit knowledge transfer and a personal mentor all contribute to the education of trust in future leaders - trust of the organization in them, trust between leaders and trust of the leaders in the organization.

This principle of training is also used in all other long-living organizations studied as well as some highly successful international organizations. This principle can be relatively easily and quickly integrated into any organization wishing to increase the long term efficiency of their organizational culture. There should be a person chosen who has a lot of experience in the field, who has been in the organization for a long time and who deeply shares its values and culture. Good mentors/coaches teach by example and not command, thus ensuring the most efficient tacit knowledge sharing. The mentor/coach should be a “perfect” representative of that company’s culture, in effect a perfect picture of the company. There is, however, one small difficulty which organizations can face: the described persons are usually in leading positions and therefore are very busy. However, the investment of their time in mentoring is very precious, even though its profitability is not immediately visible. Its effect will be noticeable in the long-term, since *it is an investment in the long term efficiency, and will provide years of profit.* Moreover, some rearrangements can be made in order to free up some time for those people: for instance, delegation of tasks, better time management, etc.

d) *Rituals.* Rituals are a powerful attribute of cultures and have many meanings, especially the ones which have existed for a long time. For the purposes of this work, one of them will be considered in detail: trust. As conducted from the model of churches, rituals are a way to build and maintain trust. The church is full of rituals, and one of the most important ones is the ordination of priests – the act of accepting a newcomer to the group and entrusting the person with an important mission. For organizations in general this has the following conclusions: rituals give a person the feeling of belonging to the group; moreover, they increase his/her own significance for him/herself, as he/she can do something, that other people outside the group cannot do.

All other researched long-living organizations do the same. Rituals in this sense represent an unofficial contract between the person to whom the mission is assigned and the group or organization which entrusts the person with the mission. In each ritual there is even a mystical element, something bigger than words can capture [17]. Organizations, wishing to increase their efficiency, can consciously start using this element of organizational culture. An important detail is that rituals must be closely connected to organizational values and express them. In this case, they are not only going to an instrument to build and maintain trust but also contribute to the integration of the person into the organizational culture.

5.4 Promotion from within

Churches and other long-living organizations do not hire candidates for a leading position from outside. For instance, in churches, the promotion within the professional hierarchy is done only for ordained people. A bishop is always an ordained person. He was a priest first, then eventually a dean, and then most probably a general vicar. All in all, he has always been a part of the organization. He undertook the compulsory education, gained the required experience, has the necessary qualities and most of all, and is fully committed to the organization.

This feature is also mentioned as being a very important one by Collins and Porras [11]. Due to promoting from within, the purpose, the culture, and the core values of an organization are both retained and passed on further. In this work, the author agrees with the conclusion of Collins and Porras about the long-living business companies. They observed the same phenomena as in the Roman Catholic Church: promotion from within. Collins and Porras [11] say:

“... the issue is not only how well the company will do during the current generation. The crucial question is, how well will the company perform in the next generation, and the next generation after that, and the next generation after that?”

This is one of the evidences of the advantages of the values-based approach. The goals-based approach would have concentrated on the issue of current success, whereas the values-based approach ensures that the long-term perspective is taken into consideration.

Therefore, the message for the companies wishing to increase their long-term efficiency and existence is the following. They should introduce into their organizational culture the appreciation of planning for the future successors. Developmental programs for new generations have to be integrated, and present

managers have to think already now about those who will take their place after them. This is clearly a long-term view: the future of an organization is being secured already now. All present leaders will be gone at some point, but just like the church has existed for thousands of years, organizations can exist for centuries beyond the individual leaders themselves. Promotion from within, career planning, and management development programs can ensure the long and successful existence of companies. This principle allows the core of an organization to be preserved. This ensures that the values-based approach and leadership are in coherence with the goals, since there is strict conservation between the core values and operational autonomy toward the goals. And since there is trust between the leaders who perform those two different parts of management, the coherence between values and goals persists.

This principle is applicable for organizations of any size, including small- and middle-sized as well. Any family firm is a good example: the father usually integrates the children into the organization starting during their early years, thereby educating the future successors who will preserve the organizational culture, the core values and purpose of existence of the organization.

5.5 Ethical principles implementation

As determined from the research, ethics is a very important aspect of a long-term efficient organizational culture. This element is present in all of the researched long-living organizations and is an important aspect of the values-based approach. Ethical in this respect means acting according to the moral, social, and human values embedded in society and organizational culture. An important feature is that those organizations are not only ethical towards the external environment, meaning such agents as clients, competitors, partners, government bodies and so on; but also to its internal environment: employees, shareholders, interns and so on. Such organizations are characterized by openness to the outside and high public visibility. Ethical behavior is an important asset, as it increases trust which is one of the most important and powerful values-based resources.

All of the organizations researched in this work are good examples of this principle. IBM, Shell, Schlumberger, Disney, and Procter & Gamble all consider ethics as one of the most important values of their culture. The proof of this is different programs on CSR, but most importantly – the age of organizations and number of employees which add up to millions all over the world.

Organizations wishing to enhance their ability to be efficient and survive in the long-term have to seriously consider implementing an ethical approach. The following principles can be applied:

a. *Creation of a code of ethics, connected to the corporate culture*

It is crucial that an organization not only writes some general ethical phrases and puts it on its website or prints a leaflet. It is important that this ethical code is developed and truly connected to the corporate culture and mission of the organization. The more employees participate in the development of such a code, the better coverage of culture will be included, thus ensuring the sustainability and congruence of such a code.

b. *Program of implementation*

The program of implementing the code has to include a lot of communication: training, talks and dialogue of the management with employees. They have to understand why this is being done. It is important to take into account the conflicting values and identities of the organization and work on different ways of integrating the new principles with the present state of the company. Moreover, the artifacts, design, symbols and communications might change. The pervasive presence of the code of ethics may prevent identity misalignment by creating continuity, stability and staying power that should encourage internal and external stakeholders' participation and trust.

Organizational image (i.e. how external constituents view an organization and evaluate its character) can impact the interest of potential newcomers due to a positive change in the perception of that enterprise. Organizational image can be developed from the top managers' communication and actions via pictures and graphics, formal press releases, and promotional media; or it can come unintentionally from outside as a consequence of demographic changes, reactions to crises, or changes in technology. [160]

Verbos et al. [160] say that organizations will benefit from their commitment to an ethical code by attracting employees of high morale and contributing to strengthening and sustaining a shared ethical identity. As the ethics code becomes more and more natural in organizational culture, such a shared understanding will ensure coherent moral decision-making and behavior. [160]

Since the members of an organization look for self-enhancement, an ethical organizational culture provides a way to strengthen their own ethical values. [160] In this process, employees' personal goals get aligned with organizational and thus mission values and strategies begin to be perceived as not only desirable, but also achievable. As a result, employees are likely to become more motivated, committed to the organization, and cooperative in their work. [160]

c. *Control mechanism*

Another important principle of ethics implementation is the mechanism of control, which has to encourage the employees towards ethical values and punish in the case that they violate the code of ethics. This control mechanism, however, also has to be ethical. The best way to change things is to behave in the way which you want others to behave, teaching by example. Ethics control mechanisms must be clearly indicated in the code of ethics and may include [192]:

- Employee training in ethics
- Ethics-focused corporate governance
- Whistle-blowing channels
- Ethics committee
- Judiciary board
- Ethics-focused reward system

The first two are the components of a management control system, which can be called specifying and communicating objectives. The whistle-blowing channels, ethics committee and judiciary boards serve to monitor performance and feedback. Finally, the ethics-focused reward system is a motivation scheme by linking the reward system to performance.

These methods of ethics implementation can help organizations make their corporate image more attractive, increase loyalty and employee morale, and enhance their long-term efficiency due to proper organizational culture.

To conclude the chapter, it discussed several useful implications for organizations which can allow them to increase their long-term efficiency through building an appropriate organizational culture. All of the methods described are directed toward balancing the proportion of goals versus values-based management in organizations. Right now the majority of companies tend to use goals-based approaches, whereas the key to long-term success is using both goals- and values-based instruments. This chapter discussed how to increase the share of the values-based part. Starting from understanding a firm's mission and purpose for existence; continuing into building an HR strategy which ensures an appropriate training system; educating trust, commitment, and loyalty; then continuing into the creation of a proper management succession system which promotes from within; and finally, building an ethical corporate culture. What modern companies need to understand is that the investment of time, people and financial resources into the described principles (i.e. into values-based approaches) is one of the best investments in longer-term success, because as the research revealed, the balance of values- and goals-based approaches is what characterizes the most long-living and efficient organizations in the world.

CONCLUSION

This doctoral work researched the organizational culture of long-living profit and non-profit organizations with the main aim being to understand the aspects of organizational culture which ensure the long-term efficiency of companies. The work reviewed different aspects of the present state of the problem-solving, such as the terms and definition of organizational culture and their advantages and disadvantages. The definition of Schein [8] was chosen for the purposes of the work, since it adopts the perspectives of organizational adaptation and the difference in organizational culture layers. The work used the categorization of organizational culture types as defined by Cameron and Quinn [7], which distinguishes four culture types: hierarchy, clan, adhocracy and market. Moreover, the work gave an overview about such questions as organizational culture and organizational performance, values- and goals-based approaches in management and organizational culture, tacit knowledge sharing and culture, person-organization fit, socialization and long-term efficiency of organizations and organizational culture, ethics and CSR. The review of the literature concerning the present state of the problem-solving revealed a gap in the research of long-living institutions and research on non-profit, values-based organizations was strongly called for.

Based on the present state of problem-solving, the main research question of this doctoral work was to understand which elements of an organizational culture allow profit and non-profit companies to exist for years and generations and to be efficient in the long-term.

With the use of the qualitative and quantitative methods which were chosen to verify the hypotheses and resolve the research problem, the doctoral work demonstrated that the distinction of long-term efficient organizational cultures is the coherence of values- and goals-based leadership. Moreover, organizational cultures of long-living organizations, independent of their nature or occupation (profit or non-profit organizations), have the same crucial elements. Furthermore, the long-term efficiency organizational cultures have a well-established system of training and socialization of new employees. Finally, tacit knowledge sharing was found to be an important aspect of such systems of training in long-living organizations.

The main factors of long-term efficiency of both values- and goals-based organizations found in the work are:

1) They emphasize and balance both values- and goals- based approaches, especially in leadership. Unsuccessful goals-based organizations do not understand the potential and importance of the values-based approaches and tend to use only goals-based approaches which does not allow them to live up to their potential and thus drop out of business after several years. At the same time, the values-based organizations which underestimate goals-based approaches cease to exist. The key is to use both values and goals and to keep the balance between them.

2) A system of training ensures the balance between values and goals and the continuity of culture. The balance between goals and values is not an easy undertaking. It requires the thorough preparation of employees which is embedded into a training system following the hiring of a new employee. This training system makes sure that the aims and values of the people are not only the same but also are in deep coherence with the organizational culture. The elements of such a training system include personal coaching, strict selection, doubt of person-organization fit, tacit knowledge sharing, promotion from within, and a strong personal identification with organizational values.

3) A code of ethics is an integral part of values-based leadership. A final finding is that long-living organizations must embed another important feature of the values-based approach: i.e. being ethical, and not only towards the external but also towards the internal environment, meaning its own employees. Being ethical pays off with potentially dozens and hundreds of years of trust, which is one of the most important factors ensuring the loyalty of customers, partners and many stakeholders and thus providing organizations with further financial security.

The doctoral work contributes to the existing literature in several ways.

a. It enhances the existing research on the long-term efficiency of organizations by concentrating on the role of organizational culture in ensuring the long-term efficiency of organizations. It elucidates the precise elements of organizational culture which tend to influence the long-term efficiency of companies.

b. Even though there were some extensive studies done on the long-living business organizations (for instance, [6], [11], [9]), there is very little research carried out on non-profit organizations. This doctoral work is contributes to filling in this gap.

c. It expands the field of values- and goals-based approaches and organizations (previous research carried out by [19], [18], [171]) by adding

more research data and results and comparing values- and goals-based organizations.

d. The doctoral work enhances the studies on the connection of tacit knowledge and organizational culture (for instance, [108]) and asserts that the role of tacit knowledge sharing plays a crucial role in ensuring the long term efficiency of any kind of organization (profit or non-profit). Moreover, the doctoral work reflects on the exact elements of culture which facilitate tacit knowledge exchange.

e. The doctoral work contributes to the reliability of the usage of the Competing Values Framework model and the Organizational Culture Assessment Instrument for values-based organizations, such as churches and theaters. It also provides a perspective on how to measure the proportion of values- and goals-based approaches in organizations through the CVF.

f. It analyzes the goals- and values-based approaches and compares them with several crucial management theories like Mintzberg's, Barley and Kunda's management ideology and Scott's classification management system models.

The following limitations of the material in this doctoral work, which can at the same time be the potential for new research, need to be considered:

a. Limited number of organizations studied: there were five values-based organizations and five goals-based organizations researched. These numbers, though sufficient for the comparative analysis, can be increased in the future, providing an even broader perspective and dependable variations.

b. Non-longitudinal perspective of the quantitative data: even though the qualitative data was taken into account with regard to the long perspective over the existence of organizations, the quantitative data and interviews did not adopt the longitudinal perspective. However, this doctoral work is the starting point of such longitudinal research which can now be done in order to enhance the knowledge and perspectives on the long-term efficiency of organizations.

c. Only the middle and top-management of organizations were examined: the target group for qualitative and quantitative methods included mostly top- and middle management and did not concentrate on the average employees. Such research is interesting, since it has a more holistic perspective, however requires more time and other resources (for instance the number of researchers included).

Further potential studies can concentrate further on the training systems of long-living organizations, for instance by using the longitudinal method and ethnographical approach. The aim of such a study can be to provide a more

detailed observation on the training and selection process of the newcomers with the additional goal of understanding how exactly the balance between the values and goals between future leaders is ensured. Another topic for a new study is to determine how exactly the long-living organizations react in times of crises and changes throughout history. Among other directions, more precisely, an interesting study would be to research organizations at the moment of crisis or change: how the balance between values and goals shifts, and how organizations maintain it. A further potential field for research is tacit knowledge and its sharing over the time. Moreover, a further study concentrating on cultural peculiarities of organizations with long-term efficient organizational cultures depending on the country can be done.

To conclude, this doctoral work fully achieved its objectives, proved the hypotheses and contributed in multiple ways to the existing literature and practice. The field of management is now more enriched with research on the importance of establishing a balance between values- and goals-based approaches in long-term efficient organizational culture. The study not only researched the business companies, but also non-profit organizations such as theaters and churches, which were very little studied in this respect before. Finally, the work discussed the implications of the results of the study for other organizations which can use them to increase their long-term efficiency and indicated opportunities for further potential research.

BIBLIOGRAPHY

- [1] CAULKIN, J. S. The pursuit of immortality. *Management today*. May 1995, pp. 36-40.
- [2] TALAN, D. Business Employment Dynamics . *Bureau of Labor Statistics U.S. Department of Labor*. [Online] September 20 , 2010. [quot. December 02, 2010.] <http://www.bls.com>.
- [3] DE ROOJ, E. *A brief desk research study into the average life expectancy of companies in a number of countries*. Amsterdam : Stratix Consulting Group, 1996.
- [4] ARONOFF, C. Family Business Survival: Understanding the "Only 30% ". *New York Family Business Centre*. [Online] August 30, 2001 . [quot. December 02, 2010.] <http://nyfamilybusinesscenter.com/nyfbc/Understanding%20the%20Statistics.pdf>.
- [5] FAULHABER, P. Century-old Companies and Products. *Suite101*. [Online] March 31, 2008. [quot. December 02, 2010.] <http://www.suite101.com/content/century-old-companies-and-products-a49321>.
- [6] DE GEUS, A.. *The living company: habits for survival in a turbulent environment*. s.l. : Harvard Business Press, 2002.
- [7] CAMERON, K. S. AND QUINN, R. E. *Diagnosing and Changing Organizational Culture: Based on the Competing Values Framework*. – Revised edition. San Francisco, CA : John Wiley & Sons, 2006. 202 p. ISBN 0787982830
- [8] SCHEIN, E. *Organisational culture and leadership*. San Francisco : Jossey-Bass, 1992. 418 p. ISBN 1-55542-487-2
- [9] VAN DRIEL, H., VOLBERDA, H., EIKELBOOM, S. *Longevity in services: the case of the Dutch warehousing*. Barcelona : Erasmus Research Institute of Management, 2004. 8th European Business History Assosation Conference.
- [10] VOLBERDA, HENK. *Towards the flexible form: how to remain vital in hypercompetitive environments*. *Organisational Schience*, 1996, Vol. 7, 4, pp. 359-374.
- [11] COLLINS, J., PORRAS, J. I. *Built to last: successful habits of visionary companies*. London : Harper Collins Publishers, 1999. 368 p. ISBN: 0887306713
- [12] MARCH, J. G. The future, disposable organizations, and the rigidities of imagination. *Organization*, 1995, Vol. 2(3/4), pp. 427-440.
- [13] KAUFMANN, S. A. Technology and evolution: escaping the red Queen effect. *The McKinsey Quarterly*, 1995, Vol. 1, pp. 118-129.

- [14] BROWN, S. L., EISENHARDT, K. M. *Competing on the edge: Strategy as structured chaos*. Boston : Harvard Business Press, 1998. 299 p. ISBN 0-87584-754-4
- [15] BROWN, J. S. AND DUGUID, P. Organizing Knowledge. *California Management Review*, 1998, Vol. 40, 3, pp. 90-111.
- [16] VOLBERDA, H. *Building the flexible firm: how to remain competitive*. Oxford : Oxford University Press, USA, 1998. 384 p. ISBN: 978-0198290902
- [17] BOLMAN, L. G., DEAL, T. E. *Reframing organizations: artistry, choice, and leadership*. 4th Edition. San Francisco: Jossey-Bass, 2008. 544 p. ISBN: 0787987999
- [18] PUSHNYKH, V., CHEMERIS, V. *Study of a Russian university's organisational culture in transition from planned to market economy*. Tertiary Education and Management, 2006, Vol. 12, no.1, pp. 161-182.
- [19] PUSHNYKH, V., AGRANOVICH, B. Managing university as a values-based system. *Ingeneer education*, 2009, Vol. 5, pp. 105-111.
- [20] BRITANNICA, ENCYCLOPEDIA ONLINE. Christianity. *Britannica Concise Encyclopedia*. [Online] 2009. [quot. December 02, 2010.] <http://www.britannica.com/EBchecked/topic/115240/Christianity>.
- [21] BARLEY, S., MEYER, G., GASH, D. Cultures of culture: Academics, practitioners, and the pragmatics of normative control. *Administrative Science Quarterly*, 1988, vol. 33, pp. 24-60.
- [22] HAMPDEN-TURNER, C. *Corporate culture: from vicious to virtuous circles*. London : The economist books limited - Hutchinson Business Books Limited, 1990. 224 p. ISBN: 0091746655
- [23] HARRISON, R., STROKES, H. *Diagnosing organizational culture*. San Diego : Pfeiffer & Company, 1992. 32 p. ISBN 9780883903162
- [24] HOFSTEDE, G. H. *Cultures and organizations: software of the mind*. New York : McGraw Hill, 1997. 279 p. ISBN 0-07-029307-4
- [25] GREEN, L. Corporate culture: asset or liability. *Human Resources Management Yearbook*. 1989, pp. 72-74.
- [26] DEAL, T. E., KENNEDY, A. A. *Corporate Cultures: The Rites and Rituals of Corporate Life*. Harmondsworth : Penguin Books, 1982. 232 p. ISBN: 0738203300
- [27] PASCALE, R. T., ATHOS, A. G. *The art of Japanese management*. New York : Simon and Schuster, 1981. 240 p. ISBN: 0140091157
- [28] BOWER, M. *The will to manage*. New York : McGraw-Hill, 1966. 276 p. ISBN: 978-0070067356
- [29] BELL, C. H. AND FRENCH, W. L. *Organisation development*. Englewood Cliffs, New Jersey : Prentice-Hall, 1998. 360 p. ISBN 978-0132422314
- [30] WHITE, J. Corporate culture and corporate success. *South African Handbook of Management Development*, 1991, pp. 17-22.

- [31] KOTTER, J. P., HESKETT, J. L. *Corporate Culture and Performance*. New York : The Free Press, 1992. 224 p. ISBN 978-0029184677
- [32] DENISON, D.R. *Corporate culture and organisation effectiveness*. New York : John Wiley, 1990. 267 p. ISBN 978-0965861205
- [33] OUCHI, W., WILKINS, A. Organizational Culture. *Annual Review of Sociology*, 1985, pp. 457-483.
- [34] SMIRCICH, L. Concepts of culture and organisation analysis. *Administrative Science Quarterly*, September 1983, pp. 339-358.
- [35] TRICE, H., BEYER, J. *The Cultures of Work Organizations*. Prentice Hall : Upper Saddle River, 1993. 510 p. ISBN 978-0131914384
- [36] BARLEY, S. R., KUNDA, G. Design and devotion: Surges of rational and normative ideologies of control in managerial discourse. *Administrative Science Quarterly*, 1992, Vol. 37, no. 3, pp. 363–399.
- [37] ROUSSEAU, D. Quantitative assessment of organizational culture: The case for multiple measures. In Schneider (Ed.). *Frontiers in industrial and organizational psychology*. San Francisco: Jossey-Bass, 1990, pp. 153-192.
- [38] WEINER, Y. Forms of value systems: A focus on organizational effectiveness and cultural change and maintenance. *Academy of Management Review*, 1988, pp. 534-545.
- [39] O'REILLY, C. A., III. Corporations, culture, and commitment: Motivation and social control in organizations. *California Management Review*, 1989, pp. 9-25.
- [40] MORGAN, G. *Images of organization*. Thousand Oaks, CA : Sage publications, 2006. 520 p. ISBN 978-1412939799
- [41] HOUSE, R. J., ET AL. *Culture, leadership and organizations: the GLOBE study of 62 societies*. Thousand Oaks, Calif.: Sage, 2004. 848 p. ISBN 978-0761924012
- [42] HOUSE, R. J., ET AL. Understanding cultures and implicit leadership theories across the globe: an introduction to the project GLOBE. *Journal of World Business*, 2002, pp. 3-10.
- [43] OTT, J.S. *The organisational culture perspective*. Pacific Grove : Brooks-Cole, 1989. 231 p. ISBN 978-0256063196
- [44] CAMERON, K., FREEMAN, S. J. Cultural Congruence, Strength, and Type: Relationships to Effectiveness. *Research in Organizational Change and Development*, 1991, Vol. 5, pp. 23–58.
- [45] JARNAGIN, C., SLOCUM, J. W., JR. Creating corporate cultures through mythopoetic leadership. *Organizational dynamics*, 2007, vol. 36, pp. 288-302.
- [46] WALLACH, E. J. Individuals and organizations: the cultural match. *Training and Development Journal*, 1983, Vol. 37, pp. 29-36.
- [47] SHADUR, M. A., KIENZLE, R., RODWELL, J. J. The relationship between organizational climate and employee perceptions of involvement. *Group & Organization Management*, 1999, Vol. 24 No. 4, pp. 479-503.

- [48] LOK, P., CRAWFORD, J. The relationship between commitment and organizational culture, subculture, leadership style, and job satisfaction in organizational change and development. *Leadership & Organizational Development Journal*, 1999, Vol. 23, no. 4 pp. 365-73.
- [49] SILVERTHORNE, C. The impact of organizational culture and person-organization fit on organizational commitment and job satisfaction in Taiwan. *Leadership & Organizational Development Journal*, 2004, Vol. 25, pp. 592-9.
- [50] HANDY, C. *Understanding Organizations [Fourth Edition]*. London : Penguin, 1993. 448 p. ISBN 978-0140156034
- [51] MINTZBERG, H. The professional bureaucracy. *Organization and governance in higher education*. Boston: Pearson Custom Publishing, 2000, pp. 50-70.
- [52] WEBER, M. *The Theory Of Social And Economic Organization*. New York : Free Press, 1997. 448 p. ISBN 978-0684836409
- [53] REDDIN, W. J. *Managerial Effectiveness*. New York : McGraw-Hill, 1970. 352 p. ISBN 0070513589
- [54] BOND, M., HOFSTEDE, G. The Cash Value of Confucian Values. *Human Systems Management*, 1988, Vol. 8, pp. 195-200.
- [55] KLUCKHOHN- ROCKWOOD F., STRODTBECK, F. L. *Variations in Value Orientations*. Evanston: Row, Peterson and Company, 1961. ISBN 9780837167404
- [56] WICKS, A. M., ST. CLAIR, L. Competing Values in Healthcare: Balancing the (Un)Balanced Scorecard. *Journal of Healthcare Management*, 2007, Vol. 52, no. 5, pp. 309-324.
- [57] BOGGS, B. W. TQM and organizational culture: a case study., *The quality Management Journal*, 2004, Vol. 11, p. 42.
- [58] CAMERON, K. S., ETTINGTON, D. R. The conceptual foundations of organizational culture. In: SMART. J.C. *Higher Education: handbook of theory and research*. Norwell, Mass.: Kluwer, 1988.
- [59] KOZLOWSKI, S. W.J., ET AL. Organizational downsizing: strategies, interventions and research implications. *International review of industrial and organizational psychology*, 1993, V. 24, pp. 263-332.
- [60] BERSON, Y., OREG, S., DVIR, T. Organizational culture as a mediator of ceo values and organizational performance. *Academy of Management Proceedings*, 2005. pp. FF1-FF6.
- [61] HASKINS, W. A. Freedom of Speech: Construct for Creating a Culture Which Empowers Organizational Members. *Journal of Business Communication*, 1966, Vol. 33, pp. 85-97.
- [62] GREGORY, B., ET AL. Organizational culture and effectiveness: A study of values, attitudes, and organizational outcomes. *Journal of Business Research*, 2009, Vol. 62, pp. 673-679.

- [63] YAZICI, H. The role of project management maturity and organizational culture in perceived performance. *Project Management Journal*, 2009, Vol. 40, no. 3, pp. 14-33.
- [64] MORRISON, J., BROWN, C., SMIT, E. The impact of organizational culture on project management in matrix organizations. *South African Journal of Business Management*, 2008, Vol. 39, no. 4, pp. 27-36.
- [65] FEY, C. F., DENISON, D. R. Organizational Culture and Effectiveness: Can American Theory Be Applied in Russia? *Organization Science*, 2003, Vol. 14, no. 6 pp. 686–706.
- [66] SHIH-CHIEH, F., JUE-FAN, W. Effects of Organizational Culture and Learning on Manufacturing Strategy Selection: An Empirical Study. *International Journal of Management*, 2006, Vol. 23, no. 3, pp. 503-514.
- [67] CHANG, S. E., LIN, C. Exploring organizational culture for information security management. *Industrial Management & Data Systems*, 2007, Vol. 107, No. 3, 2007, pp. 438 - 458.
- [68] WHITFIELD, G., LANDEROS, R. Supplier Diversity Effectiveness: Does Organizational Culture Really Matter? *Journal of Supply Chain Management*, 2006, Vol. 42, pp. 17-29.
- [69] OGBONNA, E., HARRIS, L. Organizational culture: a ten year, two-phase study of change in the UK food retailing sector. *Journal of Management Studies*, 2002, Vol. 39, no. 5, pp. 673-706.
- [70] BARNETT, W. P., CARROLL, GLENN R. Modeling Internal Organizational Change. *Annual Review of Sociology*, 1995, Vol. 21, pp. 217–236.
- [71] HANNAN, M. T., PÓLOS, L., CARROLL, G. R. Cascading Organizational Change. *Organization Science*, 2003, Vol. 14, no. 5, pp. 463–482.
- [72] JACOBS, GABRIELE, ET AL. Reactions to organizational identity threats in times of change: Illustrations from the German Police. *Corporate Reputation Review*, 2008, pp. 245-261.
- [73] BONN, I. Staying on top: characteristics of long-term survival. *Journal of Organizational Change Management*, 2000, Vol. 13, pp. 32-48.
- [74] GREGORY N.P., KATZ, J. A., KONZ, I. Metapopulation analysis: a technique for studying hyperlongevity. *Journal of Organizational Change Management*, 2000, Vol. 13, pp. 49-60.
- [75] MONTUORI, L. A. Organizational longevity - Integrating systems thinking, learning and conceptual complexity. *Journal of Organizational Change Management*, 2000, Vol. 13, pp. 61-73.
- [76] CEEDR. *Researching business support needs of ethnic minority owned businesses in Coventry and Warwickshire*. Middlesex : Middlesex University, 2001. Report to Coventry and Warwickshire Chamber of Commerce.
- [77] DETR. *A better quality of life*. London: Department of the Environment, Transport and the Regions, 1999.

- [78] LYONS, M. *Third sector: The contribution of nonprofit and cooperative enterprises in Australia*. Sydney: Allen & Unwin, 2001. 264 p. ISBN 978-1864487428
- [79] WIJKSTRÖM, F. The Swedish nonprofit sector in international comparison. *Annals of Public and Cooperative Economics*, 1997, Vol. 68, pp. 625–663.
- [80] KESSLER, D. P., MCCLELLAN, M. B. The effects of hospital ownership on medical productivity. *Rand Journal of Economics*, 2002, 3, Vol. 33, pp. 488–506.
- [81] CHETKOVICH, C., FRUMKIN, P. Balancing margin and mission: Nonprofit competition in charitable versus fee-based programs. *Administration & Society*, 2003, Vol. 35, pp. 564–596.
- [82] BRYSON, J. M., GIBBONS, M. J., SHAYE, G. Enterprise schemes for nonprofit survival, growth, and effectiveness. *Nonprofit Management & Leadership*, 2001, Vol. 11, no. 3, pp. 271–288.
- [83] DART, R. Being ‘business-like’ in a nonprofit organization: A grounded and inductive typology. *Nonprofit and Voluntary Sector Quarterly*, 2004, Vol. 33, no. 2, pp. 290–310.
- [84] WEERAWARDENA, J., SULLIVAN MORT, G. Learning, innovation and competitive advantage in not-for-profit aged care marketing: A conceptual model and research propositions. *Journal of Nonprofit & Public Sector Marketing*, 2001, Vol. 9, no. 3, pp. 53–73.
- [85] MCDONALD, R. E. An investigation of innovation in nonprofit organizations: The role of organizational mission. *Nonprofit and Voluntary Sector Quarterly*, 2007, Vol. 36, no. 2, pp. 256–281.
- [86] NICHOLLS, A., CHO, A. H. Social entrepreneurship: The structuration of a field. In: NICHOLLS, A. *Social entrepreneurship: New models of sustainable social change*. Oxford : Oxford University Press, 2006, pp. 99–188.
- [87] EIKENBERRY, A. M., KLUVER, J. D. The marketization of the nonprofit sector: Civil society at risk. *Public Administration Review*, 2004, Vol. 64., no. 2, pp. 132-40.
- [88] SELLADURAI, R. Eight steps to fundraising success. *Nonprofit World*, 1998, Vol. 16, no. 4, pp. 17–19.
- [89] BERGER, I. E., CUNNINGHAM, P. H., DRUMWRIGHT, M. Mainstreaming corporate social responsibility: Developing markets for virtue. *California Management Review* 2007, Vol. 49, no. 4, pp. 132–160.
- [90] HANDY, F., SRINIVASAN, N. Improving quality while reducing costs? An economic evaluation of the net benefits of hospital volunteers. *Nonprofit and Voluntary Sector Quarterly*, 2004, Vol. 33, no. 1, pp. 28–54.
- [91] SNAVELY, K. AND TRACY, M. B. Collaboration among rural nonprofit organizations. *Nonprofit Management & Leadership*, 2000, vol. 11, pp. 145–165.

- [92] DEES, G. The meaning of social entrepreneurship. [Online] 1998. [quoted: 23 March 2010] <http://www.fuqua.duke.edu/>.
- [93] PEREDO, A. M., MCLEAN, M. Social entrepreneurship: A critical review of the concept. *Journal of World Business*, 2006, vol. 41, no. 1, pp. 56–65.
- [94] ANDERSON, B. B., DEES, J. G. Developing viable earned income strategies. In: Dees, J.G., Economy, P., & Emerson, J. (eds). *Strategic Tools for Social Entrepreneurs: Enhancing the performance of Your Enterprising Nonprofit*. New York: John Wiley & Sons, 2002.
- [95] DEES, G., EMERSON, J. AND ECONOMY, P. *Strategic tools for social entrepreneurs: Enhancing the performance of your enterprising nonprofit*. New York : John Wiley & Sons, 2002. 360 p. ISBN: 978-0-471-15068-8
- [96] ZAMMUTO, R. F., GIFFORD, B. AND GOODMAN, E. A. Managerial ideologies, organization culture, and the outcomes of innovation. In ASHKANASY N. M., WILDEROOM C. M., PETERSON M. F.. *Handbook of organizational culture & climate*. Thousand Oaks, CA : Sage, 2000, pp. 261–278.
- [97] SCOTT, RICHARD W. *Organizations: rational, natural, and open systems*. Upper Saddle River, NJ : Prentice Hall, 2003. 464 p. ISBN 0131958933
- [98] LINNENLUECKE, M. K., GRIFFITHS, A. Corporate sustainability and organizational culture. *Journal of World Business*, 2010, Vol. 45, pp. 357–366.
- [99] TAYLOR, F.W. *The principles of scientific management*. New York : Harper, 1911. ISBN 0-393-00398-1
- [100] ZAMMUTO, R. F. *Does who you ask matter? Hierarchical subcultures and organizational culutre assessments*. Denver : The Business School, University of Colorado at Denver, 2005.
- [101] RUSSO, M. V. AND FOUTS, P. A. A resource-based perspective on corporate environmental performance and profitability. *Academy of Management Journal*, 1997, Vol. 40, no. 3, pp. 534-559.
- [102] DUNPHY, D. C., GRIFFITHS, A., BENN, S. *Organizational change for corporate sustainability: A guide for leaders and change agents of the future*. London : Routledge, 2003. 307 p. ISBN 0-415-28740-5
- [103] WILKINSON, A., HILL, M., GOLLAN P. *The sustainability debate*. *International Journal of Operations & Production Management*, 2001, Vol. 21, no. 12, pp. 1492–1502.
- [104] WEICK, K. E. *The social psychology of organizing*. Reading, MA : Addison-Wesley, 1969. 294 p. ISBN 978-0075548089
- [105] MILLER, E. J., RICE, A. K. *Systems of organization: The control of task and sentient boundaries*. London : Tavistock, 1967. 447 p. ISBN 0140226028

- [106] CARROLL, A. B. *Corporate social responsibility: Evolution of a definitional construct*. *Business and Society Review*, 1999, Vol. 38, pp. 268–295.
- [107] FREEMAN, R. E. *Strategic management: A stakeholder approach*. Boston : Pitman, 2010. 292 p. ISBN 978-0521151740
- [108] HALDIN-HERRGARD, T. Difficulties in diffusion of tacit knowledge in organization. *The journal of intellectual capital*, 2000, Vol. 1, no. 4, pp. 357-365.
- [109] HALDIN-HERRGARD, T. Mapping Tacit Knowledge with Epitomes. *Systèmes d'Information et Management*, 2003, Vol. 8, no. 2, pp. 93-111.
- [110] WILKINS, A., OUCHI, W. Efficient cultures: Exploring the relationship between culture and organizational performance. *Administrative Science Quarterly*, 1983, Vol. 28, pp. 468-481.
- [111] LEONARD, D., SENSIPER, S. The Role of Tacit Knowledge in Group Innovation. *California Management Review*, 1998, Vol. 40, no. 3, pp. 112-132.
- [112] LAWSON, C., LORENZI, E. Collective Learning, Tacit Knowledge and Regional Innovative Capacity. *Regional Studies*, 1999, Vol. 33. pp. 305-317.
- [113] BROCKMANN, E. N., ANTHONY, W. P. The Influence of Tacit Knowledge and Collective Mind on Strategic Planning. *Journal of Managerial Issues*, 1998, Vol. X, 2, pp. 204-222.
- [114] SHARIQ, S. Z. *How does knowledge transform as it is transferred? Speculations on the possibility of a cognitive theory of knowledgescapes*. *Journal of Knowledge Management*, 1999, Vol. 3, no. 4, pp. 243- 251.
- [115] O'DELL, C., GRAYSON, J. *If only we knew what we know: the transfer of internal knowledge and best practice*. New York: Free Press, 1998. 256 p. ISBN 978-0684844749
- [116] ALONY, I., WHYMARK, G., JONES, M. Sharing Tacit Knowledge: A Case Study in the Australian Film Industry. *Informing Science Journal*, 2007, Vol. 10, pp. 41-59.
- [117] REAGANS, R., MCEVILY, B. Network structure and knowledge transfer: The effects of cohesion and range. *Administrative Science Quarterly*, 2003, Vol. 48, no. 2, pp. 240-268.
- [118] SZULANSKI, G. Unpacking stickiness: an empirical investigation of the barriers to transfer best practice inside the firm. *Academy of Management Proceedings*, 1995, pp. 437-441.
- [119] HANSEN, M. The search-transfer problem: The role of weak ties in sharing knowledge across organization subunits. *Administrative Science Quarterly*, 1999, Vol. 44, no. 1, pp. 82-111.

- [120] CROSS, R., CUMMINGS, J. Tie and network correlates of individual performance in knowledge intensive work. *Academy of Management Journal*, 2004, Vol. 47, No. 6, 928-937.
- [121] HANSEN, M. Knowledge networks: Explaining effective knowledge sharing in multiunit companies. *Organization Science*, 2002, Vol. 13, no. 3, pp. 232-248.
- [122] ARDICHVILI, A., PAGE, V., WENTLING, T. Motivation and barriers to participation in virtual knowledge-sharing communities of practice. *Journal of Knowledge Management*, 2003, Vol. 7, no. 1, pp. 64 - 77.
- [123] ERSHOVA, M., ECKENHOFER E. The Impact of Organizational Culture and Intraorganizational Networks on Intellectual Capital. *Proceedings of The Second Knowledge Summit*. Shenzhen: Hong Kong Polytechnic University, November 2009.
- [124] KILMAN, R., SAXTON, M. AND SERPA, R. Issues in Understanding and Changing Culture. In NEWSTORM, J. M., DAVIS, K. *Human Behaviour at Work*. New York : McGraw Hill, 1986.
- [125] HOLLAND, J. L. *Making vocational choices (2d ed.)*. Englewood Cliffs, NJ : Prentice-Hall, 1985. 212 p. ISBN 978-0135475973
- [126] SUPER, D. *Careers in Psychology: Opportunities in a Changing World*. Belmont: Wadsworth Publishing, 2006. 224 p. ISBN 978-0495090786
- [127] MEIR, E., HASSON, R. Congruence between personality type and environment type as a predictor of stay in an environment. *Journal of Vocational Behavior*, 1982, Vol. 21, pp. 309-317.
- [128] LOFQUIST, L. AND DAWIS, R. *Adjustment to work*. New York : Appleton-Century-Croft, 1969. 138 p. ISBN 390-57000-1.
- [129] TOM, V. The role of personality and organizational images in the recruiting process. *Organizational Behavior and Human Performance*, 1971, Vol. 6, pp. 573-592.
- [130] PARSONS, T. *The social system*. New York : Free Press, 1951. 575 p. ISBN 0029241901
- [131] COOKE, R., ROUSSEAU, D. Behavioral norms and expectations: A quantitative approach to the assessment of organizational culture. *Group and Organizational Studies*, 1988, Vol. 13, pp. 245-273.
- [132] LOUIS, M. Organizations as culture-bearing milieux. In PONDY, L. P. et al. *Organizational symbolism*. Greenwich, CT : JAI Press, 1983, pp. 186-218.
- [133] ASHFORTH, B., MAEL, F. Social identity theory and the organization. *Academy of Management Review*, 1989, Vol. 14, No. 1, pp. 20-39.
- [134] SCHNEIDER, B. The people make the place. *Personnel Psychology*, 1987, Vol. 40, pp. 437-453.
- [135] TSUI, A., O'REILLY, G. A. III. Beyond simple demographic effects: The importance of relational demography in superior-subordinate dyads. *Academy of Management Journal*, 1989, Vol. 32, pp. 402-423.

- [136] CHATMAN, A. J. Matching people and organizations: Selection and socialization in public accounting firms. *Administrative Science Quarterly*, 1991, Vol. 36, no. 3, pp. 459-484.
- [137] BAUER, T. N., ET AL. Newcomer Adjustment during organizational socialization: a meta-analytic review of antecedents, outcomes and methods. *Journal of applied psychology*, 2007, Vol. 92, no. 3, pp. 707-721.
- [138] NAZIR, A. N. Person-Culture Fit and Employee Commitment in Banks. *Journal for Decision Makers*, 2005, Vol. 30, pp. 39-51.
- [139] CALDWELL, D., CHATMAN, J., O'REILLY, C. Building Organizational Commitment: A Multi-firm Study. *Journal of Occupational Psychology*, 1990, Vol. 63, pp. 245-261.
- [140] POSNER, B. Z., KOUZES, J. M., SCHMIDT, H. Shared Values Make a Difference: An Empirical Test of Corporate Culture. *Human Resource Management*, 1985, Vol. 24, No. 3, pp. 293-310.
- [141] VAN MAANEN, J., SCHEIN, E. H. Towards the Theory of Organizational Socialization. *Research in Organizational Behaviour*, 1979, pp. 209-264.
- [142] REICHERS, A.E. An interactionist perspective on newcomer socialisation rates. *Academy of Management Review*, 1987, Vol. 12, no. 2, pp. 278-287.
- [143] ANAKWE, U. P., GREENHAUS, J. H. Effective socialisation of employees: Socialisation content perspective. *Journal of Managerial Issues*, 1999, Vol. 11, no. 3, pp. 315-329.
- [144] FILSTAD, C. How newcomers use role models in organisational socialisation. *Journal of Workforce Learning*, 2004, Vol. 16, no. 7/8, pp. 396-409.
- [145] MAJOR, D. A., ET AL. A longitudinal investigation of newcomer expectations, early socialization outcomes and the moderating effects of role development factors. *Journal of applied psychology*, 1995, Vol. 80, no. 3, pp. 418-431.
- [146] TABBRON, A., MACAULAY, S., COOK, S. Making mentoring work. *Training for Quality*, 1997, Vol. 5, no. 1, pp. 6-9.
- [147] TAORMINA, R. J. Interrelating leadership behaviors, organizational socialization, and organizational culture. *Leadership & Organization Development Journal*, 2008, Vol. 29, no. 1, pp. 85-102.
- [148] TAORMINA, R. J. Organizational socialization: the missing link between employee needs and organizational culture. *Journal of Management Psychology*, 2009, Vol. 24, no. 7, pp. 650-676.
- [149] SACKS, A. M., ASHFORTH, B. E. Proactive socialization and behavioral self-management. *Journal of vocational behavior*, 1996, Vol. 48, pp. 301-323.

- [150] VAN MAANEN, J. AND SCHEIN, E. H. Toward a theory of organizational socialization. In STAW, M. *Research in organizational behavior*. Greenwich, CT : JAI Press, 1979, pp. 209-264.
- [151] GROJEAN, M. W., ET AL. Leaders, Values and Organizational Climate: Examining Leadership Strategies for Establishing an Organizational Climate Regarding Ethics. *Journal of Business Ethics*, 2004, Vol. 55, pp. 223–241.
- [152] JAMES, H. S. JR. Reinforcing Ethical Decision-making Through Organizational Structure. *Journal of Business Ethics*, 2000, Vol. 28, pp. 43–58.
- [153] SIMS, R. R. *Ethics and Organizational Decision-making: A Call for Renewal*. Westport, CT Westport, CT : Quorum Books, 1994. 232 p. ISBN 978-0899308609
- [154] DICKSON, M. W., ET AL. An Organizational Climate Regarding Ethics: The Outcome of Leader Values and the Practices that Reflect Them. *The Leadership Quarterly*, 2001, Vol. 12, pp. 197–217.
- [155] SIMS, R. R. AND BRINKMANN, J. Leaders as Moral Role Models: The Case of John Gutfreund at Salomon Brothers. *Journal of Business Ethics*, 2002, Vol. 35, pp. 327–339.
- [156] VICTOR, B. AND CULLEN, J. B. The Organizational Basis of Ethical Work Climates. *Administrative Science Quarterly*, 1988, Vol. 33, No. 1, pp. 101–125.
- [157] MELÉ, D. Organizational Humanizing Cultures: Do They Generate Social Capital? *Journal of Business Ethics*, 2003, Vol. 45, pp. 3–14.
- [158] AXINN, C. N., ET AL. Comparing Ethical Ideologies Across Cultures. *Journal of Business Ethics*, 2004, Vol. 54, pp. 103–119.
- [159] GONZÁLEZ, E. Defining a Post-Conventional Corporate Moral Responsibility. *Journal of Business Ethics*, 2002, Vol. 39, pp. 101–108.
- [160] VERBOS, AMY KLEMN, ET AL. The Positive Ethical Organization: Enacting a Living Code of Ethics and Ethical Organizational Identity. *Journal of Business Ethics*, 2007, Vol. 76, pp. 17–33.
- [161] LUTHANS, F. AND AVOLIO, B. Authentic Leadership Development. In CAMERON, K. S., DUTTON, J. E., QUINN, R. E. *Positive Organizational Scholarship: Foundations of a New Discipline*. San Francisco, CA : Berrett-Koehler Publishers, Inc., 2003, pp. 241–258.
- [162] SIMS, R. R. The Institutionalization of Organizational Ethics. *Journal of Business Ethics*, 1991, Vol. 10, pp. 493–506.
- [163] COLLIER, J. Theorizing the Ethical Organization. *Business Ethics Quarterly*, 1998, Vol. 8, pp. 621–654.
- [164] MACLAGAN, P. The Organizational Context for Moral Development: Questions of Power and Access. *Journal of Business Ethics*, 1996, Vol. 15, pp. 645–654.
- [165] SIMS, R. R., BRINKMANN, J. Enron Ethics. *Journal of Business Ethics*, 2003, Vol. 45, pp. 243–256.

- [166] NICHOLSON, N., ROBERTSON, D. C. *The Ethical Issue Emphasis of Companies: Content, Patterning, and Influences*. . 1996 , Human Relations, Vol. 49, pp. 1367–1393.
- [167] JUHOLIN, E. For business or the good of all? A Finnish approach to corporate social responsibility. *Corporate governance*, 2004, Vol. 4, no. 3, pp. 20-31.
- [168] ZAHRA, S., LATOUR, M. Corporate Social Responsibility and Organizational Effectiveness: A Multivariate Approach. *Journal of Business Ethics*, 1987, pp. 459--467.
- [169] VANHAMME, J., GROBBEN, B. “Too Good to be True!”. The Effectiveness of CSR History in Countering Negative Publicity. *Journal of Business Ethics*, 2009, Vol. 85, pp. 273–283.
- [170] PATTON, M. Q. *Qualitative evaluation and research methods*. Newbury Park, CA: Sage Publications, 1990. 688 p. ISBN 978-0761919711
- [171] PUSHNYKH, V., ERSHOVA, M. Metaphorical model of an innovative university. *Problems of Governance*. 2011, Vol. 2, no. 4, pp. 68-81.
- [172] MERX-CHERMIN, M., NIJHOF, W. J., W. J. Factors Influencing Knowledge Creation and Innovation in An Organization. *Journal of European Industrial Training*, 2005, Vol. 29, no. 2, pp. 135-147.
- [173] IBM. *IBM 2009 Annual report*. New York: IBM, 2009. [Online] [quot. 2 May 2010]
http://www.ibm.com/annualreport/2009/2009_ibm_annual.pdf
- [174] DISNEY. *Disney 2009 annual report*. Burbank: Disney, 2009. [Online] [quot. 5 May 2010]
http://amedia.disney.go.com/investorrelations/annual_reports/WDC-10kwrap-2009.pdf
- [175] SHELL. Shell at a glance: Shell corporation. *Shell.com*. [Online] 2009. http://www.shell.com/home/content/aboutshell/at_a_glance/.
- [176] P&G. *Proctor & Gamble 2009 annual report*. Cincinnati : Procter and Gamble, 2009. [Online] [quot. 1 May 2010]
<http://www.pg.com/annualreport2009/>
- [177] SCHLUMBERGER. About Us: Schlumberger. *Schlumberger Web site*. [Online] 2009. [Cited: December 15, 2009.] <http://www.slb.com/>.
- [178] SCHLUMBERGER. *Schlumberger 2009 annual report*. Houston : Schlumberger, 2009. [Online] [quot. 5 May 2010]
<http://investorcenter.slb.com/phoenix.zhtml?c=97513&p=irol-reportsannual>
- [179] HIRSCHMAN, E. Humanistic inquiry in marketing research: Philosophy, method, and criteria. *Journal of Marketing Research*, 1986, Vol. 23, no. 8, pp. 237–249.
- [180] MILES, M. B., HUBERMAN, M. *Qualitative Data Analysis*. Thousand Oaks : Sage Publications, 1994. ISBN 978-0803955400.
- [181] WEBER, R. P. *Basic Content Analysis*. Newbury Park, Cal. : Sage Publications, Inc., 1990. ISBN 978-0803938632.

- [182] DESPHANDE, R., WEBSTER, F. Organisational culture and marketing: defining the research agenda. *Journal of Marketing*, January 1989, Vol. 53, pp. 3-15.
- [183] PAULIN, M., FERGUSON, R. J., PAYAUD, M. Effectiveness of relational and transactional cultures in commercial banking: putting client-value into the competing values model. *The international journal of bank marketing*, 2000, Vol. 18, no. 7, pp. 328-337.
- [184] IBM. IBM Germany. *IBM Recrutement*. [Online] 2010. [quot. April 3, 2010.] <http://www-05.ibm.com/employment/de/professionals/development.html>.
- [185] IBM. IBM Recrutement. *IBM Deutschland*. [Online] 2010. [quot. April 27, 2010.] <http://www-05.ibm.com/employment/de/professionals/development.html>.
- [186] PETERS, T. J., WATERMAN, R. H. *In search of Excellence*. New York : Harper & Row, 1982. 360 p. ISBN 978-0446385077
- [187] EUROPEAN INDUSTRIAL RESEARCH MANAGEMENT ASSOCIATION. *A Day in the Life of Olivier Peyret*. Paris : European Industrial Research Management Association, 2008.
- [188] ECONOMIST INTELLIGENCE UNIT. *Know how: Managing Knowledge for competitive advantage*. London : The Economist, 2005.
- [189] DISNEY. Disney educational program. *Education opportunities*. [Online] 2006. [Cited: April 3, 2010.] https://www.wdwcollegeprogram.com/sap/its/mimes/zh_wdwcp/students/education/edu_collegiate.html.
- [190] GLUCK, F. Managerial Excellence: Distinction and Relevance. *National Leadership Roundtable on Church Management Annual Conference*. [Online] 2008. [quot. April 3, 2010] http://www.nlrcm.org/Wharton/2008/2008_NLRCM_Report.pdf.
- [191] PUTNAM, R. *Making democracy work: civic traditions in modern Italy*. Princeton : Princeton University Press, 1993. p. 165. 280 p. ISBN 978-0691037387
- [192] IRVINE, B., LINDSAY, L. Corporate Ethics and the Controller. *CMA magazine*, December-January 1994, pp. 23-26.
- [193] WILLIAMS, A., DOBSON, P., WALTERS, M. *Changing culture*. London : Institute of Personnel Management, 1990. 252 p. ISBN 978-0852925331
- [194] TOSI, H. L., RIZZO, J. R., CARROL, S. L. *Managing organisational behaviour*. New York : Harper Collins, 1990. 600 p. ISBN 978-0631212577
- [195] DRENNAN, D. *Transforming company culture*. London : McGraw-Hill, 1992. 320 p. ISBN 978-0077076603

LIST OF PUBLICATIONS OF THE AUTHOR

Journal publication

1. PUSHNYKH, V., ERSHOVA, M. Metaphorical model of an innovative university. *Problems of Governance*. 2011, Vol. 2, no. 4, pp. 68-81. ISSN 1234-56.

Journal submissions

2. ERSHOVA M., GREGAR A. Organizational culture and long-term efficiency of companies. *E a M: Ekonomie a Management*. 2011. ISSN: 1212-3609

3. ERSHOVA, M., HERMELINK, J. Normativity in organizational culture of churches in the conditions of changes in society. *International Journal of Practical Theology*, 2011. ISSN 1430-6921.

4. ERSHOVA, M., PUSHNYKH, V. Leadership for sustainable development. *Problems of Governance*. Tomsk: Tomsk State University. 2011. ISSN 1234-56.

5. ECKENHOVER, E., ERSHOVA M. Organizational Culture As The Driver Of Dense Intra-Organizational Networks. *Journal of Competitiveness*, 2011. ISSN 1804-1728

Special monograph

6. ERSHOVA, M. Christentum in drei osteuropäischen Ländern: Gleicher Kommunismus – unterschiedliche Folgen. *Praktische Theologie*, Gütersloh: 2010, vol. 45, pp. 214-216. ISSN 09385320. Published within International Visegrad Scholarship and the Erasmus Mundus Triple I Program.

Conference proceedings

7. ERSHOVA, M., PUSHNYKH, V. The role of a leader in corporate culture change under the conditions of uncertainty. *Proceedings of the International Bata Conference for PhD students and Young Researchers DOKBAT 2011*. Zlin: Tomas Bata University in Zlin, April 2011.

8. ERSHOVA, M. System of training as the factor of sustainability in the times of change. Paper presented at the *European Group of Organization Studies 26th Colloquium*, July 2010. Lisbon, Portugal. Published within International Visegrad Scholarship and the Erasmus Mundus Triple I Program.

9. ERSHOVA, M. Research of organizational culture of Christian Churches in Eastern and Central Europe. *Proceedings of the International Symposium on*

East and West Cultures. Hangzhou: Zhejiang University, June 2010. Published within International Visegrad Scholarship and the Erasmus Mundus Triple I Program.

10. ERSHOVA, M. Leadership as the way to meet challenges of changing economies for the Eastern European countries. *Proceedings of the 2nd International Conference "Economies of Central and Eastern Europe: Convergence, Opportunities and Challenges Conference"*. Tallinn: Tallinn University of Technology, June 2010. ISBN 978-9949-430-37-6. Published within the International Visegrad Scholarship.

11. ERSHOVA, M. Tacit knowledge sharing and competitive values framework model of organizational culture. *Recenzovaný sborník příspěvků z konference Rozvoj tacitních znalostí manažerů: jak vyhledávat, rozvíjet a využívat skryté znalosti a zkušenosti manažerů 2010*. Zlín: Tomas Bata University in Zlín, 2010. ISBN 978-80-7318-938-9. Written within GA ČR (Czech Science Foundation) grant-maintained project: Reg. No. 406/08/0459, Developing Managerial Tacit Knowledge.

12. ERSHOVA, M., ECKENHOFER E. The Impact of Organizational Culture and Intraorganizational Networks on Intellectual Capital. *Proceedings of The Second Knowledge Summit*. Shenzhen: Hong Kong Polytechnic University, November 2009. Written within GA ČR grant-maintained project: Reg. No. 406/08/0459, Developing Managerial Tacit Knowledge.

13. ERSHOVA, M. Tacit Knowledge Sharing And Organizational Culture Model Of Competitive Values Framework – A Theoretical Research. *Proceedings of the 9th International Scientific Conference "Liberec Economic Forum"*. Liberec: Technical University in Liberec, September 2009. ISBN 978-80-7372-523-5. Written within GA ČR grant-maintained project: Reg. No. 406/08/0459, Developing Managerial Tacit Knowledge.

14. ERSHOVA M. Innovative methods for innovative organizations in modern business environment. *Proceedings of international scientific conference "Innovations – factor of competitiveness of small and medium sized enterprises in global economic environment"*. Poprad: Matej Bel University, April 2009. ISBN 978-80-8083-792-1.

15. ERSHOVA, M. Storytelling in tacit knowledge transfer: the role in organizational communication. *Proceedings of the International Bata Conference for PhD students and Young Researchers DOKBAT 2009*. Zlín: Tomas Bata University in Zlín, April 2009. ISBN 978-80-7318-812-2. Written within GA ČR (Czech Science Foundation) grant-maintained project: Reg. No. 406/08/0459, Developing Managerial Tacit Knowledge.

16. ERSHOVA, M. Stories People Tell – Different Ways Of Use Of Metaphor In Organizations. *Proceedings of the, European Scientific Conference of Ph.D. students MendelNET 2008*. Brno: Mendel University, November 2008. ISBN: 978-80-87222-03-4.

17. ERSHOVA, M. Metaphor in Management. *Proceedings of the VIII. International Conference IMEA 2008*. Liberec: Technical university in Liberec, May 2008. ISBN 978-80-7372-335-4.
18. ERSHOVA, M. Development of metaphoric model of innovation organization. *Proceedings of the International Bata Conference for PhD students and Young Researchers DOKBAT 2008*. Zlin: Tomas Bata University in Zlin, April 2008. ISBN 978-80-7318-663-0.
19. ERSHOVA, M. Metaphorical Model of Innovative Organization: Research Method. *Proceedings of the X. International Conference MEKON 2008*. Ostrava, 2008. ISBN 978-80-248-1704-0.
20. ERSHOVA, M. Metaphoric model of an innovative organization. *Proceedings of the International PhD Conference "Think Together" 2008*. Prague: Czech University of Life Sciences Prague, 2008.

CURRICULUM VITAE

Mgr. MARIA ERSHOVA

Nam. T.G. Masaryka 3050,
76001 Zlin, Czech Republic

Tel.: 0041776501012

Email: ema200485@mail.ru, marijulka@hotmail.com



DATE OF BIRTH

13.06.1985

NATIONALITY

Russian

EDUCATION

2007–2011. **PhD in Management**

Faculty of Management and Economics, Tomas Bata University in Zlin, Czech Republic.

2009–2010. **PhD Mobility** within Erasmus Mundus Triple I Scholarship.

Georg-August University, Göttingen, Germany.

2005–2007. **Master's Degree** (with honors) in Management

Institute of International Management, Tomsk Polytechnic University, Tomsk, Russia.

2002–2005. **Bachelor's Degree** (with honors) in Management

Institute of International Management, Tomsk Polytechnic University, Tomsk, Russia.

ADDITIONAL EDUCATION

2001–2007. **Diploma of Interpreter** in Professional Communication (English). Tomsk Polytechnic University, Tomsk, Russia.

2003–2004. **Mobility** program Louis Pasteur University, Strasbourg, France.

WORK EXPERIENCE

2006–2007. CONTEK-SOFT, IT-company, Tomsk, Russia. Marketing manager.

2005–2006. CONSULTANT, Tomsk, Russia. Relationship manager.

2004. VOSTOKGAZPROM, Tomsk, Russia. Intern in organizational culture.

ACHIEVEMENTS

2009-2010. Excellence scholarship awarded by the International Visegrad Fund for the research project “Organizational culture of the Roman Catholic Church for V4 countries”

2009-2010. Erasmus Mundus Triple I mobility research scholarship “Organizational culture of German Protestant Churches” in cooperation with University of Göttingen, Germany

2007. Honor award from the Governor of the Tomsk Region For Excellent Studies And Special Achievements;

2006–2007. Scholarship of Academic Council of Tomsk Polytechnic University for excellent studies and scientific effort;

2005. Bachelor Thesis written in English “Corporate culture of transnational corporations: IBM case” is noted as one of the most significant of the year;

2002. VOSTOKGAZPROM scholarship – awarded for achievements in studies and active participation in the social life of the Institute of International Management;

2001. Golden Medal from the Ministry of Education awarded for special achievements in studies.

LANGUAGE KNOWLEDGE

Russian – Native Language;

Self-assessment	Understanding		Speaking		Writing
	Listening	Reading	Spoken interaction	Spoken production	
<i>European level (*)</i>					
English	C2	C2	C2	C2	C2
German	C1	C1	C1	C1	C1
French	C1	C1	C1	C1	B2
Czech	C1	B2	B2	B2	B1
	<i>(*) Common European Framework of Reference for Languages</i>				

HOBBIES

Skiing, skating, yoga, playing piano.

APPENDIX A. AVERAGE CULTURE PLOTS FOR THREE CHURCHES

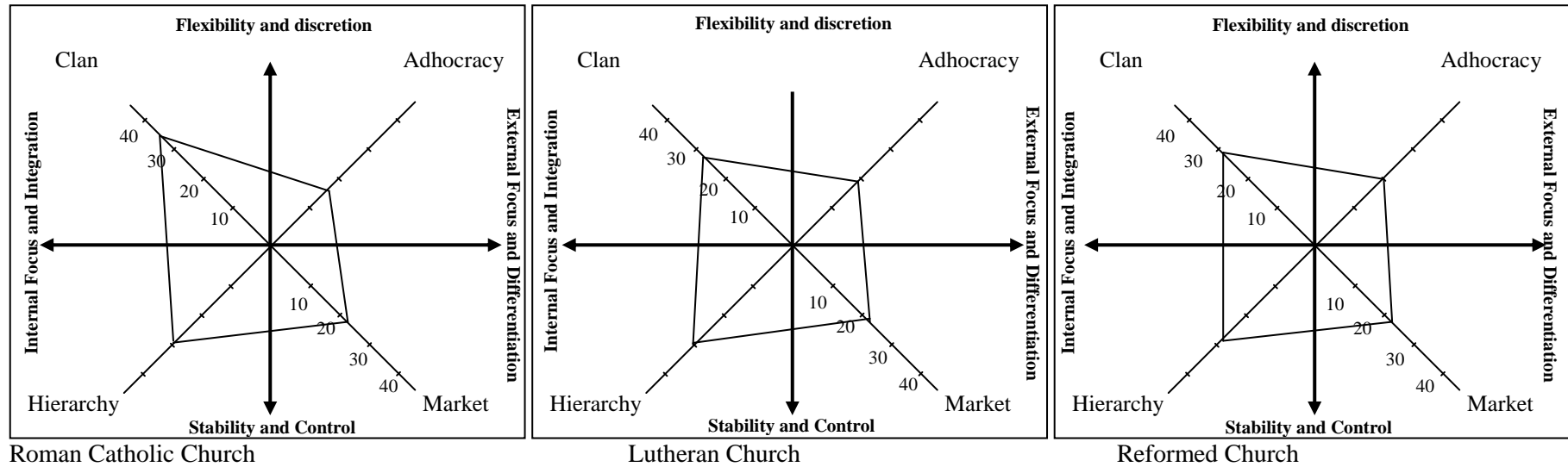


Figure 4. Average culture plots for three churches. Source: Author's own.

APPENDIX B. ORGANIZATIONAL CULTURE ASSESSMENT INSTRUMENT FOR ANY ORGANIZATION

Instruction

In OCAI each item has four alternatives. Respondents are instructed to divide 100 points among these four alternatives, depending on the extent to which each alternative is similar to your own organization. Give a higher number of points to the alternative that is most similar to your organization. For example, on item 1, if you think alternative A is very similar to your organization, alternatives B and C are somewhat similar, and alternative D is hardly similar at all, you might give 55 points to A, 20 points each to B and C, and 5 points to D. Just be sure that your total equals 100 for each item. [7]

	Now	Preferred
<i>Question 1. The Organization is:</i>		
a) well-oiled mechanism		
b) results-oriented entity		
c) large family		
d) creative group		
e) other (please, specify)		
Total	100	100
<i>Question 2. The organizational leaders:</i>		
a) emphasize coordination and efficiency		
b) emphasize personal and organizational goals		
c) emphasize supporting of employees		
d) are innovators, risk ready experimenters		
e) other (please, specify)		
Total	100	100
<i>Question 3. The organizational goals are:</i>		
a) sustenance of dependability, effective use of resources		
b) market expansion		
c) developing of employees		
d) experimentation, creating unique services		
e) other (please, specify)		
Total	100	100
<i>Question 4. The Organizational uniting forces ("organizational glue") are:</i>		
a) formal rules, guidelines and policies, maintaining a smooth-operating organization		

b) competition, goal achievement and winning atmosphere		
c) traditions, loyalty, mutual trust, commitment		
d) creativity, innovation, emphasis on being on the leading edge		
e) other (please, specify)		
Total	100	100
<i>Question 5. The Organization is supposed to be successful demonstrating:</i>		
a) high performance		
b) achievement of the goals		
c) supporting and developing of people		
d) continuous change and improvement		
e) other (please, specify)		
Total	100	100
<i>Question 6. Employees are stimulated to:</i>		
a) proper execution of the rules and guidelines		
b) achievement of the organizational goals		
c) personal development		
d) initiative and creativity		
e) other (please, specify)		
Total	100	100
<i>Question 7. When uncertain situation, decisions are made on the basis of:</i>		
a) instructions and guidelines		
b) influence on achievement of the organizational goals		
c) consensus achieved through the consideration of the possible ways		
d) necessity to try new ways		
e) other (please, specify)		
Total	100	100
<i>Question 8. For the conflict solution, needed:</i>		
a) to appeal to the higher-level authorities		
b) to decide which solution would be the most effective for achievement of the organizational goals		
c) to get to consensus		
d) to observe different variants		
e) other (please, specify)		
Total	100	100

APPENDIX C. ORGANIZATIONAL CULTURE ASSESSMENT INSTRUMENT ADOPTED FOR CHURCHES

Your age _____

Your position, ecumenical title _____

District _____

		Points	
		Present situation	Desired situation
1. Church is :			
A.	well-oiled mechanism	_____	_____
B.	institution oriented on achievement of goals and results	_____	_____
C.	large family	_____	_____
D.	creative community, always trying to develop	_____	_____
E.	other (please, specify):	_____	_____
	Total	100	100
2. Church leadership :			
A.	emphasize coordination and efficiency	_____	_____
B.	emphasize achievement of personal and organizational goals	_____	_____
C.	emphasize supporting of employees, mentoring, advice	_____	_____
D.	are innovators, risk ready experimenters	_____	_____
E.	other (please, specify):.....	_____	_____
	Total	100	100
3. Church goals are:			
A.	stability, sustenance of dependability, effective use of resources	_____	_____
B.	expansion of membership	_____	_____
C.	development of members, trust, openness, commitment	_____	_____
D.	creation new ways of serving to community	_____	_____
E.	other (please, specify):	_____	_____
	Total	100	100
4. Church uniting forces („organizational glue“) are:			
A.	formal rules, guidelines and policies, maintaining a smooth-operating organization	_____	_____
B.	Achievement of goals and results	_____	_____
C.	traditions, loyalty, mutual trust, commitment	_____	_____
D.	creativity, innovation, emphasis on being on the leading edge	_____	_____
E.	other (please, specify):	_____	_____
	Total	100	100
5. Church is supposed to be successful demonstrating :			
A.	high performance, heredity, sustainability in community leading	_____	_____
B.	achievement of goals	_____	_____
C.	support, care and development of people	_____	_____
D.	continuous change and improvement	_____	_____
E.	other (please, specify):	_____	_____
	Total	100	100
6. People who work in Church / Church employees are stimulated to:			
A.	proper execution of the rules and guidelines	_____	_____

B.	achievement of the organizational goals	_____	_____
C.	personal development, commitment, consensus	_____	_____
D.	initiative and creativity	_____	_____
E.	other (please, specify):	_____	_____
	Total	100	100
7.	When uncertain situation, decisions are made on the basis of:		
A.	instructions and guidelines	_____	_____
B.	influence on achievement of the Church goals	_____	_____
C.	consensus achieved through the consideration of the possible ways	_____	_____
D.	necessity to try new ways	_____	_____
E.	other (please, specify):	_____	_____
	Total	100	100
8.	For the conflict solution, needed:		
A.	to appeal to the higher-level authorities	_____	_____
B.	to decide which solution would be the most effective for achievement of the Church goals	_____	_____
C.	to get to consensus	_____	_____
D.	to consider different variants	_____	_____
E.	other (please, specify):	_____	_____
	Total	100	100

The questionnaire is adopted from [7].

APPENDIX D. GENERAL QUESTIONS FOR QUALITATIVE INTERVIEWS

1. What is Church/theater/innovative organization?
2. Is there any bad and good Church/theater/innovative organization?
3. Why does Church /theater/innovative organization exist?
4. How are decisions made?
5. What is the highest system of incentive?
6. Can you imagine criteria of Church/theater/innovative organization estimation?
7. How is Church /theater/innovative organization managed?
8. What do you think, is Church a family/theater/innovative organization? Why?
9. Is there a professional hierarchy?
10. Is there any hierarchy?
11. What is an ecclesiastic's/actor's/engineer's mission?
12. Why do people go to Church /theater/innovative organization?
13. When is Church /theater/innovative organization successful?
14. On what basis did you give the ratings that you did?
15. What organizational or managerial behaviors reflect your ratings?
16. What is being ignored in your organization?
17. What is mostly highly valued by members of your organization?
18. How is the organization different from the way it was in the past?
19. What events reflect your organization's culture?
20. What symbols and manifestations are present that accurately depict your culture?
21. What are the criteria for recruiting, selecting, promoting people?
22. How did your organization change over the history?
23. What is the role of changes? How easy or difficult is it to implement changes in your organization?
24. Which symbols express and explain the organizational culture of your organization?
25. What does your organization need to be highly successful in the future?
26. About which trends and tendencies should your organization be aware of?
27. How does the education happen? What are the important steps?
28. What is the role of the mentor?
29. Who is the perfect mentor?
30. Which people stay and get promoted and which people go?
31. How do you keep the balance between spirituality/creativity/innovation and administration?
32. What guides the decision-making in the crisis times?

33. How do you ensure the high commitment of the employees and/or volunteer workers?

34. Why do people (employees and volunteer workers) stay loyal?

35. How do you manage diversity?

36. How to keep the balance between what needs to be preserved and what needs to be changed?

37. How does your church manage diversity?

38. What is punished and what is stimulated?

APPENDIX E. AVERAGE CULTURE PROFILES FOR VARIOUS INDUSTRY GROUPS

Source: [7], p. 77-78

