Determining the Relationship and Influence Organizational Culture has on Organizational Trust

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DETERMINING THE RELATIONSHIP AND INFLUENCE ORGANIZATIONAL CULTURE HAS ON ORGANIZATIONAL TRUST

By

Mindy Genetzky-Haugen

A THESIS

Presented to the Faculty of
The Graduate College at the University of Nebraska
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The present research examines the influence of organizational culture on organizational trust. Leaders in the present and future will try to create a culture of trust, but leaders who do not examine and understand their current culture will not be successful in changing their organizational culture. The study shows constructive behavioral norms are both predictors and influencers of trust. The results suggest that companies that want to create a culture of trust need to instill into their culture achievement, self-actualizing, humanistic-encouraging and affiliative behavioral norms. Leadership needs to make sure avoidance behaviors are reduced in order to create and instill a culture of trust.
ACKNOWLEDGMENTS

I am heartily thankful to God because without him I wouldn’t have made it through this process. I thank my husband for his love and support. I also thank Dr. Leverne Barrett for encouraging me to write a thesis. He knew I liked to search for truth and within this process learned that the search for the truth in one area causes more questions that need to be examined in another. I thank Dr. Jason Ellis and Dr. Mark Balschweid, who agreed to be on my committee and Elizabeth Banset, my proofreader. Last but not least, I thank the University of Nebraska for accepting me into the program, providing educational experiences that inspire me.
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CHAPTER I. INTRODUCTION

Statement of Problem

Employees and citizens are losing faith in the organizations and institutions that were created to look after their best interests. Our nation’s level of trust toward institutions has dramatically fallen since 1964, and perhaps this is the reason for the movement John Zogby (2008) wrote about in *The Way We’ll Be*: “If there is a single element driving the operating manual of our lives more than any other, it is the demand after so many years of falsity – in products, claims, and promises – that things finally get back to being honest and actual” (p. 151). “Although 75 percent of Americans said they trusted the federal government in 1964, only 25 percent expressed comparable levels of trust by the end of the 1990s. Similarly, trust in the universities had fallen 30 percent, medical institutions from 73 to 29 percent, and journalism from 29 to 14 percent” (Kramer, 2006, p. 8). In the future, the truth will be even more important because the next generation of eighteen- to twenty-nine-year-olds (“globals”) is comprised of conscientious consumers who demand greater honesty and accountability from businesses, their leaders, media, and themselves. They are more socially aware, more diverse and multicultural, more likely to see the world in a more holistic manner, and more sensitive to global issues like human rights, poverty, and AIDS (Cohen, 2009, p.1).

As we move into the next decade, *The Futurist Magazine’s* outlook for 2030 predicts everything we say and do will be recorded, so accountability and authenticity will be very important in our future (Stephens, 2008). President Barack Obama embraced these values on January 21, 2009, when he released a memorandum calling for the heads
of executive departments and agencies to embrace the Freedom of Information Act, which encourages accountability through transparency and disclosure.

In summation, trust is declining and our next generation is demanding more trust and honesty. Can our institutions evolve and re-establish a culture of trust? Currently there is no significant research that links organizational culture to organizational trust. In order to lead and to hire the next generation, transparency, accountability, and the truth will matter, and organizations will need cultures that embrace and instill these values.

**Purpose of Study**

The goal of this study was to examine the influence of organizational culture on organizational trust. To determine the influence of culture, twelve behavioral norms that comprise three general types of organizational culture – constructive, passive/defensive, and aggressive/defensive – were measured. These measurements were analyzed with trust to determine if organizational culture influences or predicts organizational trust.

**Significance of the Study**

Trust and culture are crucial to growth and sustainable development. In the future, companies such as WorldCom, Enron, and Peanut Corp. of America that operate dishonestly will not survive or thrive. To be competitive in a global economy a company will need to be trusted by its customers, employees, and all stakeholders (Bachmann & Zaheer, 2006, p. 1). This study will join the current knowledge base on trust and organizational culture to determine if organizational culture influences or predicts trust.
Definition of Terms

For clarification, the definitions below have been adopted to define *organizational culture* and *organizational trust*. It is important, however, to first understand the definition of *trust*. Trust is a belief, expectation, or confidence that the vulnerability resulting from the acceptance of risk will not be taken advantage of by another person (Lane & Bachmann, 1998, p. 3).

Organizational trust means that “we trust the organizational structures, systems, and culture within which we work” (Bodnarczuk, 2008, p. 1). The evolution of trust within an organization will be affected by the history of outcomes that an employee or manager has experienced when trusting the other based on their ability, benevolence, and integrity (Mayer, Davis, & Schoorman, 1995, p. 724). Organizational trust is a circular motion of action and reaction. The trustor trusts and the trustee honors and fulfills that trust.

Edgar Schein is a commonly cited individual in regard to organizational culture. He defined organizational culture as “a pattern of shared basic assumptions that was learned by the group as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems” (1992, p. 12). The characteristics of organizational culture are affected by behavior norms within the organization. Organizational culture arises from how things operate every day, how people are treated, and what people take for granted. Organizational culture is defined by how employees perceive what is expected of them and the behaviors that will be reinforced and rewarded. For the purpose of this study, we
assessed organizational culture using Cooke & Lafferty’s *Organizational Culture Inventory*\(^1\) (OCI\(^\circledast\), 1997). Cooke & Lafferty defined organizational culture using behavioral norms and expectations that are ingrained by shared beliefs and values perceived by employees within a given company. The OCI measures twelve behavioral norms that comprise three general types of organizational culture\(^2\): constructive, passive/defensive, and aggressive/defensive (see Appendix A).

**Assumptions and Limitations**

This study was conducted during the recent economic downturn. During this time, employees were losing their jobs, and a percentage of their income was withheld to enable the company to maintain itself. Organizational leaders were training staff in order to implement self-steering teams. Part of the training for the implementation of self-steering teams was a module for building trust. Trust was not tested prior to the time the staff experienced these conditions, so the current economic downturn and training could have had an effect on organizational trust outcome. Another limitation to this study is the author’s belief that the organization’s current culture is limiting the organization’s future. This organization is unionized and the author sees the union as a stumbling block to productivity and innovation.

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\(^1\)Organizational Culture Inventory and OCI are registered trademarks of Human Synergistics International. Used by permission.

\(^2\) From *Organizational Culture Inventory*. Research and development by Robert A. Cooke, Ph.D., and J. Clayton Lafferty, Ph.D. Copyright 1973-2009 by Human Synergistics International. Adapted by permission.
The survey for organizational trust was only validated by members of the author’s thesis committee, but not tested for validation to measure organizational trust. The organizational trust survey incorporated questions from *A Survey of Trust in the Workplace* by Bernthal (1997). It was the only trust survey that didn’t focus on a person’s ability to trust and focused on aspects of organizational trust. To increase the reliability of the trust questions, questions 5, 6, 7, 12, 15, 26, 27, 29, 35, 44, 45, 47, 53, 62, 66, 67, 68, and 69 were removed because they were asked in the wrong direction and reverse coding did not increase reliability.
CHAPTER II. LITERATURE REVIEW

Organizational Trust

What are the consequences of America’s trust level falling at least 50 percentage points since 1964? Does trust really matter? Nye, Zelikow, and King (1997) wrote in Why People Don’t Trust the Government that it does matter. Lack of trust harms our very way of life; it harms democracy.

It hampers governing in a constitutional structure that intentionally makes action difficult without strong popular approval. It is the oxygen that fuels the incendiary tone and negativity of today’s political discourse. It hinders the task of recruiting and retaining capable public services. From the left, right and center it invites quick fixes to complex problems – term limits, tax revolts, third-party panaceas, extremist appeals both inside and outside the major parties – and it discourages steady and pragmatic solutions.

(Nye, Zelikow & King, 1997, p. 79)

The same thing can be said about organizations. Lack of trust will leave an organization with a tarnished reputation, negative attitudes, less ability to foster innovation and creativity, flawed thinking and decision making, and reduced profitability (Bibb & Kourdi, 2004, pp. 30-34). Lack of trust will limit an organization’s ability to evolve and reach its full potential. Is there a correlation between our country’s fallen trust level and the condition of our country’s economy and innovation? Currently, the world economy is going through a recession and organizations are having to make the toughest decisions and experiencing unsatisfying profits in this deteriorating economy. The United States Bureau of Labor Statistics reported on December 4, 2009, that the United States
has an unemployment rate of 10% and 15.4 million unemployed persons. Besides job loss, stock markets and organizations are in turmoil, and employees are worried about losing their jobs, their investments, their homes, and their sense of safety and security.

On March 4, 2009, Pascal Levensohn (2009), founder and managing partner of Levensohn Venture Partners and director of the National Venture Capital Association, addressed the Cyber-security Applications and Technologies Conference for Homeland Security (CATCH) on the topic of American innovation in crisis, expressing grave concern about the state of innovation in our country. In his speech he quoted Judy Estrin who is recognized in Silicon Valley as an innovator and thought leader:

> Our national research community is suffering from neglect. Its contributions to the products that we use, the medicines we take, and the foods we eat have been nearly forgotten. Investment has been decreasing and horizons shortening as requirements and competition have increased.

The [Organization for Economic Co-operation and Development] recently ranked the United States 22nd in the percentage of [gross domestic product] devoted to non-defense research. Developing a research discovery into a commercial application can take decades, and the damage caused by underinvestment often is not visible until it's too late. The country needs to invest in the full spectrum. (pp. 5-6)

There is no one easy answer to why our country and other institutions’ trust levels have dropped since 1964. Even Nye, Zelikow, and King (1997) concluded that there is not one single explanation. They narrowed down the reasons people don’t trust the government to these five:
[1] Historical events of the 1960s and 1970s (Vietnam and Watergate); …
[2] long-term secular changes in sociocultural attitudes toward authority and traditional social order that came to a head in 1960s; [3] profound economic changes caused by information revolution and globalization; [4] changes in the political process that increase the distance between the political activists and the public; and [5] a more consistently negative approach by the press to government and other institutions. (p. 276)

Ciancutti and Steding (2001) identified the advantages of a trust-based culture as competitive advantage, self-regulation by working together, efficiency, inspired performance, capacity, and meaning (p. xiii). For these reasons and many others, the organizational theory on trust has taken center stage for organizational sciences. Trust seems to be the key that could unlock dysfunction within organizations and help rebuild or build a strong and constructive culture that performs. Building trust matters because it “provides credibility and more effective leadership, trust is inspiring, it increases productivity and competitive advantage, improves communication and mutual understanding, reduces stress, trust builds trust, trust delivers lower costs and greater efficiency, and trust leads to greater risk taking” (Bibb & Kourdi, 2004, pp. 16-17). Trust fosters cooperation and this is one of the main reasons it is becoming a social phenomenon which makes work within organizations easier and collaboration among organizations possible. Specifically in a world of increasing uncertainty and complexity, flat hierarchies, more participative management styles, and increased professionalism, trust is thought to be a more appropriate mechanism for controlling organizational life than
hierarchical power or direct surveillance (e.g., Fox, 1974 and, for more recent sources Heisig and Littek, 1995; Zaheer and Venkatraman, 1995, 1996). (Lane & Bachmann, 1998, p. 31)

In fact, De Cremer, Snyder and Dewitte (2001) found that trust was a predictor of contribution. Some of the trends occurring in organizations and in the workforce are increased diversity, participative management styles, and increased implementation of work teams. Kramer (2006) indicated that “27 percent of American companies are implementing self-directed work teams in some part of the organization” (p. 83), and further observed that “a diverse workforce is less able to rely on interpersonal similarity and common background and experiences to contribute to mutual attraction and enhance the willingness to work together” (p. 83). Trust is the mechanism that allows employees to work together successfully. Bodnarczuk (2008) believes that organizations have two choices. They either build trust or develop a fear-based culture. Deming (1992) stated that in a fear-based culture employees are afraid to share their ideas, expand their skills, admit when they have made a mistake, request improvements, and question reasoning and/or decision making procedures, and therefore will not act in the best interest of the company (pp. 55-62).

Fear or trust, which is more powerful? People need fear to warn them of danger, but too many times fear stops the organization from its full development and potential. Trust is the stabilizer that balances one’s desire to move in a certain direction against fear that wants to stop the momentum (Ciancutti & Steding, 2001). Ryan and Oestreich (1998) saw fear as a barrier that keeps increasing and “undermines the commitment, motivation and confidence of people at work” (p. xv). Trust creates an environment
where people can speak up and not worry about the repercussions, so that problems can be identified and appropriate solutions implemented so the organization prospers. Bodnarczuk (2008) believes that “trust is the foundation of all human interactions, and the cornerstone upon which high performing organizational cultures are built” (p.1).

Yamagishi and Midori’s study (1994) found that distrust breeds more distrust and prevents people from engaging in opportunities to develop social intelligence. Social intelligence is the ability to act wisely. If one is unable to act wisely, decisions made will be costly. Bachmann and Zaheer (2006) found that inter-organizational trust “was strongly related to lowered transaction costs and increased performance” (p. 280).

Trust will be an important variable in organizational culture today as well as in the future. According to Futurist Magazine’s annual outlook report, “everything you say and do will be recorded by 2030. By the late 2010s, ubiquitous, unseen nanodevices will provide seamless communication and surveillance among all people everywhere” (Stephens, 2008, p. 34). The need to be transparent will be very high; in fact, there will be no way to keep secrets in the future because of the Internet (O’Toole & Bennis, 2009, p. 56). The next generation of 18- to 29-year-olds (“globals”) have a heightened social consciousness and awareness. They have lived in a global world with diversity all around them. They appreciate diversity and multiculturalism and they view the world in a more holistic spiritual manner (Cohen, 2009). In the Zogby Report (2008), John Zogby wrote that members of the next generation care more about the world than about themselves. They look at the world with a global perspective and are sensitive to issues of human rights, AIDS, and poverty. This generation is more focused on finding common ground
on social issues than trying to maintain power. “94% believed that trust and honesty were essential in business and in the workplace” (Zogby, 2008, p. 178).

Bibb and Kourdi (2004) have identified several characteristics that are present in a culture of trust. These characteristics interact with each other to create an environment where, for the most part, people trust and are trusted:

- Shared values
- A shared mission or goal
- Open and authentic leadership
- A culture of consensus not force
- A feeling of enjoying work
- An atmosphere of fun and enjoyment
- A desire to learn and not blame
- Honesty and authentic conversations. (p 121)

Within high-trust workplaces people are not afraid to address problems or issues. Problems and dilemmas are addressed collectively, which instills a sense of confidence and energy in employees. The confidence is created because there is much more time spent on reflective learning and time to change. Fear of not performing is replaced with a confidence about the future that allows for competitiveness and effectiveness (Ryan & Oestreich, 1998, pp. 297-298). Organizations need organizational trust to capitalize on human resources. If employees trust the organization, they will contribute more and give more to others.
Organizational Culture

Like all organisms, the living company exists primarily for its own survival and improvement: to fulfill its potential and to become as great as it can be. It does not exist to provide customers with goods, or to return investment to shareholders, any more than you, the reader, exist solely for the sake of your job or your career. After all, you, too are a living entity. You exist to survive and thrive. (de Geus, 1997, p. 11)

This explanation helps broaden the vision and responsibility to organizational life and culture. The company is more than the bottom line; it exists to survive and thrive.

The definition of organizational culture used in this paper is that of Schein (2004) and Cooke & Laferty (2000) and is quoted previously under terms and definitions. Culture is the identity of the organization made up of members’ shared meaning of values and how these values are rewarded and reinforced to mold the members’ behavior.

Pettigrew (1979) defined organizational culture as “patterns of beliefs, symbols, rituals, values, assumptions that evolve and are shared by the members of the organization” (p. 466). Schein (1992) defined organizational culture as a deep level of “basic assumptions and beliefs” that are shared by members of the organization and are believed to be real. He focused on the aspect that culture is “the learned, shared, tacit assumptions on which people base their daily behavior” (Schein, 1999, p. 24). Culture becomes our paradigm, our reality, and affects our decisions, actions and behaviors.

According to O’Toole and Bennis (2009), psychologist Philip Zimbardo demonstrated in his research that “all of us are susceptible to being drawn over to the dark side, because human behavior is determined more by situational forces and group
dynamics than by our inherent nature” (p. 59). Zimbardo believed it is easy to create situations in “which good people do bad things” (p. 59). Leaders need to recognize that they need to create cultures where people are rewarded for doing good (p. 59). These assumptions and beliefs are learned by the organizational members as they deal with internal and external problems. Ryan and Oestreich (1998) stated that there are five common denominators within companies that have long-term financial success. These companies:

1. Develop and sustain a powerful identity that is felt and appreciated by members of the organization and the community at large.
2. Respect and value employees as much as customers and stockholders.
3. Willingly and enthusiastically look for improvements and new opportunities.
4. Have leadership that models, supports, inspires, and facilitates widespread ownership of core values.
5. Have leadership with the capacity to make change and create progress.

(p. 110)

So as long as an organization is in business, its culture continues to evolve by the experiences members have through “external adaptation and internal integration” (Schein, 1985, p. 9). Lou V. Gertner, retired chairman of IBM, wrote, “Culture isn’t just one aspect of the game. It is the game” (2002, p. 182). It is who we are, what we do, and what we value. Schein (1992) wrote that “the only thing of real importance that leaders do is to create and manage culture” (p. 20). Leaders cannot be around each employee every minute of every day, but the culture the leader creates molds each employee by its
attitudes, values, goals, practices, procedures, policies, and environment. Culture creates
the way of life in an organization. It is never static; it is always in the process of
becoming (Schoenberger, 1997).

Understanding the definition is critical because it enlightens a leader’s view of
how crucial organizational culture can be to the strategic mission. It can be an advantage
or a disadvantage to a company’s future. Can this organizational culture compete in the
current and future world environment? Does the culture match the strategic vision? “We
tend to think that we can separate strategy from culture, but we fail to notice that in most
organizations strategic thinking is deeply colored by tacit assumptions about who they are
and what their mission is” (Schein, 1999, p. 33).

It is crucial for leaders to understand culture because stakeholders can see and feel
it, and if one can feel and see it, it will have an impact on a leader’s or employee’s
effectiveness or the effectiveness of the firm. Anyone who has traveled to another
country or has held jobs with different employers understands these concepts. When a
person has a deeply held assumption or belief that has brought success, alternative
assumptions, beliefs, or strategies would be considered unreasonable and undiscussable,
or at least disconcerting. Apple, Atari, IBM, DEC, Proctor & Gamble, and Acme
Insurance all have stories of how culture played a force in their success and/or failures
(Schein, 1999, p. 4). “If you do not manage culture, it manages you, and you may not
even be aware of the extent to which this is happening” (Schein, 1999, p.185).

“Arygris (1985) suggests that organizational effectiveness will be higher in
organizations where there is congruence between their espoused values and actual
organizational practices than in organizations that have inner contradictions between
“espoused philosophies and actual practices” (Smart & St. John, 1996, p. 223). Even Schein (1985) said that his own “experience and many of the recent writings in the field of organization theory, strategy, and organization development all suggest that an examination of cultural issues at the organizational level is absolutely essential to a basic understanding of what goes on in organizations, how to run them and how to improve them” (p. 30). Chatman and Eunyoung Cha (2003) stated “strong cultures are based on two characteristics, high levels of agreement among employees about what’s valued and high levels of intensity about these values” (p. 23). They further observed that “strong cultures enhance organizational performance in two ways. First, they improve performance by energizing employees – appealing to their higher ideas and values and rallying them around a set of meaningful, unified goals. Second, strong cultures boost performance by shaping and coordinating employees’ behavior” (p. 21). Chatman and Eunyoung Cha (2003), Robbins and Judge (2008), and Argyis (1985) all indicated that strong cultures have congruency between what they value and what they work toward, and these cultures will accomplish more and be more effective. Dennison claimed that organizational beliefs and values must be aligned with the organizational policies and procedures in order for the organization to achieve organizational excellence (1990, p.10).

In our current economic environment, mergers and acquisitions are occurring on a regular basis. Culture experts Sherriton and Stern stated that “[business owners] focus on the financials and usually ignore the potential cultural incompatibilities when considering a merger. …But when troubles arise, often the root is in culture clashes” (as cited in McGarvey, 1997, p. 2). In our attempts to maximize performance (maximum output with
minimal input), it appears that culture type and culture strength are useful concepts for success.

Organizational culture is the mechanism that helps filter information and directs people how to behave. Culture is a prioritizer, stabilizer, and reality generator. Leaders need to know and understand the current culture and what cultures will help them achieve their goals, accomplish our strategic mission, and fulfill our organization’s potential to become as great as it can be. O’Toole and Bennis (2009) suggested that “moving forward … (the) new metric of corporate leadership will be closer … to the extent to which executives create organizations that are economically, ethically, and socially sustainable” (p. 55).

In today’s globally connected economy, organizational culture will affect decision making processes. What are the structures, processes, values, beliefs, and assumptions a culture should embrace to compete globally? What culture would allow a business to compete globally and be able to adapt to our ever changing world? No specific organizational culture has been determined to be the best or most effective in every situation. Culture is right as long as it is succeeding, but when an “organization begins to fail, this implies that the elements of culture have become dysfunctional and must change” (Schein, 1999, p. 187). Leaders should never start with the idea that a culture needs to change, but understand and analyze the culture of the organization and determine if the culture is consistent and aligned with the company’s strategic mission, values and assumptions of its members, and organizational conditions and realities members face each day. Culture is a living entity, and culture is evolving on a day by day basis based on perceived reality.
CHAPTER III. DESIGN OF STUDY

Hypotheses

**Hypothesis 1: $H_1$:** There is a relationship between organizational culture and organizational trust.

**$H_0$:** There is no relationship between organizational culture and organizational trust.

**Hypothesis 2: $H_1$:** Organizational culture determines organizational trust.

**$H_0$:** Organizational culture does not determine organizational trust.

Population

Employees from one large employer in Lincoln, Nebraska, comprised the study population. The company was chosen based on the author’s knowledge of its culture and her understanding that it wanted to develop a trust-based organization. The company has approximately 450 employees currently on payroll, and prior to this study had to lay off between 100 and 200 employees locally. This organization manages work done in shifts.

The company started business in Lincoln in 1943 and was part of a division sold in late 2007 to a new company owned by a private equity group. This organization operates under strict rules and regulations from the organizational corporate environment and the union bylaws.

**Procedures and Sample Data Collection**

The company provided a list of managerial and non-managerial employees by department. Each department was given a unique 4-digit code to be entered on the
The author spent ten minutes at each department’s safety meeting informing employees about the project, asking for participation, and explaining that participation was voluntary. The author explained that she was working toward a master’s degree in leadership development, that this survey would be used for a thesis, and that the aggregate results would be shared with the company. The surveys were intended only for research to provide insight into culture and trust levels within the organization. The author also explained when they would receive their surveys in the mail and when they should be returned.

The OCI surveys were automatically numbered and those same numbers were added to the trust survey in order to link the two surveys together. The surveys and a letter from the plant manager and union president encouraging participation were then mailed to participants with addressed and stamped return envelopes. Each participant completed two surveys, one on organizational culture and the other on the organizational trust level. Confidentiality was guaranteed. Participants were directed to place the completed surveys in the envelope provided and return them to the University of Nebraska. The surveys were then given to the author in the sealed envelope. Neither employee nor company names were incorporated in the survey results.

Trust survey results were entered into an Excel spreadsheet for later analysis while the OCI data were put into a template provided by Human Synergistics, Inc. and sent to Human Synergistics, Inc. to plot the results on a circumplex. Surveys were kept in
a locked storage safe in the researcher’s office and the Excel spreadsheets were protected by a password.

**Instruments**

**Test of organizational culture**

The *Organizational Culture Inventory* (OCI) developed by Cooke and Lafferty (1995) was designed to measure an organization's current norms and expectations. It examines how members of an organization understand or experience the company’s operating culture. The OCI measures the respondents’ understanding of work-related beliefs and expectations. This tool is meant to classify organizational culture into one of three broad cultural styles: constructive, passive/defensive, and aggressive/defensive. This measurement can be used as a starting point for organizations to make assessments of member perceptions of the organization’s culture. According to Human Synergistics International’s Web site, the OCI is based on “sound theory, thorough research, and careful testing and validation. The OCI has been used by thousands of organizations and completed by over 2 million respondents throughout the world” (Cooke and Szumal, 2000, p. 147).

In 2009, Jung, Scott, and Davies concluded in their literature review of existing qualitative and quantitative instruments that there were no ideal instruments for culture exploration (p. 1087). They recommended that a researcher should pick an instrument based on his or her specific purpose.
Test of organizational trust

The organizational trust survey was developed by the author and validated by members of an academic committee. The organizational trust survey used questions from *A Survey of Trust in the Workplace* by Bernthal (1997). The primary focus of the Bernthal survey was to gain insight into levels of interpersonal trust and trust-building and trust-reducing behaviors (p. 2). This instrument was designed to measure each employee’s perception of organizational trust toward four levels of management: non-management, line management, middle management, and senior management. Dr. Bernthal wouldn’t release his survey, but believed I could obtain the survey by reading his report. The four levels were changed to accommodate the organization being surveyed. Trust 1 is how respondents judged or perceived their trust toward leadership at the organization’s Lincoln location; Trust 2 is how the respondents judged or perceived their trust level toward middle management; Trust 3 is their trust level toward line management; and Trust 4 is their overall perception of trust of the organization.

Data Analysis

Correlation and multiple regressions were used to determine if organizational culture influences or predicts organizational trust. In addition to analyzing the culture as a whole, each individual behavioral norm was examined to understand its influence on organizational trust. The null hypothesis was analyzed against a p < .01 level of significance.
CHAPTER IV. RESULTS

Response Rate

Four hundred fifty survey packets were mailed to the company employees, of which 105 were returned, but only 93 surveys were complete. See Table 4.1 for a breakdown by department. Data were analyzed, but no generalizations for the populations can be validated due to the low response rate.

Table 4.1. Number of Surveys Returned Per Department

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<th>Dept. #</th>
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<tbody>
<tr>
<td>1744</td>
<td>15</td>
<td>1721</td>
<td>0</td>
<td>2299</td>
<td>1</td>
</tr>
<tr>
<td>1711</td>
<td>12</td>
<td>1711</td>
<td>0</td>
<td>1721</td>
<td>6</td>
</tr>
<tr>
<td>1727</td>
<td>17</td>
<td>1955</td>
<td>3</td>
<td>4000</td>
<td>2</td>
</tr>
<tr>
<td>1161</td>
<td>16</td>
<td>1727</td>
<td>0</td>
<td>No #</td>
<td>6</td>
</tr>
<tr>
<td>2022</td>
<td>3</td>
<td>1334</td>
<td>12</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Demographic Data

Of the 93 participants, 77 were non-management, 12 were line management and four were middle management. Participants included 30 high school graduates; 25 had some college; 14 had completed an associate’s technical degree; 16 had earned a bachelor’s degree; one a master’s; and one a doctorate. One person marked “other” and five didn’t respond to the question. Twice as many participants were male than female (63 to 30). The majority (78) of the participants in the survey had more than 15 years of service. Of the remaining participants, four had 1-15 years of service, two had 6-10 years, two had 4-6 years, four had 2-4 years, and one had worked at the company less than 6 months. The majority of respondents (88) stated they were white/Caucasian, and five preferred not to respond. 56 percent of the respondents had participated in the trust training module.
Testing Hypotheses

Using Human Synergistics’ normed scale scores comparing this organization’s scores to the distribution of raw scores “for 5,685 respondents (from 921 different organizational sub units) in Human Synergistics’ research sample,” this organization was typed defensive (Szumal, 2003, p. 86). The difference between aggressive/defensive and passive/defensive was only 3%. The two strongest behavioral norms were avoidance in the passive/defensive culture and opposition within the aggressive/defensive culture.

Figure 4.1. Culture Profile of Surveyed Sample

With the two strongest behavioral norms being avoidance and opposition, it was no surprise that the mean trust score was 2.625 out of 5. This score was figured after
removing all trust questions highlighted in yellow to increase Cronbach’s reliability test (see Table 4.2). Removing the questions highlighted in yellow increased reliability by 40%. It is worth noting that the last question, t71- “I trust the senior management located in the corporate office,” received the lowest mean score. The mean scores are based on a 5-point Likert scale, where 1 means no trust at all and 5 means the employee perceives trusts at a great extent.

Table 4.2. Mean for Trust Questions 1, 2, 3, & 4

<table>
<thead>
<tr>
<th>Trust 1 – Lincoln Leadership</th>
<th>Trust 2 – Middle Management</th>
<th>Trust 3 – Line Management</th>
<th>Trust 4 – Overall Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q</td>
<td>N</td>
<td>Mean</td>
<td>S.D.</td>
</tr>
<tr>
<td>t1</td>
<td>98</td>
<td>2.69</td>
<td>.957</td>
</tr>
<tr>
<td>t2</td>
<td>97</td>
<td>2.48</td>
<td>1.022</td>
</tr>
<tr>
<td>t3</td>
<td>98</td>
<td>2.63</td>
<td>1.179</td>
</tr>
<tr>
<td>t4</td>
<td>97</td>
<td>2.31</td>
<td>.946</td>
</tr>
<tr>
<td>t5</td>
<td>96</td>
<td>3.09</td>
<td>1.240</td>
</tr>
<tr>
<td>t6</td>
<td>98</td>
<td>2.93</td>
<td>1.169</td>
</tr>
<tr>
<td>t7</td>
<td>95</td>
<td>3.23</td>
<td>1.233</td>
</tr>
<tr>
<td>t8</td>
<td>94</td>
<td>3.17</td>
<td>1.054</td>
</tr>
<tr>
<td>t9</td>
<td>96</td>
<td>2.93</td>
<td>1.039</td>
</tr>
<tr>
<td>t10</td>
<td>96</td>
<td>2.66</td>
<td>1.074</td>
</tr>
<tr>
<td>t11</td>
<td>97</td>
<td>2.62</td>
<td>.940</td>
</tr>
<tr>
<td>t12</td>
<td>97</td>
<td>2.68</td>
<td>1.114</td>
</tr>
<tr>
<td>t13</td>
<td>97</td>
<td>2.12</td>
<td>.832</td>
</tr>
<tr>
<td>t14</td>
<td>97</td>
<td>2.29</td>
<td>.790</td>
</tr>
<tr>
<td>t15</td>
<td>96</td>
<td>2.74</td>
<td>1.190</td>
</tr>
<tr>
<td>t16</td>
<td>97</td>
<td>2.44</td>
<td>.763</td>
</tr>
<tr>
<td>t17</td>
<td>96</td>
<td>2.83</td>
<td>1.023</td>
</tr>
<tr>
<td>t18</td>
<td>97</td>
<td>2.90</td>
<td>1.046</td>
</tr>
</tbody>
</table>

Notes: Q = Question; N = number of respondents per question; and S.D. = Standard Deviation. The highlighted questions 5, 6, 7, 12, 15, 26, 27, 29, 35, 44, 45, 47, 53, 62, 66, 67, 68, and 69 were asked in reverse and had to be removed to increase reliability. Trust average is 2.625.
**Hypothesis 1**

**H1:** There is a relationship between organizational culture and organizational trust.

**H0:** There is no relationship between organizational culture and organizational trust.

The first null hypothesis was rejected. Organizational culture is an influencer of trust. It was found that some behavioral norms do influence trust. Each of the twelve behavior norms was correlated with each organizational trust level (Table 4.3, next page). There was significance ($p < .01$) with constructive behavioral norms and organizational trust. Constructive behavioral norms of humanistic, affiliative, self-actualizing, and achievement indicated significance ($p < .01$) with Trust 1 (how respondents judged or perceived their trust toward the Lincoln Leadership), Trust 2 (toward middle management), Trust 3 (toward line management), and Trust 4 (overall perception of trust within this organization). The most significant ($p < .01$) finding in this research was that avoidance was negatively correlated with Trust 1, 2, 3, and 4 (Table 4.3).

The behavioral norms were then grouped to signify the culture, and the constructive culture was the only culture that significantly ($0 < .01$) correlated with organizational Trust 1, 2, 3, and 4. (See Table 4.4, p. 26.)

**Hypothesis 2**

**H1:** Organizational culture determines organizational trust.

**H0:** Organizational culture does not determine organizational trust.
Table 4.3. OCI’s Twelve Behavioral Norms Correlated with Trust 1, 2, 3, and 4

<table>
<thead>
<tr>
<th>Constructive Cultural Norms</th>
<th>Trust 1 Lincoln Leadership (Pearson Correlation)</th>
<th>Trust 2 Middle Management (Pearson Correlation)</th>
<th>Trust 3 Line Management (Pearson Correlation)</th>
<th>Trust 4 Overall (Pearson Correlation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humanistic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>.719**</td>
<td>.659**</td>
<td>.589**</td>
<td>.657**</td>
</tr>
<tr>
<td>N</td>
<td>90</td>
<td>86</td>
<td>74</td>
<td>88</td>
</tr>
<tr>
<td>Affiliative</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>.703**</td>
<td>.602**</td>
<td>.512**</td>
<td>.578**</td>
</tr>
<tr>
<td>N</td>
<td>90</td>
<td>86</td>
<td>74</td>
<td>88</td>
</tr>
<tr>
<td>Achievement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>.630**</td>
<td>.563**</td>
<td>.494**</td>
<td>.566**</td>
</tr>
<tr>
<td>N</td>
<td>90</td>
<td>86</td>
<td>74</td>
<td>88</td>
</tr>
<tr>
<td>Self-Actualizing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>.508**</td>
<td>.418**</td>
<td>.342**</td>
<td>.481**</td>
</tr>
<tr>
<td>N</td>
<td>89</td>
<td>85</td>
<td>73</td>
<td>87</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Passive/ Defensive Cultural Norms</th>
<th>Trust 1 Lincoln Leadership (Pearson Correlation)</th>
<th>Trust 2 Middle Management (Pearson Correlation)</th>
<th>Trust 3 Line Management (Pearson Correlation)</th>
<th>Trust 4 Overall (Pearson Correlation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approval</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>.167</td>
<td>.274*</td>
<td>.171</td>
<td>.078</td>
</tr>
<tr>
<td>N</td>
<td>90</td>
<td>86</td>
<td>74</td>
<td>88</td>
</tr>
<tr>
<td>Conventional</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>-.234*</td>
<td>-.132</td>
<td>-.117</td>
<td>-.225*</td>
</tr>
<tr>
<td>N</td>
<td>90</td>
<td>86</td>
<td>74</td>
<td>88</td>
</tr>
<tr>
<td>Dependent</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>.052</td>
<td>.208</td>
<td>.066</td>
<td>.004</td>
</tr>
<tr>
<td>N</td>
<td>90</td>
<td>86</td>
<td>74</td>
<td>88</td>
</tr>
<tr>
<td>Avoidance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>-.452**</td>
<td>-.336**</td>
<td>-.329**</td>
<td>-.366**</td>
</tr>
<tr>
<td>N</td>
<td>89</td>
<td>85</td>
<td>73</td>
<td>87</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Aggressive / Defensive Cultural Norms</th>
<th>Trust 1 Lincoln Leadership (Pearson Correlation)</th>
<th>Trust 2 Middle Management (Pearson Correlation)</th>
<th>Trust 3 Line Management (Pearson Correlation)</th>
<th>Trust 4 Overall (Pearson Correlation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oppositional</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>-.094</td>
<td>-.077</td>
<td>.027</td>
<td>-.085</td>
</tr>
<tr>
<td>N</td>
<td>90</td>
<td>86</td>
<td>74</td>
<td>88</td>
</tr>
<tr>
<td>Power</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>-.105</td>
<td>.069</td>
<td>.144</td>
<td>-.030</td>
</tr>
<tr>
<td>N</td>
<td>89</td>
<td>85</td>
<td>73</td>
<td>87</td>
</tr>
<tr>
<td>Competitive</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>.075</td>
<td>.207</td>
<td>.104</td>
<td>.064</td>
</tr>
<tr>
<td>N</td>
<td>90</td>
<td>86</td>
<td>74</td>
<td>88</td>
</tr>
<tr>
<td>Perfectionistic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>.114</td>
<td>.192</td>
<td>.271*</td>
<td>.085</td>
</tr>
<tr>
<td>N</td>
<td>89</td>
<td>85</td>
<td>73</td>
<td>87</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).

The null hypothesis 2 was rejected. Organizational culture is a predictor of Trust 1, 2, 3, and 4. Significance (p < .01) was found using multiple regression with
constructive culture. Analyzing the same data using multiple regression, constructive culture was found to be the only culture that significantly (p < .01) predicts organizational Trust 1, 2, 3 & 4.

Table 4.4. Correlation of Organizational Culture and Trust 1, 2, 3, & 4

<table>
<thead>
<tr>
<th>Culture Type</th>
<th>Trust 1 Lincoln Leadership</th>
<th>Trust 2 Middle Management</th>
<th>Trust 3 Line Management</th>
<th>Trust 4 Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pearson Correlation</td>
<td>.715**</td>
<td>.631**</td>
<td>.544**</td>
<td>.654**</td>
</tr>
<tr>
<td>N</td>
<td>90</td>
<td>86</td>
<td>74</td>
<td>88</td>
</tr>
<tr>
<td>Constructive vs. Trust 1</td>
<td>.206</td>
<td>-.055</td>
<td>.016</td>
<td></td>
</tr>
<tr>
<td>Passive/Defensive vs. Trust 1</td>
<td>.023</td>
<td>.046</td>
<td>.049</td>
<td></td>
</tr>
<tr>
<td>Aggressive/Defensive vs. Trust 1</td>
<td>.700</td>
<td>-.146</td>
<td>.041</td>
<td></td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4.5. Multiple Regression–Organizational Culture vs. Trust 1 Lincoln Leadership

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.724a</td>
<td>.525</td>
<td>.508</td>
<td>5.78827</td>
</tr>
</tbody>
</table>

Anova

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>3179.276</td>
<td>3</td>
<td>1059.759</td>
<td>31.631</td>
<td>.000a</td>
</tr>
<tr>
<td>Residual</td>
<td>2881.353</td>
<td>86</td>
<td>33.504</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6060.629</td>
<td>89</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Predictors: (Constant), Constructive, Passive/Defensive, Aggressive/Defensive vs. Trust 1 Organizational Trust

Organizational Culture Predicts Trust 1 – Lincoln Leadership

<table>
<thead>
<tr>
<th>Culture Type</th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constructive vs. Trust 1</td>
<td>.206</td>
<td>.023</td>
<td>.700</td>
<td>8.895</td>
<td>.000</td>
</tr>
<tr>
<td>Passive/Defensive vs. Trust 1</td>
<td>-.055</td>
<td>.046</td>
<td>-.146</td>
<td>-1.199</td>
<td>.234</td>
</tr>
<tr>
<td>Aggressive/Defensive vs. Trust 1</td>
<td>.016</td>
<td>.049</td>
<td>.041</td>
<td>.334</td>
<td>.739</td>
</tr>
</tbody>
</table>
Table 4.5 indicates that 52.5% of the variance in Trust 1 Lincoln Leadership
trust can be explained by organizational culture. The only culture with significance (p < .01) is constructive, so if constructive culture becomes stronger or goes up, the
organization should experience higher Trust 1 (organization) scores.

Table 4.6. Multiple Regression–Organizational Culture vs. Trust 2 Middle Management

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.635a</td>
<td>.403</td>
<td>.381</td>
<td>6.66777</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>2462.227</td>
<td>3</td>
<td>820.742</td>
<td>18.461</td>
<td>.000a</td>
</tr>
<tr>
<td>Residual</td>
<td>3645.649</td>
<td>82</td>
<td>44.459</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6107.876</td>
<td>85</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Predictors: (Constant), Constructive, Passive/Defensive, Aggressive/Defensive vs. Trust 2 Organizational Trust

Organizational Culture Predicts Trust 2 – Middle Management

<table>
<thead>
<tr>
<th></th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constructive</td>
<td>.184</td>
<td>.027</td>
<td>.608</td>
<td>6.723</td>
<td>.000</td>
</tr>
<tr>
<td>Passive/Defensive</td>
<td>-.024</td>
<td>.053</td>
<td>-.062</td>
<td>-.455</td>
<td>.650</td>
</tr>
<tr>
<td>Aggressive/Defensive</td>
<td>.045</td>
<td>.056</td>
<td>.111</td>
<td>.794</td>
<td>.430</td>
</tr>
</tbody>
</table>

Table 4.6 illustrates that 40.3% of the variance in Trust 2 middle management
can be explained by organizational culture. The only culture with significance (p < .01)
is constructive, so if constructive culture becomes stronger or goes up, the organization
should experience higher Trust 2 (middle management) scores.
Table 4.7. Multiple Regression–Organizational Culture vs. Trust 3 Line Management

<table>
<thead>
<tr>
<th>Model Summary</th>
<th></th>
<th>Adjusted R</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>R</td>
<td>R Square</td>
<td>Adjusted R Square</td>
<td>Std. Error of the Estimate</td>
</tr>
<tr>
<td>1</td>
<td>.593a</td>
<td>.352</td>
<td>.324</td>
<td>8.60252</td>
</tr>
</tbody>
</table>

Anova

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>2815.085</td>
<td>3</td>
<td>938.362</td>
<td>12.680</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>5180.237</td>
<td>70</td>
<td>74.003</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>7995.323</td>
<td>73</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Predictors: (Constant), Constructive, Passive/ Defensive, Aggressive/ Defensive vs. Trust 3 Organizational Trust

Organizational Culture Predicts Trust 3 – Line Management

<table>
<thead>
<tr>
<th>Predictor</th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constructive</td>
<td>.168</td>
<td>.037</td>
<td>.461</td>
<td>4.505</td>
<td>.000</td>
</tr>
<tr>
<td>Passive / Defensive</td>
<td>-.159</td>
<td>.071</td>
<td>-.337</td>
<td>-2.245</td>
<td>.028</td>
</tr>
<tr>
<td>Aggressive / Defensive</td>
<td>.184</td>
<td>.077</td>
<td>.366</td>
<td>2.380</td>
<td>.020</td>
</tr>
</tbody>
</table>

Table 4.7 indicates that 35.2% of the variance in Trust 3 line management can be explained by organizational culture. The only culture with significance (p < .01) is constructive, so if constructive culture becomes stronger or goes up, the organization should experience higher trust 3 (line management) scores. If a significant factor of <.05 were chosen, Trust 3 line management would have had significance with all three cultures. This result might be due to the low number of participants on this question or the fact that line management is a peer with no authority. It could also mean that top leadership and management could have much more of an impact on organizational trust than line management or peers.
Table 4.8. Multiple Regression–Organizational Culture vs. Trust 4 Overall

Organizational Culture Predicts Trust 4 – Overall

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.670a</td>
<td>.449</td>
<td>.429</td>
<td>5.61554</td>
</tr>
</tbody>
</table>

Anova

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>2154.519</td>
<td>3</td>
<td>718.173</td>
<td>22.774</td>
<td>.000a</td>
</tr>
<tr>
<td>Residual</td>
<td>2648.882</td>
<td>84</td>
<td>31.534</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4803.400</td>
<td>87</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Predictors: (Constant), Constructive, Passive/Defensive, Aggressive/Defensive vs. Trust 4 Organizational Trust

Organizational Culture Predicts Trust 4 – Overall

<table>
<thead>
<tr>
<th></th>
<th>B</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constructive</td>
<td>.161</td>
<td>.023</td>
<td>.609</td>
<td>7.076</td>
<td>.000</td>
</tr>
<tr>
<td>Passive / Defensive</td>
<td>-.079</td>
<td>.044</td>
<td>-.236</td>
<td>-1.770</td>
<td>.080</td>
</tr>
<tr>
<td>Aggressive / Defensive</td>
<td>.065</td>
<td>.047</td>
<td>.186</td>
<td>1.376</td>
<td>.172</td>
</tr>
</tbody>
</table>

Table 4.8 indicates that 44.9% of the variance in Trust 4 overall can be explained by organizational culture. The only culture with significance (p < .01) is constructive, so if constructive culture becomes stronger or goes up, the organization should experience higher trust 4 (overall) scores.

Summary of Results

OCI profiled the culture as defensive with only a 3% difference between aggressive/defensive and passive/defensive culture. The organizational profile indicates the behavioral norms that are dominant in this firm are avoidance and opposition behaviors. OCI would explain this culture as defensive with both passive/defensive and aggressive/defensive behavioral norms present. The conflict between opposition and
avoidance would create an environment where employees and/or managers do not
know the right way to behave, and this might explain the below average trust scores on
many of the trust questions (see Table 2) and the low response rate.
CHAPTER V. DISCUSSION, CONCLUSIONS, RECOMMENDATIONS

Discussion

Trust helps organizations with innovation and creativity (Bibb & Kourdi, 2004), competitive advantage, self-regulation, efficiency, inspired performance (Ciancutti & Steding, 2001), and contribution (De Cremer, Snyder & Dewitte 2001) and helps people engage in opportunities to develop social intelligence (Yamagishi & Midori, 1994) because it is “the foundation of all human interaction and the cornerstone upon which high performing organizational cultures are built” (Bodnarczuk, 2008, p. 1). A culture that promotes achievement, self-actualizing, humanistic-encouraging, and affiliative behaviors would help instill a culture of trust in which the organization can implement self-steering teams and build trust. Trying to implement self-steering teams and build trust without the cultural norms that “promote higher-order satisfaction needs of members” (Szumal, 2003, p. 8) will limit the organization’s change efforts.

This organization’s strong expectations for behaviors of avoidance and opposition describe the thinking and behavioral styles expected of members within this organization. The dominant way in which members are encouraged to think and behave is to avoid, and, when avoidance is not possible, members are encouraged to oppose. Trying to implement a change in this environment will create conflict because members will avoid it as long as they can, and then they will oppose it when forced to make the change. Opposition, on the other hand, creates an environment in which confrontation and negativism are rewarded and members look for mistakes and oppose ideas. Over time, opposition can create behavioral norms of avoidance. It will be hard for this
organization to move in a new direction or to adapt to changes in its environment unless constructive behavioral norms are introduced and adopted.

If a probability of <.05 were used, the data in Table 4.4 would have shown the approval behavioral norm to be significant. Even in a constructive culture, employees need approval to know their behaviors are approved and they are liked in order to continue to engage. Table 4.4 also shows that convention behavioral norms were significant (p < .05) in the opposite direction of Trust 1 and 4, meaning members who are expected to conform and follow the rules to make a good impression will trust less. This study also shows that dependent, opposition, power, competitive, and perfectionistic behavioral norms do not influence or predict trust. This study offers evidence that culture is a predictor and influencer of trust, no matter at what level of the organization. Higher levels of leadership were shown to be more of a predictor or trust than lower levels. The evidence shows that constructive behavioral norms of achievement, self-actualizing, humanistic-encouraging, and affiliative create a culture of trust, and that behaviors of avoidance reduce the amount of trust in an organization.

Conclusions

These findings agree that “culture can make them fast or slow workers, tough or friendly managers, team players or individuals” (Deal & Kennedy, 1982, p. 293). Research has shown that trust impacts our future (Zogby, 2008), affects growth and sustainability (Bachmann & Zaheer 2006), innovation, creativity, decision making, and profitability (Bibb & Kourdi 2004), competitive advantage, self-regulation, efficiencies, and performance (Ciancutti & Sterling, 2001). Leaders should continue to look at their
culture and determine if the culture is still helping in the evolution and growth of the company. The culture needs to change as necessary for it to survive and thrive.

The fourth panel of the Jefferson Memorial reads, “I am not an advocate for frequent changes in laws and constitutions, but laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths discovered and manners and opinions change, with the change of circumstances, institutions must advance also to keep pace with the times.” If culture does not change and adapt to the ever changing environment, the organization will not survive or thrive. Change is inevitable; this organization’s ability to adapt and change will be dependent upon its culture.

Recommendations

It is crucial for an organization to implement a constructive culture, a culture where achievement, self-actualizing, humanistic-encouraging, and affiliative behavioral norms are rewarded and valued, and avoidance and conventional behavioral norms are avoided. Culture and trust are important to an organization’s survival. For leaders, understanding the level of trust and the organizational culture is critical to the understanding the organization’s ability to adapt and change. These findings agree with Deal & Kennedy’s (1982) assertion that the ultimate success of a chief executive officer depends to a large degree on the accurate reading of the corporate culture and the ability to hone it and shape it to fit the shifting needs of the marketplace (p. 295). In the future, the speed of change will make it crucial for a leader to understand not only the organization’s culture, but also the organizational trust level. Lack of trust can be a
barrier to change, so the higher the constructive behavioral norms the more trust the culture should experience.

Management practices, procedures, and policies should limit avoidance and conventional behavioral norms and increase constructive cultural norms. A constructive culture would be an environment “where quality is valued over quantity; creativity is valued over conformity; cooperation is believed to lead to better results than competition; and effectiveness is judged at the system level rather than the component level” (Szumal, 2003, p. 13). An organization with constructive norms would be a learning organization that is about empowerment of employees and total quality management with continuous improvement. Leaders and followers should never take their culture for granted. It should be one of the most important aspects of a leader’s position. Based on this research, I would recommend the following:

**Organization**

1. Trust is important. The organization should look at each of the behavioral norms and compare them to its policies and procedures to verify if they are creating a constructive culture. It should implement achievement, self-actualizing, humanistic-encouraging, and affiliative behaviors within its policies, procedures, and management. The policies, procedures, and management need to allow employees to develop their own challenges, which, if achieved, can give them a sense of accomplishment and significance on how they impact the bottom line. The employees need to communicate ideas and look for ways to develop themselves as well as look for areas of continuous improvement.
2. It is critical to reward employees who are open to resolving conflict, encourage others to think for themselves, and are willing to think creatively.

3. This organization also should analyze how it is promoting convention and avoidance. Behaviors of avoidance and convention should be reduced in order to foster a culture of trust. Convention and avoidance were the only behavioral norms that were negatively significant.

4. The organization should monitor progress on trust and culture yearly by surveying employees for understanding of culture and trust. It should manage culture so it manages the organization in a way that allows it to evolve and continue to grow.

5. Trust matters in the future. Truth, honesty, and integrity need to be rewarded and instilled into the culture because “everything you say and do will be recorded by 2030” (Stephens, 2008, p. 34). Trust will be the competitive advantage in the future.

6. The organization should establish and instill core values.

**Future Research**

1. Understanding a firm’s ability to adapt is important in our ever-changing world. Culture and trust seem to be two very important variables that affect change, which is important to the future of organizations. Further research needs to be completed to create an organizational culture and trust survey that has tested validity.

2. Having a survey to monitor trust and culture would allow leaders to conduct and monitor an organization’s culture and trust level. The Organizational Trust
Scale by Mary Ann Garrity shows promise, but was not complete at the time of this research. “Most cultural measures provide scant, incomplete, or troubling psychometric information, especially concerning their convergent and discriminate validity (Delobbe, Haccoun, & Vandenberghe, 2002, p. 9).

3. Further research needs to be conducted to see if there is a point at which trust could become a liability.

4. Leadership and followership are equally important to building trust and culture.

Nye, Zelikow, and King (1997) in their book, *Why People Don’t Trust the Government*, determined four reasons that people do not trust the government. These four reasons could be adopted in a qualitative study to understand organizational culture and organization trust. Culture and trust are affected by (1) historical events, (2) attitudes toward leadership, (3) economic changes and how the organization and the employees adapt to those changes, (4) distance between leadership and employees, and (5) the consistent approach by employees towards their company and leadership.
CHAPTER VI. JOURNAL ARTICLE

Organizational Dynamics

Culture of Trust

Mindy Genetzky-Haugen

“If there is a single element driving the operating manual of our lives more than any other, it is the demand after so many years of falsity - in products, claims, and promises - that things finally get back to being honest and actual”

--John Zogby, CEO of Zogby International, author of The Way We’ll Be

“Everything we say and do will be recorded, so accountability and authenticity will be very important in our future”


Introduction

As a master’s student in Leadership Development, I questioned if a leader should put more focus on organizational culture than on the development of
employees. I questioned this because the company was trying to train employees on building trust without changing the culture. Based on this question, I develop a study to determine if organizational culture influences or predicts trust. I used trust as my dependent variable because trust seems to be the one thing that has been linked to so many benefits but also seems to be the hardest thing to achieve. As technology forces us towards accountability and authenticity, leaders need the action of their company and employees to be trustworthy and ethical. I agree with Deal and Kennedy that "culture can make them fast or slow workers, tough or friendly managers, team players or individuals." Trust-based cultures have been linked to competitive advantage, efficiency, contribution, inspired performance, and the ability to develop social intelligence. According to Bibb and Kourdi in *Trust Matters for Organizational and Personal Success*, trust matters because it "provides credibility and more effective leadership, trust is inspiring, it increases productivity and competitive advantage, improves communication and mutual understanding, reduces stress, trust builds trust, trust delivers lower costs and greater efficiency, and trust leads to greater risk taking." In order for a
company to reach its full potential and continue to grow, an organization must have trust and be trusted.

The problem we have in business and in our country’s culture is that trust is declining and our next generation is demanding more trust and honesty. Can our institutions evolve and re-establish a culture of trust? Reinhard Bachman and Akbar Zaheer, in their 2008 *Handbook of Trust Research*, observe that companies that want to be competitive in a global economy will need to be trusted by their customers, employees, and all stakeholders. In order to be competitive, organizations that are able to instill a culture of trust will survive and thrive. This study shows constructive behavioral norms are both predictors and influencers of trust. The results suggest that companies that want to create a culture of trust need to instill into their culture achievement, self-actualizing, humanistic-encouraging, and affiliative behavioral norms. These type of behavioral norms promote and instill higher-order satisfaction needs. These behaviors encourage employees to set their own challenging goals and take on new and exciting projects to develop themselves. The employees are supportive and encourage each other and are open to influence when dealing with each other. Employees are
encouraged to be friendly and sensitive to the satisfaction of their team. The study also shows evidence that Leadership needs to make sure avoidance behaviors are reduced in order to create and instill a culture of trust.

I surveyed the employees of a large firm to understand the current trust level and to profile the organizational culture in order to determine if organizational culture influences or predicts organizational trust level. I sent surveys to 450 employees. Each participant completed two surveys, one on organizational culture and the other on the organizational trust level. The response rate was low for this study. Only 105 surveys were returned, and only 93 surveys were complete. This response rate was not surprising once OCI profiled the organizational culture and the trust level was determined.

Using Human Synergistics’ Organizational Culture Index, this organization was typed defensive. The difference between aggressive/defensive and passive/defensive was only 3%. The two strongest behavioral norms were avoidance in the passive/defensive culture and opposition within the aggressive/defensive culture. With the two strongest behavioral norms being avoidance and opposition, it was no surprise that the mean trust score
was 2.625 out of 5. The mean scores are based on a 5-point Likert scale, where 1 means no trust at all and 5 means the employee perceives trusts at a great extent.

**Definition of Terms & Surveys Used**

Bodnarczuk, in the article “Organizational Trust Index as Window into Organizational Culture,” defined organizational trust as “we trust the organizational structures, systems, and culture within which we work.” Mayer, Davis & Schoorman in their article “An Integrative Model of Organizational Trust,” stated the evolution of trust within an organization will be affected by the history of outcomes that an employee or manager has experienced when trusting the other based on their ability, benevolence, and integrity. Organizational trust is a circular motion of action and reaction. The truster trusts and the trustee honors and fulfills that trust.

The Organization Trust Survey was developed by me and validated by members of an academic committee. The survey used questions from *A Survey of Trust in the Workplace* by Dr. Paul Bernthal. The primary focus of the Bernthal survey was to gain insight into levels of interpersonal trust and trust-building and trust-reducing behaviors. This instrument was designed to measure each employee’s
perception of organizational trust toward four levels of management: non-management, line management, middle management, and senior management. Dr. Bernthal wouldn’t release his survey, but believed I could obtain the survey by reading his report. I changed the four levels to accommodate the organization surveyed. Trust 1 is how respondents judged or perceived their trust toward local leadership; Trust 2 is how the respondents judged or perceived their trust level toward middle management; Trust 3 is their trust level toward line management; and Trust 4 is their overall perception of organizational trust.

**Organizational culture.**

Edgar Schein is the most commonly cited individual in regard to organizational culture. He defined organizational culture as “a pattern of shared basic assumptions that was learned by the group as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems.” The characteristics of organizational culture are affected by behavior norms within the organization. Organizational culture arises from how things operate every day, how people are treated, and
what people take for granted. Organizational culture is
defined by how employees perceive what is expected of them
and the behaviors that will be reinforced and rewarded. For
the purpose of this study, we defined organizational
culture using Cooke & Lafferty’s Organizational Culture
Inventory® (OCI®, 1997). Cooke & Lafferty defined
organizational culture using behavioral norms and
expectations that are ingrained by shared beliefs and
values perceived by employees within a given company. The
OCI measures twelve behavioral norms that comprise three
general types of organizational culture: constructive,
passive/defensive, and aggressive/defensive.

Descriptions of the Twelve Styles Measured by the
Organizational Culture Inventory™ (and Sample Items)

Constructive Norms
[Cultural Styles Promoting Satisfaction Behaviors]

Achievement

An Achievement culture characterizes organizations that do
things well and value members who set and accomplish their
own goals. Members are expected to set challenging but
realistic goals, establish plans to reach these goals, and
pursue them with enthusiasm. *(Pursue a standard of
excellence; Openly show enthusiasm.)*

Self-Actualizing

A Self-Actualizing culture characterizes organizations that
value creativity, quality over quantity, and both task
accomplishment and individual growth. Members are
encouraged to gain enjoyment from their work, develop
themselves, and take on new and interesting activities. (Think in unique and independent ways; Do even simple tasks well.)

**Humanistic/Encouraging**

A Humanistic-Encouraging culture characterizes organizations that are managed in a participative and person-centered way. Members are expected to be supportive, constructive, and open to influence in their dealings with one another. (Help others to grow and develop; Take time with people.)

**Affiliative**

An Affiliative culture characterizes organizations that place a high priority on constructive interpersonal relationships. Members are expected to be friendly, open, and sensitive to the satisfaction of their work group. (Deal with others in a friendly, pleasant way; share feelings and thoughts.)

**Passive/Defensive Norms**

[Cultural Styles Promoting People/Security Behaviors]

**Approval**

An Approval culture describes organizations in which conflicts are avoided and interpersonal relationships are pleasant—at least superficially. Members feel that they should agree with, gain the approval of, and be liked by others. ("Go along" with others; Be liked by everyone.)

**Conventional**

A Conventional culture is descriptive of organizations that are conservative, traditional, and bureaucratically controlled. Members are expected to conform, follow the rules, and make a good impression. (Always follow policies and practices; Fit into the "mold.")

**Dependent**

A Dependent culture is descriptive of organizations that are hierarchically controlled and do not empower their members. Centralized decision making in such organizations
leads members to do only what they are told and to clear all decisions with superiors. *(Please those in positions of authority; Do what is expected.)*

**Avoidance**

An Avoidance culture characterizes organizations that fail to reward success but nevertheless punish mistakes. This negative reward system leads members to shift responsibilities to others and avoid any possibility of being blamed for a mistake. *(Wait for others to act first; Take few chances.)*

**Aggressive/Defensive Norms**

[Cultural Styles Promoting Task/Security Behaviors]

**Oppositional**

An Oppositional culture describes organizations in which confrontation and negativism are rewarded. Members gain status and influence by being critical and thus are reinforced to oppose the ideas of others. *(Point out flaws; Be hard to impress.)*

**Power**

A Power culture is descriptive of nonparticipative organizations structured on the basis of the authority inherent in members' positions. Members believe they will be rewarded for taking charge, controlling subordinates and, at the same time, being responsive to the demands of superiors. *(Build up one's power base; Demand loyalty.)*

**Competitive**

A Competitive culture is one in which winning is valued and members are rewarded for outperforming one another. Members operate in a "win-lose" framework and believe they must work against (rather than with) their peers to be noticed. *(Turn the job into a contest; Never appear to lose.)*

**Perfectionistic**

A Perfectionistic culture characterizes organizations in which perfectionism, persistence, and hard work are valued.
Members feel they must avoid any mistakes, keep track of everything, and work long hours to attain narrowly defined objectives. (*Do things perfectly; Keep on top of everything.*)

Note: From *Organizational Culture Inventory* by Robert A. Cooke and J. Clayton Lafferty, 1987, Plymouth, MI: Human Synergistics International. Copyright © 1987, 1989 by Human Synergistics, Inc. Reproduced by permission. The OCI style descriptions and items may not be reproduced without the express and written permission of Human Synergistics.

**Evolve and Grow**

Organizational culture is an influencer and predictor of trust. I found achievement, self-actualizing, humanistic-encouraging, and affiliative behavioral norms that make up the constructive culture to be the behaviors that must be present in a culture in order to influence or predict trust. Approval, conventional, dependent, oppositional, power, competitive and perfectionistic behavioral norms were not significant in influencing or predicting trust at all. The most significant finding in this research was that avoidance is negatively correlated with Organizational Trust 1, 2, 3, and 4. Avoidance is the one behavioral norm that decreases trust. The research proves that the more avoidance behaviors that are present the lower the trust.
We found that organizational culture can explain 52.5 percent of the variance in Trust 1, local Leadership; 40.3 percent of the variance in Trust 2, middle management; 35.2 percent of the variance in Trust 3, line management; and 44.9 percent of the variance in Trust 4, overall trust. This study offers evidence that culture is a predictor and influencer of trust, no matter at what level of the organization.

Trust helps an organization with innovation and creativity, competitive advantage, self-regulation, efficiency, inspired performance, and contribution, and helps people engage in opportunities to develop social intelligence. Bodnarczuk states that trust is “the foundation of all human interaction and the cornerstone upon which high performing organizational cultures are built.”

For leaders of the future, it will be of the utmost importance to instill trust within the organization, but a leaders also must understand that to instill trust their culture must be more of a constructive culture that promotes higher-order satisfaction needs of employees, instilling achievement, self-actualizing, humanistic-encouraging, and affiliative behavioral norms.
Selected Bibliography

In the future everything we say and do can be recorded without us knowing and broadcast within minutes to anyone, anywhere in the world. Leaders and organizations will need to be trusted in order to survive and thrive in the future. The *Futurist* is a magazine and a society of thought-provoking ideas and forecasts about the future. This society has spotlighted many emerging developments. The *Futurist* is a forum of forecasting trends for the future, and it releases its top ten forecasts for the future every year. Futurist experts speak on topics of bioengineering human beings, the future of the internet, jobs of the future, science of morality, artificial intelligence, and much more.

John Zogby is the CEO of Zogby International, a company that conducts polling through both phone and internet. He is best known for his political polling and predictions of elections. In the book, *The Way We’ll Be*, John Zogby makes predictions based on polling about where American is heading politically, culturally, and spiritually. These insights are critical for leaders to understand their employees in the future and also the new American markets.
Edgar Schein is the most cited individual on organizational culture. He is an American theorist, researcher, psychologist, and professor. He was a professor at MIT Sloan School of management. He invented the term “corporate culture.” He has written Coercive Persuasion, about brainwashing, corporate culture, and leadership.

Human Synergistics International’s Organizational Culture Inventory® (OCI®) is a highly recognized organizational survey that provides a picture of an organization’s operating culture of behavioral norms that are expected or required in order to survive and thrive within the organization. The behavioral norms determine the organization’s capacity to adapt to change, solve its problems, and achieve performance. This survey is based on a 1989 study by Robert Cooke, CEO and Director of Human Synergistics, and Clayton Lafferty, founder of Human Synergistics. Janet Szumal is linked with Human Synergistics as a research associate. Cooke and Lafferty have authored many articles and books about leadership, psychology, and organizational culture. Cooke specializes in validation of surveys and has developed the Organizational Culture Inventory, the Organizational/Effectiveness Inventory, and the Leadership/Impact and
Group/Styles Inventory that have been used throughout the world. Lafferty specialized in research on individuals, leadership, and team development. He also had knowledge in ancient and modern cultures. He specialized in survey instruments focusing on self assessment, thinking, decision making, and effective behaviors.

Paul R. Bernthal, Ph.D., is a researcher for Development Dimensions International who published the report on “A Survey of Trust in the Work Place.” DDI helps corporations around the world develop their human resources through world class learning systems, and hiring screening and assessment tools.

Mark Bodnarczuk is the executive director of the Breckenridge Institute®, a research center that studies organizational culture. Mark Bodnarczuk has published frequently on corporate culture and has written two books, *Driving In: Discovering Who You Are in the Second Half of Life* and *Island of Excellence: 3 Powerful Strategies for Building Creative Organizations*.

Terrence Deal is a professor at University of Southern California’s Rossier School. He is known as an author and lecturer for organizational culture and leadership. In 1980, Deal and Allan Kennedy wrote a book about the impact
of Corporate Cultures. Allan Kennedy is an author and a management consultant. Both authors have written many books on the subject of organizational culture.

Sally Bibb is an expert in trust and employee engagement. She is an author and a consultant and has worked on many change initiatives. She teamed up with Jeremy Kourdi to write the book Trust Matters for Organizational and Personal Success. Jeremy Kourdi is a business consultant who has authored several books about organizations, business planning, and leadership development.

Mindy Genetzky-Haugen is working toward her master’s degree in leadership development at the University of Nebraska.


APPENDIX A: Descriptions of the Twelve Styles Measured by the Organizational Culture Inventory™ (and Sample Items)

Constructive Norms

[Cultural Styles Promoting Satisfaction Behaviors]

**Achievement**

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sensitive to the satisfaction of their work group. *(Deal with others in a friendly, pleasant way; share feelings and thoughts)*

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[Cultural Styles Promoting People/Security Behaviors]

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