



Is Business Excellence Dependent on Organizational Culture and ICT? Case of Emirati Company

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ABSTRACT

This research studies the relationship between organizational culture and business excellence. Specifically, it examines the relation between the organizational culture types and organizational excellence and the role of information communication technology (ICT) as a moderator. Based on the literature review, the research proposes a conceptual model with four organizational culture types serving as independent variables and four variables related to business excellence treated as dependent variables, in addition to ICT as the moderator. A quantitative study was conducted, and the data were collected using a survey questionnaire distributed to middle managers in one of the gold winners of a United Arab Emirates-based business excellence award. The questionnaire was based on a five-point Likert scale to see to which degree respondents strongly agreed or disagreed with the proposed statements. This research found that there is a positive relationship between organizational culture components and business excellence in general. A mission culture has the most significant relationship, compared to a consistency culture, which was found to be positively related to business excellence; an involvement culture, which has a relatively positive relationship; and adaptability culture, which has no positive relationship. Also, the moderating role of ICT was proven. The results of this research can be utilized by managers to prioritize the organizational culture types that are most aligned with business excellence practices. Also, researchers can extend this study to cover the full list of sub-variables for each organizational culture type. The contribution of this research is evident, since very few studies focus on the relationship between organizational culture and business excellence.

Key Words: *Organizational Excellence, Organizational Culture, United Arab Emirates.*

Introduction

Organizational culture is the set of beliefs, shared values, and norms that impact the way employees feel, think, and behave in the place of work (Schein, 2011). Quality has different meanings and has been defined as excellence (Peters and Waterman, 1982). Excellence can be described as an ongoing process of continuous improvement. This perspective informs excellence models, which provide a framework for the strategic management of competitive organizations (Martín and Rodrigo, 2003). Through the use of such models, organizational culture has the potential to improve employees' performance, satisfaction, and confidence in their ability to solve work-related issues (Kotter, 2012).



Quality and business excellence awards are based on models and criteria to assess the level of excellence in the applicant organizations. These criteria are used as guidelines by the award winners to sustain their level of excellence through activities that promote business excellence culture among employees and imbed it in the work values. This research is an attempt to highlight the organizational culture types and their role in promoting organizational excellence within organizations.

Searching the relationships between culture types and business excellence elements should allow organizations and managers to highlight the culture traits that would help them build a robust excellence culture and sustain it. This also should support the companies that are looking for excellence and, at the same time, the excellent companies aiming to sustain their outstanding performance.

This research includes the following:

- Literature Review
- Research Questions and Hypotheses
- Conceptual Model
- Research Methodology
- Data Analysis and Results
- Summary and Conclusion
- Limitations and Future Research

Literature Review

It has been clearly recognized that organizational culture is crucial in organizational behavior and excellent performance (Peters and Waterman, 2004).

Organizational Culture

Organizational culture is a pattern of norms, values, beliefs and attitudes that influences behavior within an organization (Chin-Loy and Mujtaba, 2007).

Culture can be categorized into integration, differentiation, and fragmentation perspectives. In the integration perspective, some agreement is available between individual employees regarding the profile of an organization's culture (Martin, 2002). Also, Martin highlighted that culture is more like a hard pillar that is seen similarly by most individuals, regardless of the angle from which they look at it.

According to Martin (2002), the differentiation perspective views culture as a combination of the subcultures within an organization. He claimed that consensus only exists in the subcultures of an organization. These subcultures operate together, oppose each other, or act independently.



Martin asserted that the fragmentation perception assumes that culture is vague and lacks consensus. In this regard, he writes, "Interpretations of cultural manifestations are ambiguously related to each other, placing ambiguity, rather than clarity, at the core of culture" (Martin,2002).

Another three strategies of operationalizing organizational culture were offered. These comprise a holistic, metaphorical, and a quantitative approach (Cameron and Quinn, 2006). Researchers deploy a holistic approach to gain a rich understanding of culture by keenly contributing and noticing, thus attempting to become native in the company. Cameron and Quinn (2006) noted that researchers using the metaphorical or language approaches apply techniques to identify cultural patterns in documents, conversations, and other forms of language.

Carl F. Fey and Daniel R. Denison, in a paper published in 2003, identified four traits of organizational culture:

- Adaptability
- Mission
- Involvement
- Consistency

The adaptability and mission traits signify an external orientation, while involvement and consistency are associated with an internal orientation. The adaptability and involvement traits reveal a flexible orientation. In contrast, the mission and consistency traits emphasize a stable orientation (Fey and Denison, 2003).

According to Fey and Denison(2003), the adaptability attribute comprises creating change, focusing on customers, and organizational learning.

The company that gets high marks on the mission attribute will be able to perceive and react to the environment, clients, and restructure behaviors and processes that allow them to adapt (Fey and Denison, 2003).

The mission attribute highlights a robust sense of organizational direction by setting vision and goals. It comprises establishing strategic direction and intent, strategic objectives and goals, and a vision for the organization. The company that gets high marks on the mission attribute will be able to handle its external environment by achieving stability (Fey and Denison, 2003).

Fey and Denison (2003) concluded that the involvement attribute highlights the human relations factors of an organization. These companies appreciate teamwork and are committed to employees' empowerment. The involvement attribute contains guides to empower employees, support team orientation, and develop capabilities. An organization that gets high marks on the involvement attribute usually has an internal focus and is considered as flexible organization.

As per Fey and Denison (2003), the consistency attribute is frequently captured in the companies that have solid cultures. These companies show constancy in that employees usually agree with one another. The consistency attribute comprises main values,



agreement, coordination, and integration. An organization that gets high marks on the consistency attribute usually has internal focus while providing stability to its workforce (Fey and Denison, 2003).

Organizational Excellence

A number of studies and published papers have discussed the keys to organizational excellence and its critical success factors. Business excellence as a concept is based on total quality management principles. Companies that have adopted business excellence usually have done so by using initiatives, tools, and techniques to achieve the desired results (Adebanjo, 2001).

Traditionally, companies evaluated their performance in terms of quantifiable measures such as return on investment, net profit, and turnover. In last few decades, however, there has been a growing understanding that companies should also consider quality-related characteristics while setting their business goals and performance measures. Therefore, total quality management has become a principal strategy for improving performance and later business excellence (Zairi and Alsughayir, 2011). Dr. Joseph Juran defined total quality management as “meeting and exceeding the customer’s expectations by continuously improving all processes, goods and services through creative involvement of all staff” (Hawkes, 1992).

To encourage companies to improve their performance, more than eighty countries have established business excellence or quality awards (Grigg and Mann, 2008). Most of the quality awards worldwide are based on business excellence models and pre-defined criteria (Khitam and Tammaru, 2012). In the United Arab Emirates, the National Quality Awards were launched in 1989 (Mavroidis, Toliopoulou and Agoritsas, 2007). The Sheikh Khalifa Excellence Award and the Dubai Quality Award were the first two awards established in the United Arab Emirates, and both were influenced by the European Foundation for Quality Management (EFQM) model (Nambiar, 2012).

The EFQM was founded in 1988 with the objective of helping European organizations to become competitive in the international marketplace (Gómez et al., 2011). After that, the first quality award was delivered in 1992 by using the organizational excellence model as a framework for evaluating the organization’s performance (Jafari, 2013). Awards differing from the EFQM model have also been delivered, and the last one was presented in 2012 (Wireless News, 2012).

The EFQM Model is built on nine criteria of enablers and results. The enabler criteria include what an organization does and how it does it. The results criteria include what an organization achieves (EFQM, 2013). According to the EFQM, the results criteria for the model include:

- Customer Results: Excellent organizations reach and keep exceptional results that meet or go beyond customers’ needs and expectations.



- People Results: Excellent organizations reach and keep exceptional results that meet or go beyond employees' needs and expectations.
- Society Results: Excellent organizations reach and keep exceptional results that meet or go beyond society stakeholders' needs and expectations.
- Business Results: Excellent organizations reach and keep exceptional results that meet or go beyond shareholders' needs and expectations.

Organizational Culture and Business Excellence

A popular hypothesis in the organizational culture is that a robust culture leads to a better level of performance (Deal and Kennedy, 1983). In this paper, cultural strength is measured by the extent to which a culture exhibits the attributes of a single cultural type (Román et al., 2004).

The level of cultural strength needed to ensure a company's success is still debated in the literature. Some of the authors support the idea that a robust culture leads to higher performance (Barnes et al., 2006). Others support a contingency theory where the needed level of cultural strength is linked with the environment of the business where the company operates (Camero and Quinn, 2006). Kotter and Heskett (1992) stated that companies that have a robust culture, emphasize their stakeholders, and adjust to their environments will attain better levels of performance. Gordon and DiTomaso (1992) also proposed that a robust culture, in conjunction with the ability to adapt, would lead to better performance.

Ashish Sinha and Bindu Arora (2012) in their study about the fit between organizational culture and business excellence revealed that both business excellence and organizational culture can be abstracted the same way. They also noted that the results of organizational culture assessment in organizations can be compared to the results of the EFQM assessment to predict the improvements companies need to make to excel (Sinha and Arora, 2012).

Communication as a Moderator between Organizational Culture and Business Excellence

Communication may moderate the connection between performance and work culture. This is due to the fact that communication forms and types are linked with organization culture and, in turn, they are the concepts by which culture impacts performance. Management thinkers and experts have agreed communication to be significant to key organizational tasks such as making decisions, coordination, motivation and innovation, all of which impact performance (Garntett, 2005). Moreover, casual communication can support link subcultures and formal structures, eliminating some of the cultural defects that might otherwise arise (Kilduff and Corley, 2000).

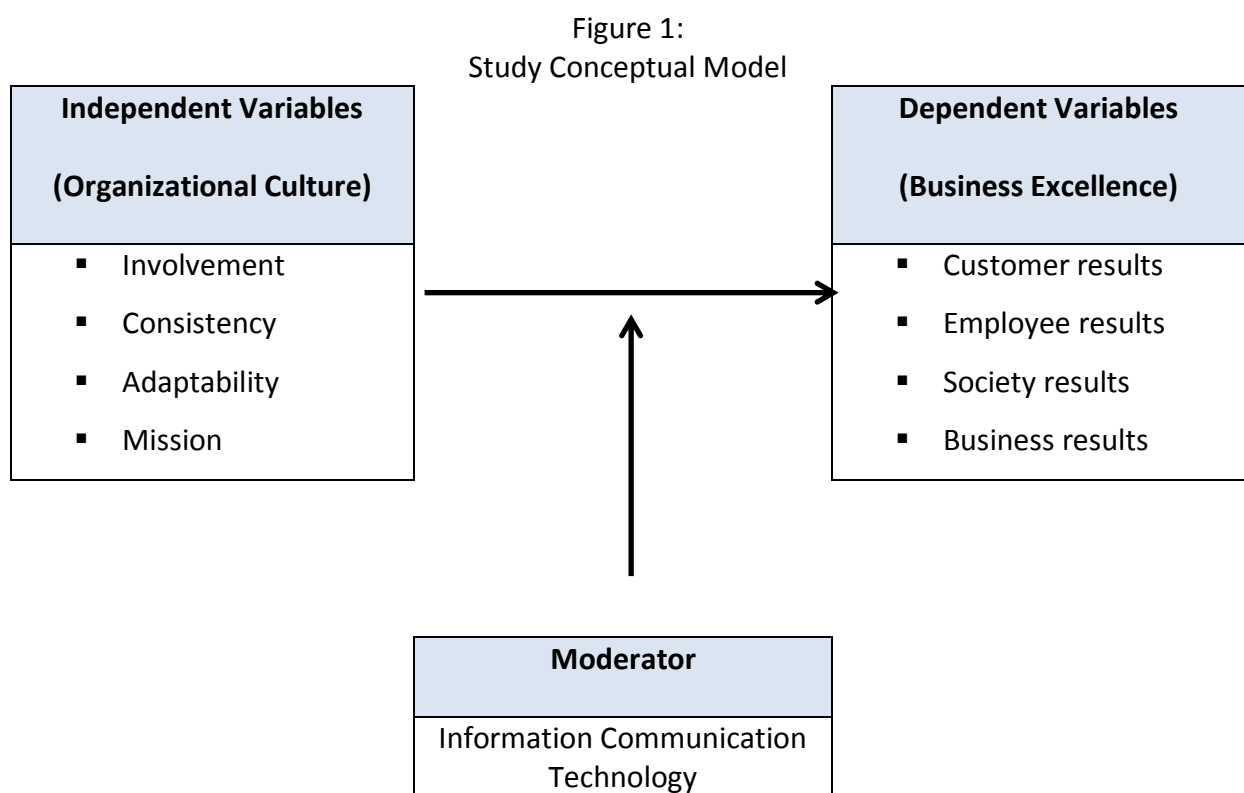
Research Questions and Hypotheses

1. What organizational culture type relates to business excellence in United Arab Emirates firms?
2. What is the effect of ICT on the relationship between organizational culture and business excellence in United Arab Emirates Firms?

Hypotheses

1. There is a significant relation between involvement culture and business excellence.
2. There is a significant relation between consistency culture and business excellence.
3. There is a significant relation between adaptability culture and business excellence.
4. There is a significant relation between mission culture and business excellence.
5. ICT has a significant effect on the relationship between organizational culture and business excellence.

Conceptual Model



Research Methodology

The logical nature of this study required the use of a quantitative research approach because it focuses on analyzing and evaluating several variables, as well as exploring their relation to each other. Therefore, a numerical analysis was done to provide an in-depth understanding of the information, theories, and concepts related to the research questions and hypothesis. By the use of a quantitative research approach, it was easy to code the responses, thus facilitating the use of statistical analysis methods to compare different variables related to organizational culture and business excellence.



Questionnaire Design

Based on the literature and previously tested questionnaires, a 32-question survey was developed to cover theoretical model variables. The organizational culture-related questions were adapted from the survey used by Fey and Denison's (2003) study "Organizational Culture and Effectiveness: Can American Theory be Applied in Russia?" The questions related to business excellence criteria were adapted from the EFQM self-assessment questionnaire. The table below shows the survey structure:

Table1:
Survey structure

Variables/Sub-variables	Number of Questions
Organizational Culture	12
• Involvement	3
• Consistency	3
• Adaptability	3
• Mission	3
Business Excellence	12
• Customer results	3
• Employee results	3
• Society results	3
• Business results	3
Information Communication	3
Technology	
Demographic Questions	5

The questionnaire was based on a five-point Likert scale where:

5= strongly agree

4= agree

3= neutral

2= disagree

1= strongly disagree

Data Collection and Sampling





The questionnaire was manually distributed to the middle managers, including division and section heads, in the targeted 4 organizations. A total sample size of 45 managers was identified and 29 responses were received, resulting in a response rate of 64.44%.

Data Analysis and Results

SPSS statistical data analysis software and Microsoft Excel were used to process the primary data received. A reliability test was done and the variables shown to possess relatively high internal consistency with Cronbach's alpha coefficient (0.891). Pearson correlation and linear regression analysis were performed to test the suggested hypotheses:

HB 1:

Null hypothesis: There is no significant relation between mission culture and business excellence.

Alternate hypothesis: There is a significant relation between mission culture and business excellence.

The Pearson correlation is .642, which is >0.3 . The P value is 0, which is < 0.05 . In linear regression analysis, the R square value = 0.412, which means that mission culture accounts for 41.2% of the variation in business excellence. Also the significance is 0, which is < 0.5 . These values indicate a strong positive relationship between mission culture and business excellence. Therefore, we reject the null hypothesis and accept the alternate one.

HB 2:

Null hypothesis: There is no significant relation between consistency culture and business excellence.

Alternate hypothesis: There is a significant relation between consistency culture and business excellence.

The Pearson correlation is .569, which is >0.3 . The P value is 0.001, which is < 0.05 . In linear regression analysis, the R square value = 0.324, which means that consistency culture accounts for 32.4% of the variation in business excellence. Also, the significance is 0.001, which < 0.05 .

The above indicate a strong positive relationship between consistency culture and business excellence. Therefore, we reject the null hypothesis and accept the alternate one.

HB 3:

Null hypothesis: There is no significant relation between involvement culture and business excellence.

Alternate hypothesis: There is a significant relation between involvement culture and business excellence.



The Pearson correlation is .419, which is >0.3 . The P value is 0.024, which is < 0.05 . In linear regression analysis, the R square value = 0.175, which means that involvement culture accounts for 17.5% of the variation in business excellence. Also, the significance is 0.024, which is < 0.05 . These values indicate a strong positive relationship between involvement culture and business excellence. Therefore, we reject the null hypothesis and accept the alternate one.

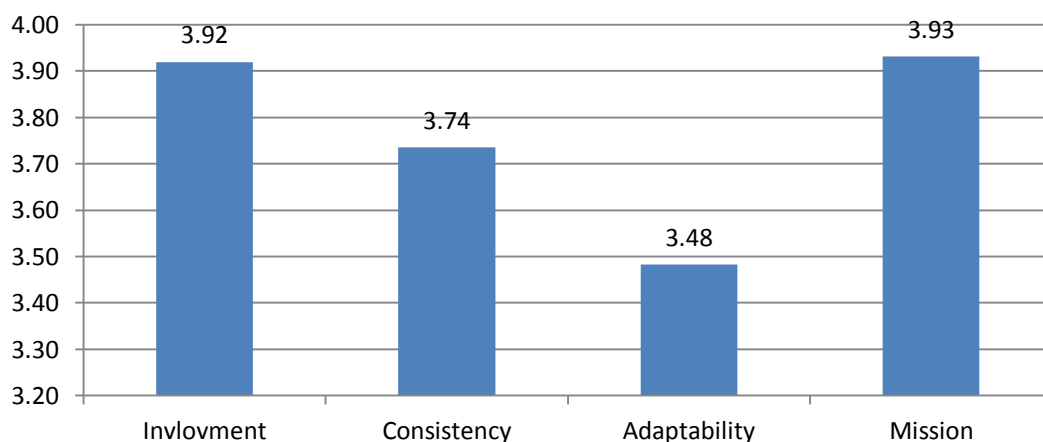
HB 4:

Null hypothesis: There is no significant relation between adaptability culture and business excellence.

Alternate hypothesis: There is a significant relation between adaptability culture and business excellence.

The Pearson correlation is .171, which is < 0.3 . The P value is 0.377, which is > 0.05 . In linear regression analysis, the R square value = 0.029, which means that adaptability culture accounts for only 2.9% of the variation in business excellence. Also, the significance is 0.377, which > 0.05 . These values indicate a weak positive relationship between adaptability culture and business excellence. Therefore, we accept the null hypothesis and reject the alternate one.

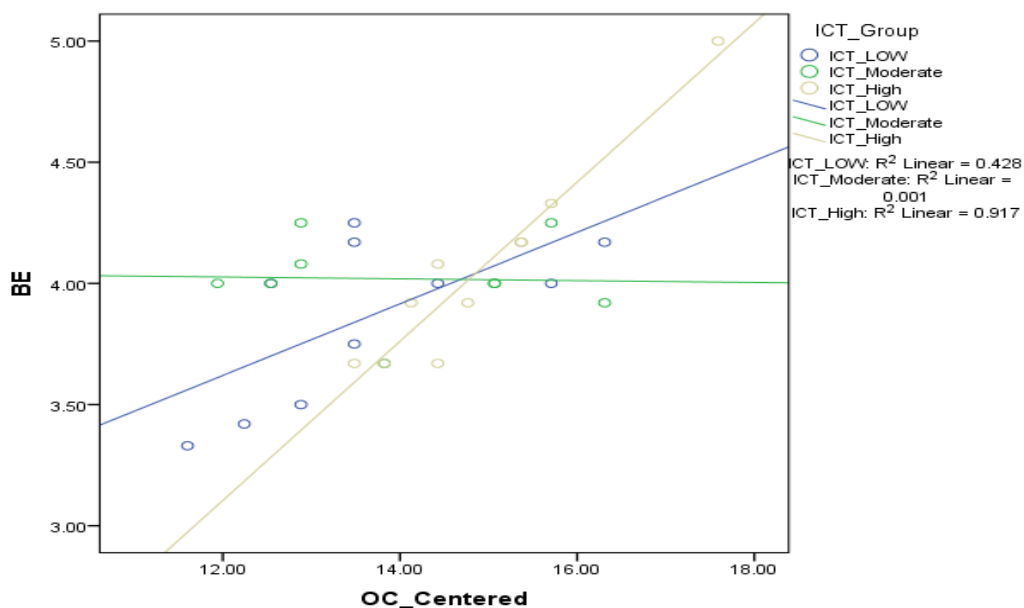
Figure 2:
Weight of Organizational Culture Traits That Affect Business Excellence



HB 5: ICT has a significant effect on the relationship between organizational culture and business excellence.

As mentioned, we ran a linear regression analysis for the centered values of organizational culture, the centered values of ICT, and the centered value of both. We concluded that when the usage of ICT is low, the correlation between organizational culture and business excellence is 0.18. When the ICT usage is moderate, there will be a very weak relation. When it is high, the correlation will be 0.84, which means that ICT significantly affects the relationship between business excellence and organizational culture.

Figure 3:
The effect of ICT on the relationship between organizational culture and business excellence



Summary and Conclusion

This research found that there is a positive relationship between organizational culture and business excellence in general. The mission culture has the most significant relationship. In other words, setting goals and objectives by leaders that are ambitious and realistic and having widespread agreement about them will significantly enhance the organizational excellence outcome.



Consistency culture has a strong positive relationship with business excellence. Promoting coordination and integration by making people from different business units share common perspectives, making coordination of projects across functional units easy, and establishing a good alignment of goals across levels will enhance the excellence journey of an organization.

Involvement culture has a strong positive relationship with organizational excellence. Improving team orientation by making employees feel that they are part of a team, relying on horizontal control and coordination to get work done, and considering teams as primary building blocks within the organization will enhance its business excellence culture.

Adaptability culture has a weak positive relationship with organization excellence, which has no positive relationship. However, the moderating role of ICT was not proven, which means organizational learning by encouraging risk taking and awarding risk takers is not linked to business excellence.

It was proven from the data analysis that ICT has a significant effect on the relationship between organizational culture and business excellence.

Limitations and Future Research

The research was done based on data from one organization only. Expanding the sample size to include more quality and business excellence awards winners will help to generalize and support the current findings. Also, replicating this research by considering industry sectors and business classifications may help to develop a better understanding of the role of organizational culture in promoting business excellence.

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