DIAGNOSING THE ORGANIZATIONAL CULTURE OF A TURKISH PHARMACEUTICAL COMPANY BASED ON THE COMPETING VALUES FRAMEWORK

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Abstract. Organizational culture plays a significant role in understanding organizational dynamics and it distinguishes the members of one organization from other people. In this regard; it is found out that an organization, which is able to maintain a strong and “preferred” culture, is likely to enjoy many benefits such as higher levels of performance, person-organization fit, commitment, job satisfaction and competitive advantage. Thus, the purpose of this study is to diagnose the culture of a pharmaceutical company, which is located in Turkey, and find out the “perceived” and “preferred” cultural profiles both in the headquarters and branches of the company. The perceived culture has been found as hierarchy whereas the preferred one has been found as clan leading to incongruence between the perceived and preferred cultural profiles. In this regard; the reasons lying behind this mismatch are discussed, as it is important for the success of the organization and person-organization fit. Hence, the influential effects of national culture on shaping the organizational culture profiles have been discussed. Furthermore, the effects of educational level and union membership on culture profiles are also explored to understand the dynamics leading to such results thoroughly.

Keywords: organizational culture, competing values framework, person-organization fit, Turkish culture.

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JEL classification: M14.

1. Introduction

In today’s world, failures of enterprises forced researchers to pay attention on the intangible side of organization. They note that organizational culture can affect the success or failure rates of the organizations (Vaitkūnaitė 2006). In this regard; it is admitted that organizational culture plays an essential role in understanding organizations and it has been described as one of the most powerful and stable forces operating in organiza-
tions (Lamond 2003). Besides, it has been understood that organizational culture can be managed and linked to various measures of organizational performance and success (for reviews, see Cameron and Ettington 1988; Denison 1990; Trice and Beyer 1993; Kozlowski et al. 1993; Bluedorn and Lundgren 1993). Furthermore, the organizational culture provides the framework to implement and operationalize business strategies (Igo, Skitmore 2006).

It is observed that successful companies such as Coca Cola, Disney, General Electrics, Microsoft, Sony, and Toyota have gained competitive advantage via their organizational cultures. The sustainability of their success is related with their distinctive cultures rather than their financial capabilities (Cameron, Quinn 1999). Influential research by Collins and Porras in 1997 on 18 visionary companies that had been leaders in their industries showed that their success was due to focusing on non-economic values and an empowering culture. They actually outperformed their competitors (Korac-Kakabadse 2002). According to Lebow and Simon (1997), “the primary human motivator comes from values. Values do not have to be sold to people, because all of us already have them deeply embedded.” By focusing on building a strong culture, and transforming the perceived culture into a preferred one, the leader can create a successful company. Organizational culture is, however, known to be hard to change successfully (Bresnen, Marshall 2000).

In this context; it is aimed to diagnose the culture of a pharmaceutical company and find out the perceived and preferred cultural profiles regarding the headquarters and branches of the company. Furthermore; it is aimed to discuss reasons lying behind the differences between “perceived” and “preferred” organizational culture as it is important for the success of the organization. When there is a match between the perceived and preferred organizational culture, it can be said that person-organization fit exists which would lead to higher organizational performance. Higher organizational performance is the outcome or result as well as the indicator of effort and achievement such as productivity, customer satisfaction, profit, and quality (Burke, Litwin 1992).

2. Organizational Culture

The concept of organizational culture has its roots in cultural anthropology and was alluded to as early as the Hawthorne Studies in the 1920’s (Tang et al. 2000). The term has gained more importance when Japanese companies have scored over U.S. companies due to their distinctive cultures (Ouchi and Wilkins 1985). In this context, the studies regarding the concept “organizational culture” and its measurement have gained momentum in 1980’s and 1990’s. The term has entered U.S. academic literature with an article in Administrative Science Quarterly by Pettigrew in 1979 (On Studying Organizational Cultures) and gained more popularity with the book named “In Search for Excellence” by Peters and Waterman (Hofstede et al. 1990).

Although there are many definitions of culture, organizational culture has been viewed as holistic, historically determined, and socially constructed. Culture involves beliefs and behaviors, exists at a various levels, and manifests itself in a wide range of features of organizational life (Hofstede et al. 1990).
As Lewis (1998) points out, many authors have used the concept of organizational culture without properly defining it. It has, for instance, been confused with strategy, with propaganda and with managers’ dictates. Yet this does not mean that we cannot give clear meaning to the concept (Hofstede 2000). Besides; it has been confused with the term “organizational climate”. Culture is an enduring, slow to change core attribute of organizations whereas climate, because it is based on attitudes, can change quickly and dramatically. Furthermore; culture refers to implicit, often indiscernible aspects of organizations whereas climate refers to more overt, observable attributes of organizations (Cameron and Quinn 1999: 134).

One of the most popular definitions of culture is Schein (1997: 12)’s definition regarding the term. In this regard; culture is defined as a pattern of shared basic assumptions that the group learned 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. As such, organizational culture refers to a set of shared values, beliefs, assumptions, and practices that shape and guide members’ attitudes and behaviors in the organization (Davis 1984; Denison 1990; Kotter, Heskett 1992; Wilson 2001; Rashid et al. 2004).

Goffee and Jones (1996) interpret the meaning of organizational culture in terms of the “community” of the organization and particularly in terms of how people relate to one another. The latter implies that the culture of the organization can be viewed through a lens of sociology, which results in the two distinct human relations: sociability and solidarity. Sociability refers to the sincere friendliness among the members of the organizational community, whilst solidarity refers to the ability of the members of the organization to pursue shared objectives effectively.

For Hofstede (2000), organizational culture is that which distinguishes the members of one organization from other people. An organization that is able to maintain a positive culture is likely to enjoy many benefits. When organization members identify with the culture, the work environment tends to be more enjoyable, which boosts morale. This leads to increased levels of teamwork, sharing of information, and openness to new ideas (Goffee, Jones 1996). Besides, an increasing body of evidence supports a linkage between an organization’s culture and its performance. The companies, which put emphasis in key managerial components, such as customers, stakeholders and employees, and leadership, outperform those that do not have these cultural characteristics (Kotter, Heskett 1992; Wagner, Spencer 1996).

Most of the academicians and practitioners believe that the sharing of organizational culture leads to organizational change, positive organizational image, organizational commitment and implication of strategies effectively (Deal, Kennedy 1982; Kotter, Heskett 1992; Wilkins, Ouchi 1983; Singh 2007). Organizational processes and dynamics such as organizational learning, restructuring, openness to change, innovation and leadership takes shape within the context of organizational culture (Goffee and Jones 1996). Thus, managers speak of developing the “right kind of culture” or a “culture of quality” suggesting that the “right” kind of culture will influence how effective organizations are (Schein 1997). In this regard, diagnosing the perceived culture will play a significant role in forming the right and preferred organizational culture.
2.1. Competing Values Framework

While multiple conceptualizations of organizational culture can be found in the literature, the competing values framework has been adopted in this study. Before discussing this framework, other conceptualizations, cultural types and classifications should be also mentioned.

Harrison (1972) classified organizational cultures using the degree of formalization and centralization as criteria (Lim 1995). Handy (1976) described culture types based on power distribution – the power or club culture, the role culture, the task culture and the people or existential culture.

Deal and Kennedy (1982) defined corporate culture by values, heroes, rites and rituals, and the communication networks. They classified organizational culture types based on management into four categories: toughguy/macho culture; work hard/play hard culture; bet-your-company; and process culture.

Hofstede (1983) posited that a culture could be classified by comparing the degree of individualism versus collectivism, the apparent power-distance metric, tendency towards uncertainty avoidance and the bias between masculinity and femininity.

Ernest (1985) has highlighted that human orientation and response to environment are the main dimensions of organizational culture. Kets de Vries and Miller (1986) based their classification on dysfunctional dimensions of culture including paranoid, avoidant, charismatic, bureaucratic and politicized dimensions (Cameron, Quinn 1999). Graves (1986) discriminated between cultures based on the levels of bureaucracy and managerial-ego drive. Parry and Proctor-Thomson (2003) classified organizational culture types based on approach to change into two categories: transformational culture and transactional culture.

Quinn (1988) characterised organizations as complex, dynamic, and contradictory systems in which managers must fulfil many competing expectations. In this regard; Cameron and Quinn (1999) have developed an organizational culture framework built upon a theoretical model called the “Competing Values Framework” more recently. Within the context of this framework they proposed a classification comprising the four forms for culture: Clan, Hierarchy, Market and Adhocracy. These cultures vary along two dimensions in terms of the extent to which they favour flexibility over control, and an internal focus over an external focus (Quinn 1988) and are briefly described below in Fig. 1.

It can be said that the transaction cost approach provides the basis for Cameron and Quinn’s cultural profiles. This approach allows us to identify the conditions which give rise to the costs of mediating exchanges between individuals: goal incongruence and performance ambiguity. Different combinations of these causes distinguish three basic mechanisms of mediation or control: markets, which are efficient when performance ambiguity is low and goal incongruence is high; bureaucracies, which are efficient when both goal incongruence and performance ambiguity are moderately high; and clans, which are efficient when goal incongruence is low and performance ambiguity is high (Ouchi 1980).
Before exploring these cultural profiles in details, it is necessary to briefly explain the basis for their development and definition. Quinn and Rohrbaugh (1983) developed the Competing Values Framework from thirty-nine indices measuring organizational effectiveness identified through a major review of the literature. Two major dimensions and four main clusters emerged after the thirty-nine indicators were submitted to a statistical multivariate ordering process. Through the use of multidimensional scaling, the most prominent criteria were located graphically on a three-dimensional spatial model, resulting in dimensions of organizational effectiveness that form the basis for the four cultural types.

The first dimension of organizational effectiveness distinguishes criteria that stress flexibility, discretion, and dynamism from criteria that emphasize stability, order, and control. The second dimension discriminates between criteria that emphasize an internal orientation, integration, and unity from criteria that highlight an external orientation, differentiation, and rivalry. The third dimension is reflective of the means-ends continuum that represents the contrast between organizational concerns for ends versus concerns for means (Cameron, Quinn 1999).

Based on these three dimensions, Cameron and Quinn (1999) generated an “Organizational Culture Assessment Instrument” which is used to identify the preferred and perceived culture profile based on core values, assumptions, interpretations, and approaches that characterize organizations. The original culture questionnaire developed is a six-item ipsative measure, the items being related to dominant characteristics, organizational leader, organizational “glue”, organizational climate, criteria of success and management style.

2.1.1. Hierarchy Culture

Hierarchy culture focuses on internal maintenance and strives for stability and control through clear task setting and enforcement of strict rules. Thus, it tends to adopt a formal approach to relationships where leaders are good coordinators and organizers.
This type of culture focuses on economy, standardized rules and operations, control and accountability mechanisms, formality, rationality, order and obedience (Igo, Skitmore 2006; Cameron, Quinn 1999).

The low risk, slow feedback (process) culture identified by Deal and Kennedy (1982) consists of banks, insurance firms, financial-service firms, government agencies, utilities and has similar characteristics with hierarchy culture profile.

2.1.2. Clan Culture

Clan culture puts an emphasis on internal maintenance with flexibility, concern for people, and sensitivity for customers. It focuses on human relations and adopts flexible operation procedures by taking internal relationships into consideration. Organization with a clan culture is like an extended family where leaders are thought of as mentors and loyalty holds the organization together (Igo and Skitmore 2006). Instead of rules and procedures of hierarchies or the competitive profit centers of markets, typical characteristics of clan-type firms are teamwork, employee involvement programs and corporate commitment to employees (Cameron, Quinn 1999).

Ouchi, Jaeger (1978) and Ouchi, Johnson (1978) have reported on modern industrial organizations which closely resemble clan form. In these organizations, various social mechanisms reduce differences between individual and organizational goals and produce a strong sense of community (Ouchi 1980).

2.1.3. Adhocracy Culture

Adhocracy culture concentrates on external positioning with a high degree of flexibility and individuality that is supported by an open system promoting the willingness to act. It is a dynamic, entrepreneurial and creative place to work where people stick their necks out and take risks. Leaders are visionary and innovative and success means producing unique and original products and services. The glue that holds the organization together is creativity, experimentation, risk, autonomy and responsiveness (Igo, Skitmore 2006; Cameron, Quinn 1999). The organization with an adhocracy culture predominantly put long-term emphasis on growth and acquiring new resources and encourages individual initiative and freedom (Cameron, Quinn 1999).

2.1.4. Market Culture

Market culture works towards clear and rational goals that are achieved through high productivity and economical operation. Such cultural profiles tend to be result-oriented and its members value competitiveness, diligence, perfectionism, aggressiveness and personal initiative. The leaders are tough, demanding, hard drivers, producers and competitors (Cameron, Quinn 1999). The term market should not to be confused with the marketing function or with customers in the market place. It represents an emphasis on transactions with external bodies such as suppliers and customers rather than internal affairs. The glue that holds the organization together is the emphasis on winning, competitive pricing and market leadership (Igo, Skitmore 2006; Cameron, Quinn 1999).
3. Methodology

3.1. Sample and Procedures

The respondents were 205 employees from an organization operating at pharmaceutical industry. The organization had 393 employees in total. In this regard, the response rate was 52.2%. The organization’s headquarters was located in Izmir (The third biggest city of Turkey). 145 respondents were working in Izmir. Other respondents were working at different branches located in four different cities. 21 of the respondents were from “Aydin”, 18 of them were from “Mugla”, 10 of them were from “Manisa” and 11 were from “Afyon”.

When demographic variables are analyzed, it is seen that 87 of the respondents have graduated from high school whereas 52 respondents have bachelor’s degree. 48 of the respondents are graduates of primary school whereas 18 of them did not answer the question. 314 of the employees were male whereas 79 of them were female. In this context, 80% of the respondents were male and 20% of them were female. The reasons lying behind the low proportion of women as respondents and workforce can be related with the “patriarchal” structure of Turkish society. However, the participation of women to work life has increased enormously nowadays with the increase in consciousness regarding the importance of women in social life and the success stories of women entrepreneurs. Integration to European Union policies can be another driving force in the changing profile of Turkish workforce. Besides, it is seen that approximately 68% of the sample is well educated. For the whole sample, 184 participants answered the question regarding age and 167 of them were between the age of 25 and 35. It can be said that the sample is quite young. Besides; the question regarding “being member of a union” was also asked. 127 respondents were members of a union, whereas 45 were not. 33 respondents did not answer that question.

3.2. Data Collection

The questionnaires were distributed face to face in order to increase the response rate. Before distributing the questionnaires, short information was given to each respondent regarding the parts in the questionnaire. The completed questionnaires were collected from each participant within a closed envelope to ensure that the answers would be kept secret.

3.2.1. Questionnaire and Measures

The questionnaire consists of two parts. In the first part; questions regarding organizational cultural profiles are seen whereas in the second part; questions regarding socio-demographic variables are seen.

Independent variables: Measures on three demographic variables (age, education level, union membership) were taken as independent variables.

Organizational Culture Assessment Instrument: There are differences in terms of the potential of the instruments to explore the deeper manifestations of culture. All of them
examine employee perceptions and opinions about their working environment but only a few, such as the Competing Values Framework examine the values and beliefs that inform those views (Scott et al. 2003). Thus, OCAI developed by Cameron and Quinn (1999), which is based on Competing Values Framework, was used to diagnose the perceived and preferred organizational culture. The entire questionnaire was translated from English to Turkish by a Turkish professor whose interest area is organizational culture. The translated version was then back-translated to English by a Turkish employee with work experience and MBA graduate degree. The two translators then met to resolve the discrepancies. The final Turkish survey was then given to two bilingual academicians who answered both the English and the Turkish versions of the survey and inspected the content equivalence of items and they agreed upon the final version of the questionairre.

3.2.2. Results

The correlations regarding organizational culture profiles: When the data are analyzed, it is seen that perceived clan culture is negatively related to perceived market culture \((r = -0.47)\). Besides there is a negative relationship between perceived clan culture and preferred market culture \((r = -0.22)\). The negative relationship also exists between perceived clan and hierarchy; perceived clan and preferred hierarchy; preferred clan and hierarchy as seen in Table 1 and Fig. 2.

Means and standard deviations regarding perceived and preferred culture profiles: When the results obtained from the survey are analyzed, it is seen that clan culture has the highest mean score as a preferred cultural profile \((X = 31.52)\) whereas market culture has the lowest score as a preferred cultural profile \((X = 19.02)\). Hierarchy cultural profile has the highest mean as perceived cultural profile as seen in Table 2, and Fig. 2. In this regard; the mismatch between perceived and preferred cultural profiles are discussed in “discussion” part.

<table>
<thead>
<tr>
<th>Culture Profiles</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Clan (Perceived)</td>
<td>–</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Clan (Preferred)</td>
<td>.53**</td>
<td>–</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3. Adhocrasi (Perceived)</td>
<td>15**</td>
<td>–.01</td>
<td>–</td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>4. Adhocrasi (Preferred)</td>
<td>–.08</td>
<td>–.12</td>
<td>.00</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Market (Perceived)</td>
<td>–.47**</td>
<td>–.02</td>
<td>–.30</td>
<td>.08</td>
<td>–</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Market (Preferred)</td>
<td>–.22**</td>
<td>–.55**</td>
<td>.15**</td>
<td>–.12</td>
<td>.14</td>
<td>–</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Hierarchy (Perceived)</td>
<td>.42**</td>
<td>–.29**</td>
<td>–.57**</td>
<td>.04</td>
<td>.25**</td>
<td>–.11</td>
<td>–</td>
<td></td>
</tr>
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<td>8. Hierarchy (Preferred)</td>
<td>–.22**</td>
<td>–.33**</td>
<td>–.05</td>
<td>–.42</td>
<td>–.16**</td>
<td>–.19**</td>
<td>.28**</td>
<td>–</td>
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</tbody>
</table>
The perceived and preferred cultural differences between the organization’s headquarters and branches: An independent-samples t-test was conducted to evaluate the effect of locational differences between the headquarters of the organization and its branches regarding cultural profiles. It is found out that there are differences between headquarters of the organization and other branches on “perceived” clan, adhocracy and hierarchy culture profiles.

In the branches of the organization, perceived clan culture is more dominant ($\bar{X} = 29.94$) when compared to headquarters of the organization ($\bar{X} = 27.00$). The reason for such a finding can be related with the number of employees. In the headquarters of the organization there are a lot of employees whereas the number is limited in branches. In this regard, there can be a family like atmosphere based on close relationships due to less number of people in branches [$t(193) = –2.3; p < 0.05$]. Besides, adhocracy culture profile is more dominant in the branches of the organization when compared to headquarters [$t (194) = –2.21, p < 0.05$].

Perceived hierarchy culture profile is higher ($\bar{X} = 29.47$) in the headquarters of the organization when compared to branches ($\bar{X} = 24.69$) as seen in Table 3, and Fig. 3. The reason for such a finding can be related with the fact that in the headquarters the rules are clearer and applied strictly as the top level management is located there [$t(194) = 3.1, p < 0.05$].

Table 2. Means and standard deviations

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Means</th>
<th>SD</th>
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<tbody>
<tr>
<td>Clan (Perceived)</td>
<td>195</td>
<td>27.82</td>
<td>7.84</td>
</tr>
<tr>
<td>Clan (Preferred)</td>
<td>195</td>
<td>31.52</td>
<td>8.77</td>
</tr>
<tr>
<td>Adhocrasi (Perceived)</td>
<td>196</td>
<td>21.35</td>
<td>7.37</td>
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<td>Adhocrasi (Preferred)</td>
<td>196</td>
<td>23.31</td>
<td>6.53</td>
</tr>
<tr>
<td>Market (Perceived)</td>
<td>196</td>
<td>22.82</td>
<td>9.66</td>
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<td>19.02</td>
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<tr>
<td>Hierarchy (Perceived)</td>
<td>196</td>
<td>28.15</td>
<td>9.84</td>
</tr>
<tr>
<td>Hierarchy (Preferred)</td>
<td>196</td>
<td>26.49</td>
<td>10.54</td>
</tr>
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</table>
The effects of “education level” and “union membership” on organizational culture profiles: The relationship between socio-demographic variables and cultural profiles were also analyzed via Independent Samples t-test and ANOVA. The data has been analysed via ANOVA to find out whether there is a difference in cultural profiles due to education level. There was only difference in preferred market culture regarding education levels \(F(2.177) = 9.188; p < 0.05\). To find out the source of difference, Sheffe test was conducted. Thus; the difference was found between graduates of primary school \((X = 20.71)\) and graduates of university \((X = 15.77)\). It is seen that graduates of primary school prefer market culture more when compared to gradu-
ates of university. Besides, graduates of high school also prefer market culture ($\bar{X} = 19.78$) more when compared to graduates of university ($\bar{X} = 15.77$). These results are seen in Fig. 4 and Table 4.

An independent-samples t-test was conducted to determine whether there were differences in the perceived and preferred cultural profile of the organization due to union membership. It is found out that there are only differences in preferred market culture due to union membership [t(164) = –2.70; p < 0.05]. As seen in Table 5 and, Fig. 5, the employees who are members of a union ($\bar{X} = 19.52$) prefer market culture more when compared to employees who have no union membership ($\bar{X} = 16.55$).

**Table 4.** Means, standard deviations, t and $p$ values of culture profiles due to education level

<table>
<thead>
<tr>
<th>Culture Profiles</th>
<th>N</th>
<th>Primary X</th>
<th>SD</th>
<th>High School X</th>
<th>SD</th>
<th>University X</th>
<th>SD</th>
<th>F</th>
<th>p</th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Primar.-High-Uni.</td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>C</td>
<td></td>
<td>Perceived</td>
<td>46</td>
<td>83</td>
<td>51</td>
<td>26.97</td>
<td>7.80</td>
<td>27.52</td>
<td>8.57</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Preferred</td>
<td>46</td>
<td>83</td>
<td>50</td>
<td>30.98</td>
<td>9.63</td>
<td>31.51</td>
<td>8.35</td>
</tr>
<tr>
<td>A</td>
<td></td>
<td>Perceived</td>
<td>47</td>
<td>82</td>
<td>51</td>
<td>22.52</td>
<td>7.15</td>
<td>21.31</td>
<td>6.46</td>
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<td></td>
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<td>Preferred</td>
<td>46</td>
<td>83</td>
<td>51</td>
<td>21.91</td>
<td>5.87</td>
<td>23.05</td>
<td>5.65</td>
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<tr>
<td>M</td>
<td></td>
<td>Perceived</td>
<td>47</td>
<td>82</td>
<td>51</td>
<td>23.64</td>
<td>7.30</td>
<td>22.94</td>
<td>19.78</td>
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<td></td>
<td></td>
<td>Preferred</td>
<td>46</td>
<td>83</td>
<td>51</td>
<td>20.71</td>
<td>6.89</td>
<td>28.14</td>
<td>9.95</td>
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<td>H</td>
<td></td>
<td>Perceived</td>
<td>47</td>
<td>82</td>
<td>51</td>
<td>26.92</td>
<td>10.03</td>
<td>28.14</td>
<td>9.95</td>
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<td></td>
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<td>Preferred</td>
<td>46</td>
<td>83</td>
<td>51</td>
<td>26.55</td>
<td>9.47</td>
<td>25.80</td>
<td>8.31</td>
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</table>

**Fig. 4.** Cultural profile of graduates of primary school and university in headquarters
The goal of this research was to address the importance of organizational culture and diagnose the perceived and preferred cultural profiles of a pharmaceutical company. The company, which was chosen within the context of this study, is a “leading” one in the pharmaceutical industry. It is the member of “Association of All Pharmacists Cooperatives”. In this context, the company has the chance of following up all the actions and developments in the global and Turkish pharmaceutical industry. Besides, through its strategy of “spreading out nation wide” it has increased the number of its branches. Thus, it gives service to cities at different regions of Turkey. It also performs many campaigns for protecting the human and environment health and shapes the policies.

### Table 5. The effect of union membership on organizational cultural profiles (*p* < 0.05)

<table>
<thead>
<tr>
<th>Culture Profiles</th>
<th>N Yes No</th>
<th>Yes (\bar{X}) SD</th>
<th>No (\bar{X}) SD</th>
<th>t</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>C. Perceived</td>
<td>121 45</td>
<td>27.59 8.45</td>
<td>28.00 6.20</td>
<td>-.34</td>
<td>.73</td>
</tr>
<tr>
<td>Preferred</td>
<td>121 44</td>
<td>31.42 8.77</td>
<td>31.98 7.54</td>
<td>-.38</td>
<td>.70</td>
</tr>
<tr>
<td>A. Perceived</td>
<td>121 45</td>
<td>21.37 6.66</td>
<td>20.52 7.38</td>
<td>.71</td>
<td>.48</td>
</tr>
<tr>
<td>Preferred</td>
<td>121 45</td>
<td>23.20 6.10</td>
<td>23.94 6.35</td>
<td>-.69</td>
<td>.49</td>
</tr>
<tr>
<td>M. Perceived</td>
<td>121 45</td>
<td>23.22 8.94</td>
<td>22.01 11.01</td>
<td>.72</td>
<td>.47</td>
</tr>
<tr>
<td>Preferred</td>
<td>121 45</td>
<td>19.52 6.39</td>
<td>16.55 6.06</td>
<td>2.70</td>
<td>.01*</td>
</tr>
<tr>
<td>H. Perceived</td>
<td>121 45</td>
<td>27.86 9.96</td>
<td>29.52 8.16</td>
<td>-1.00</td>
<td>.32</td>
</tr>
<tr>
<td>Preferred</td>
<td>121 45</td>
<td>26.59 11.70</td>
<td>27.10 7.57</td>
<td>-.27</td>
<td>.78</td>
</tr>
</tbody>
</table>

![Figure 5. Cultural profiles of the employees according to their union membership](image)

4. Discussion

The goal of this research was to address the importance of organizational culture and diagnose the perceived and preferred cultural profiles of a pharmaceutical company. The company, which was chosen within the context of this study, is a “leading” one in pharmaceutical industry. It is the member of “Association of All Pharmacists Cooperatives”. In this context, the company has the chance of following up all the actions and developments in the global and Turkish pharmaceutical industry. Besides, through its strategy of “spreading out nation wide” it has increased the number of its branches. Thus, it gives service to cities at different regions of Turkey. It also performs many campaigns for protecting the human and environment health and shapes the policies.
of its competitors via its pioneering position. Regarding to these characteristics of the company, it can be said that the conclusions gained by the analysis of this company can be taken as a reference point to understand the Turkish pharmaceutical industry.

While much research has focused on diagnosing the organizational culture of firms, it is seen that there are limited number of research taking Turkish context into consideration. Besides, in most of the studies; the differences between “perceived” and “preferred” organizational culture and the reasons lying behind this mismatch have not been discussed.

Furthermore, it is aimed to discuss the extent of person-organization fit by taking the degree of overlap regarding perceived and preferred cultural profiles into consideration. In the headquarters of the organization, hierarchy culture has the highest score as perceived cultural profile. Clan and market culture have the second and third highest scores, respectively whereas adhocracy culture has the lowest score. However, it is expected to observe adhocracy culture predominantly in organizations operating at pharmaceutical industry. As mentioned before; adhocracy cultures are characterized by developing new products, innovative and pioneering initiatives, creativity, entrepreneurship and adaptability, which are the properties mostly expected from pharmaceutical companies. These characteristics are also needed due to the dynamic nature of pharmaceutical industry. When the preferred cultural profiles are analyzed, it is found out that clan culture is preferred predominantly in the headquarters of the organization.

The effects of national culture on organizations can explain the reasons underlying such results. Turkish culture has high scores in collectivism dimension. Thus; the relationships in such a cultural context is generally close and family-type. Responsibility and loyalty are important characteristics in such cultures, which are also essential for clan culture. According to collectivists, relationships have a normative dimension, whereas individualists put emphasis on operational dimension of relationships (Hofstede et al. 1990; Bodur and Kabasakal 2002).

Paternalism is another important cultural dimension, which should be taken into account to discuss the dominance of clan culture as preferred. It indicates that managers attempt to promote workers’ personal welfare (Pasa et al. 2001). In a cross-cultural study involving 10 nations, Turkey scored very high on paternalistic values (Aycan et al. 2000). This might be due to the Turkish family structure, where members are expected to comply with the decisions and directions of the father without question. In paternalistic cultures, people in authority assume the role of parents and consider it an obligation to provide protection to others under their care. Subordinates, in turn, reciprocate such care and protection of the paternal authority by showing loyalty, difference, and compliance (Pellegrini, Scandura 2006). These characteristics associate with clan cultural context in which leaders are thought as mentors and parent figures.

Another dimension identified by Hofstede (1980) is masculinity, which is also referred to as assertiveness (House et al. 1999) and it focuses on emotional involvement with others. Turkey is low on assertiveness (Hofstede 1980; House et al. 1999). This might explain why Turkish managers try to build intimate relationships and avoid conflicting situations with their subordinates. It is important for Turkish managers that subordinates have
positive feelings toward them, reflecting what Hofstede refers to as a feminine culture (Sargut 2001). These characteristics also associate with clan culture’s emphasis on commitment, internal and friendly climate and concern for people (Cameron, Quinn 1999).

The Turkish cultural system is also classified as being high on power distance, which is associated with manager authoritarianism (Erdoğan and Liden 2006) and uncertainty avoidance (Hofstede 1980; House et al. 1999). In Turkey, organization charts resemble a pyramid-like structure, and there is almost no formal horizontal communication among employees (Sargut 2001). In these systems, uncertainty is reduced through high-power distance, and each member accepts authority without question. This uncertainty avoidance reflects the organization, as the boss’ directives are accepted without question (Sargut 2001; Pellegrini and Scandura 2006). These national cultural characteristics can be the reason for the hierarchy cultures’ dominance in the headquarters.

A study conducted by Soylu (2004) regarding to diagnose the cultural profile of a telecommunication company has the similar results with our study. Hierarchy culture has the highest scores as perceived profile whereas clan culture was found as the most preferred cultural profile.

As mentioned before adhocracy culture has the lowest score as perceived cultural profile. The reason underlying that result can be explained by another cultural dimension referred to as long-term orientation (Bond 1988; Schwartz 1994). This dimension was later added as a fifth dimension of national culture (Hofstede and Bond 1988) and refers to the fostering of values oriented toward future rewards, and perseverance and thrift in particular. Its opposite pole, short-term orientation, refers to fostering of values related to the past and present, specifically respect for tradition and the fulfillment of social obligations (Hofstede 2001). Kabasakal and Bodur (2007) report that Turkey is also below the world average on a similar dimension called as future orientation. Future orientation is the extent to which the society encourages and rewards future-oriented behaviors, such as delaying gratification, planning, and investing in the future (Pellegrini, Scandura 2006) which are also significant characteristics of adhocracy culture.

The relationships between cultural profiles have also been analyzed. It is found out that there is a negative relationship between perceived clan and perceived hierarchy cultures and the correlation is statistically significant ($r = -0.42$, $p < 0.01$). The similar results are also found for the preferred cultural profiles. The reasons underlying such results can be explained by taking the contradictory values and characteristics of hierarchy and clan culture into consideration. These findings match up with the previous studies conducted in Turkey regarding organizational culture. In a study conducted by Soylu (2004) in telecommunication sector perceived clan and perceived hierarchy cultures were found to be negatively related ($r = -0.66$, $p < 0.05$). Besides, in another study conducted by İscan and Timuroğlu it was found out that there is a negative relationship between perceived clan and perceived hierarchy cultures and the correlation is statistically significant ($r = -0.50$, $p < 0.05$).

The effects of socio-demographic variables on the perceived and preferred cultural profiles have also been analyzed. It is an important finding to detect that graduates of
primary school prefer market culture more when compared to graduates of university. The group of people who are not well educated or graduates of primary school think that their administrators, supervisors or employers are the major source for their survival (job, salary) in Turkish culture. As a result of this mentality; they tend to dignify and appropriate their employers by working hard for the welfare of the employers and the company instead of caring for their own interests. Such employees struggle for the competitiveness and the profitability of the company, which are essential for market culture. However, the graduates of university who have the chance of integrating to modern industrial society due to their education level have a different perspective regarding work. They think that they are the major source for the sustainability and competitiveness of the company due to their skills and disapprove of working towards the goals and targets of the company at a venture. However, they care about their own interests and conditions too.

It is another important finding to detect that employees who are members of a union prefer market culture more when compared to employees who have no union membership. An organization with a market culture predominantly should be competitive and focus on winning in order to survive leading to great pressure on employees to meet the hard-driving targets. If such an organization is monopol, then there would not be any competitors around and alternatives for the employees to earn their living. In this regard; the members of a union can prefer market culture, as they would feel more secure in any case.

5. Study limitations and future research directions

There are some limitations of the study that should be mentioned. Although top managers are the best individuals in an organization to assess an organization’s culture (Cameron, Freeman 1991), the most difficult but the most effective method in assessing culture would be best accomplished by surveying all members of the organization. In this regard; due to the high level of response rate it would be better to survey all employees. Another limitation of the study is the restriction in generalizability due to industrial differences. Besides; the use of questionnaire followed by series of interviews might better capture individuals’ perceptions toward organizational culture due to the dynamic and holistic nature of it.

Despite its potential limitations, this study offers an important contribution to the international management literature as it has diagnosed the organizational culture of a Turkish company by taking the national cultural dimensions into consideration. As future research direction; it highlights the need of a cross-cultural comparison among different countries, and an investigation of the effects of cultural profiles of the organizational members on organizational culture. Besides, future research is needed to identify the effects of other variables on culture, as they would help expand our current understanding of “how” and “why” an organization’s culture can be transformed from perceived one into preferred one.
6. Conclusions

The main purpose of this study was to diagnose the culture of a pharmaceutical company and find out the perceived and preferred cultural profiles regarding the headquarters and branches of the company. A quantitative approach was employed as we think that survey instrument actually report *underlying values* and *assumptions* (culture), not just superficial attitudes or perceptions (climate). Respondents may be unaware of essential attributes of culture until the scenarios and statements on the questionnaire cue them. Numerous well-known studies of organizational culture have used this approach, such as Ouchi and Johnson (1978), O’Reilly (1983), Denison (1990), Cameron and Freeman (1991), and it is the one represented by the competing values approach to culture assessment. In this regard; the cultural profiles were diagnosed by OCAI and the reasons lying behind the differences between “perceived” and “preferred” culture has been discussed as diagnosing the perceived culture will play a significant role in forming the right and preferred organizational culture.

The perceived organizational culture profile has been found as hierarchy whereas the preferred cultural profile is clan. When there is a match between the perceived and preferred organizational culture, it can be said that person-organization fit exists which would lead to higher organizational performance. Thus, to develop the “right kind of culture” the hierarchy culture should be transformed into clan culture. By this way, the conflicts due to value incongruence can be eliminated. Besides, the socialization process should be reviewed in order to increase person-organization fit. Furthermore, national culture has influential effects on shaping the organizational cultural profiles. Due to collectivist, paternalistic, feminine, high risk avoidance, short-term oriented and high power distance nature of Turkish culture, the employees tend to prefer clan cultural profile more in work life. However, this tendency may change due to the nature of work and industry.

Finally, it is important to diagnose the cultural profile of the organizations as all managerial and work life dynamics are shaped within the context of cultural setting. When the culture is diagnosed effectively, the level of person-organization fit can be uncovered. Besides, the problems leading to conflicts and misunderstandings among employees and employers can be also explored. As creating a strong culture is essential for the success and competitiveness of companies, the weakest links can be identified and special socialization mechanisms can be put into practice.
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**C. Demir et al. Diagnosing the organizational culture of a Turkish pharmaceutical company based …**

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**TURKIJOΣ FARMACIJOΣ KOMPANIJŲ ORGANIZACINĖS KULTŪROS VERTINIMAS, PAGRĮSTAS KONKURENCIJOS VERTINIMO SISTEMA**

C. Demir, N. A. Ayyildiz Unnu, E. Erturk

Santrauka


Reikšminiai žodžiai: organizacijos kultūra, konkurencingumo vertinimo sistema, turkų kultūra.

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