

# **THE RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND ORGANIZATIONAL EFFECTIVENESS: CASE STUDY OF CONTRACTORS IN THAILAND**

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# OUTLINES

- INTRODUCTION
- LITERATURE REVIEW
- RESEARCH METHODOLOGY
- DATA ANALYSIS AND DISCUSSION
- CONCLUSIONS AND  
RECOMMENDATIONS

# INTRODUCTION

# BACKGROUND

- Culture is very **important** to achieve organizational success
- It is **key ingredient** that differentiates successful firms from the other firms
- The **major distinguishing feature** in companies, the most powerful factor, and the most important competitive advantage in gaining success (Cameron and Quinn, 1999).
- Many researchers have studied the effect of organizational culture on organizational effectiveness in the Western context: organizational culture can **determine the level of effectiveness** of an organization through its **strength** and **type**.

# PROBLEM STATEMENT

- Due to recent economic growth, there are many **obstacles and uncertainties** resulting from the changing environment (Liu and Zhang, 2003)
- There is **poor performance and low effectiveness** in **construction quality** and many problems are being faced on improvements to organizations (Liu and Zhang, 2003)
- Organizations **lack means of assessing their own characteristics** (Maloney and Federle, 1993)

# OBJECTIVE

The study concerns examination of the organizational culture profile of representative contractors in Bangkok and assessing the relationship between culture and effectiveness.

- **Assess and construct** the organizational **culture profile** by classifying construction firms into groups.
- **Investigate the relationship** between **cultural** characteristic and organizational **effectiveness**.
- Make **recommendations** regarding organizational culture to assist construction organizations in identifying their culture in order to improve performance and effectiveness.

# SCOPE OF STUDY

- Focus:

**Contractors in** construction business (building and general contractors)

- Area:

Located in **Bangkok** Metropolis

- Target respondents:

**1 manager & 2 engineers** per company

- Manager who has worked for at least

**5 years** in the particular company

- Engineer with at least **1 year** work experience

# THE LITERATURE



# ORGANIZATIONAL CULTURE (1)

- The **definition**:  
a pattern of **values, beliefs, basic assumptions** which are shared by **individuals or groups** in an organization and this pattern produce norms that shape the **behavior and attitude** of people within the organization
- The **functions** of organizational culture:
  - Conflict reduction
  - Coordination and control
  - Reduction of uncertainty
  - Motivation
  - Competitive advantage

# ORGANIZATIONAL EFFECTIVENESS (1)

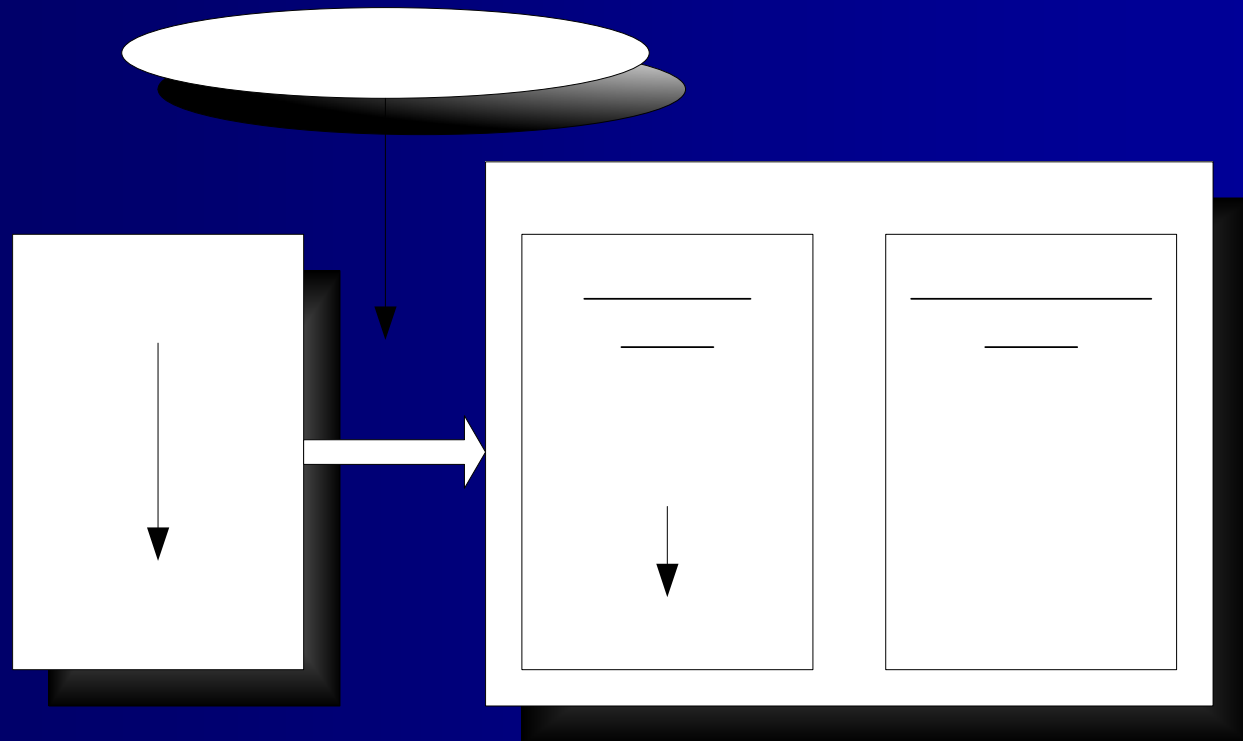
- Organizational effectiveness can be **defined** as the degree to which an organization realizes its multiple goals.
- Peter Drucker suggested that effectiveness is “doing the right things” (Plante, 1999).

# ORGANIZATIONAL EFFECTIVENESS (2)

Various **approaches** to measure OE (Plante, 1999):

1. Goal Approach  
Identifying an organization's output goals
2. System-Resource Approach  
Obtaining resource inputs and maintaining the organizational system to be effective.
3. Internal Process Approach  
Observing the internal activities of the organization.
4. Stakeholder Approach  
Focusing on the stakeholders who define effectiveness according to his/her own needs and priorities.
5. Competing Values Approach by Quinn  
Based on certain values and competencies

# OC - OE LINKAGE FRAMEWORK

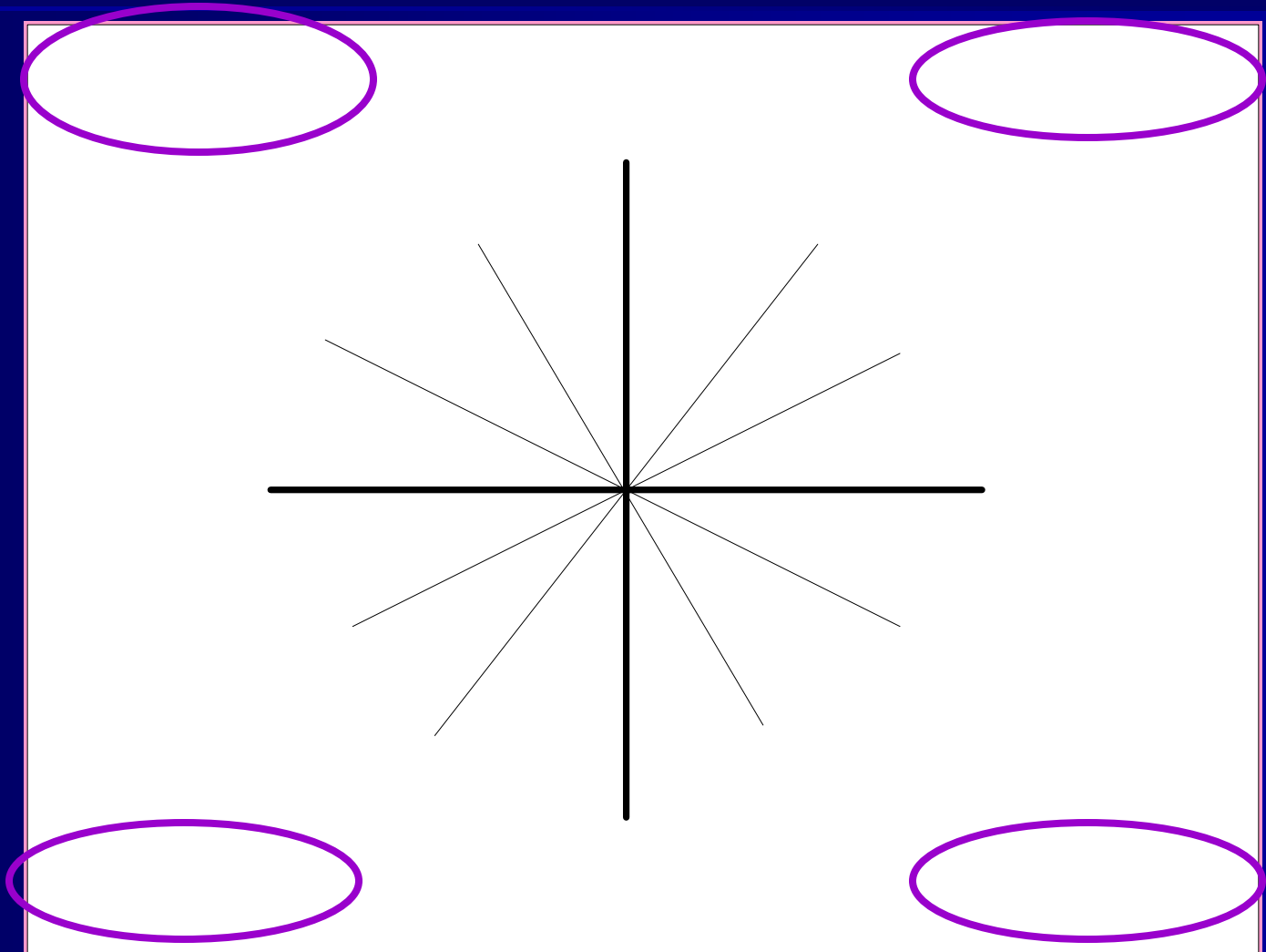


Performance and Effectiveness Outcome

The organizational or macro level of outcome effectiveness

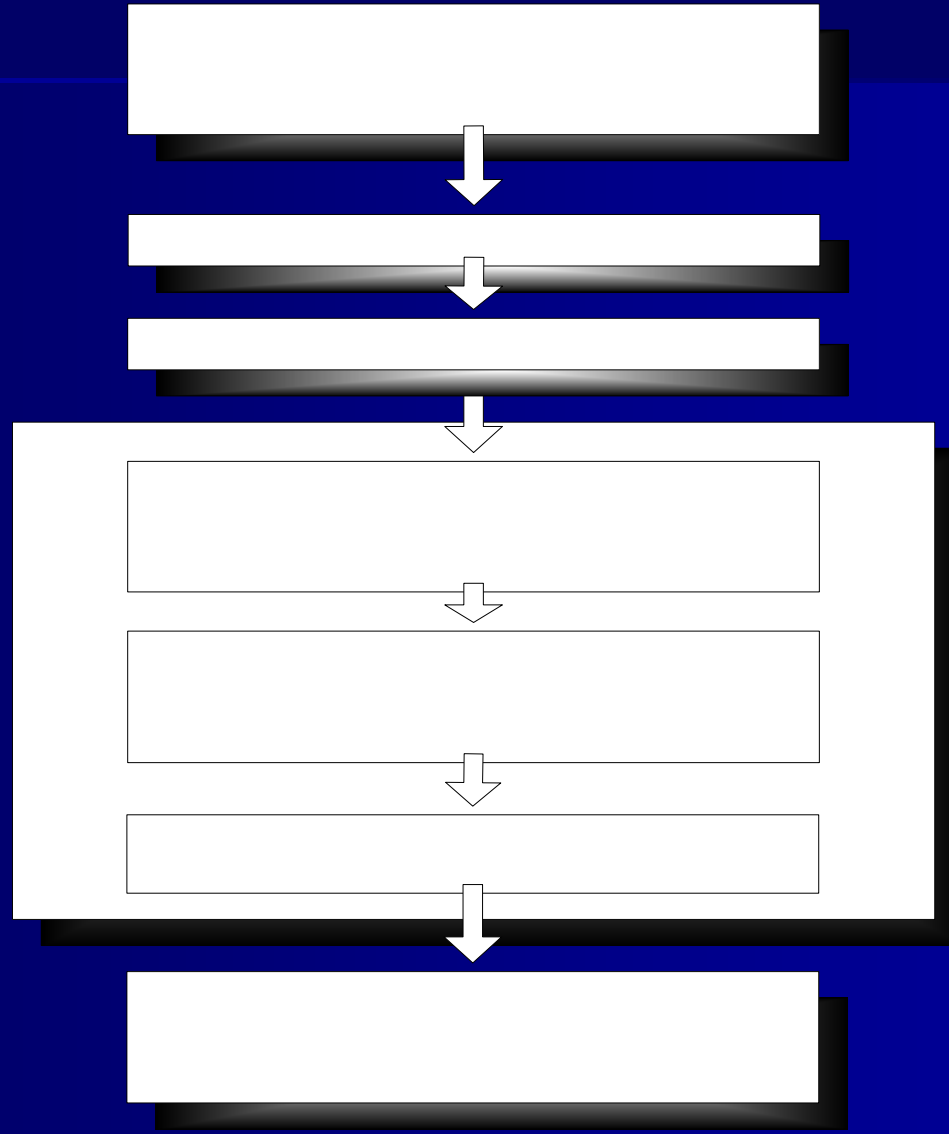
Adapted from Liu and Zhang, 2003

# COMPETING VALUES FRAMEWORK - CULTURE



# RESEARCH METHODOLOGY

# RESEARCH PROCESS



# HYPOTHESES (1)

Based on the objectives, the hypotheses should be tested:

- There is a “**Dominant Culture**” in Contractor Companies in Thailand

## **Analysis Method:**

- Construct OC profile (**CVF**) using **average score** method

”The highest score : the strongest/most dominant culture”

- **Classified** into: + Overall
  - + Job position
  - + Duration of company existence

- Use: **t-test** and **Mann Whitney U-test**

Find out the significant mean **difference** between two groups

**Spearman** Correlation Coefficient (***r***)

Find out the significant rank **correlation** between two groups



# HYPOTHESES (2)

- Clan, adhocracy, market, and hierarchy culture profile **has relationship** with 7 organizational effectiveness criteria, which are:
  - Employee satisfaction
  - Client satisfaction
  - Completion time of construction project
  - Cost of completing project
  - Quality of project
  - Productivity
  - Profitability
- Organizational culture is either an **asset or a liability**
- Organizational culture is **fit** with criteria of effectiveness

# HYPOTHESES (3)

## Analysis Method:

- Find Coefficient of Correlation

Using *Spearman Correlation Coefficient (r)*

- Classified into:

- + Overall
- + Job position

- Guidelines:

- + Asset → positive relationship
- + Liability → negative relationship
- + Fits Best → the highest positive correlation.

# INSTRUMENT DESIGN (1)

“Questionnaire”

## Part A: General Information

### Part B:OC Assessment

#### Elements:

Likert Scale

1.D.Characteristic ....	1      ....      5
2.O.Leadership ....	
3.M.Employee ....	
4.O.Glue ....	
5.S.Emphases ....	
6.C.Succes	

### Part C:OE Assessment

#### Criteria/Cases:

Scale

C.E-Satisfaction C1..C10	1      ....      5
D.C-Satisfaction D1..D3	
E.Time C-Project	
F.Cost C-Project	
G.Quality C-P	
H.Productivity	
I. Profitability I1..I2	

☞ Questionnaire translated into **Thai** language

# INSTRUMENT DESIGN (2)

“Questionnaire”

## Part B

- Adopted from:  
OCAI, developed by *Quinn and Cameron* (1999) based on CVF (Quinn, 1988)
- Objective:  
Assess 6 key Elements of OC

## Part C

- Developed by:  
Liu and Zhang (2003), Hong Kong researchers
- Basic:  
Measure OE from **Stakeholder** approach

# DATA ANALYSIS AND DISCUSSION

# CONTENT

## 1. Detail of respondents

## 2. Organizational Culture Profile



## 3. Organizational Culture Elements



## 4. Relationship OC-OE



- ✓ Overall
- ✓ Job Position
- ✓ Duration of company existence  
+ Managers Perception  
+ Engineer's Perception

- ✓ Overall
- ✓ Job Position
- ✓ Duration of company existence  
+ Managers Perception  
+ Engineer's Perception

- ✓ Corresponding pairs OC-OE
- ✓ Overall
- ✓ Job Position

# DETAILS OF THE RESPONDENTS

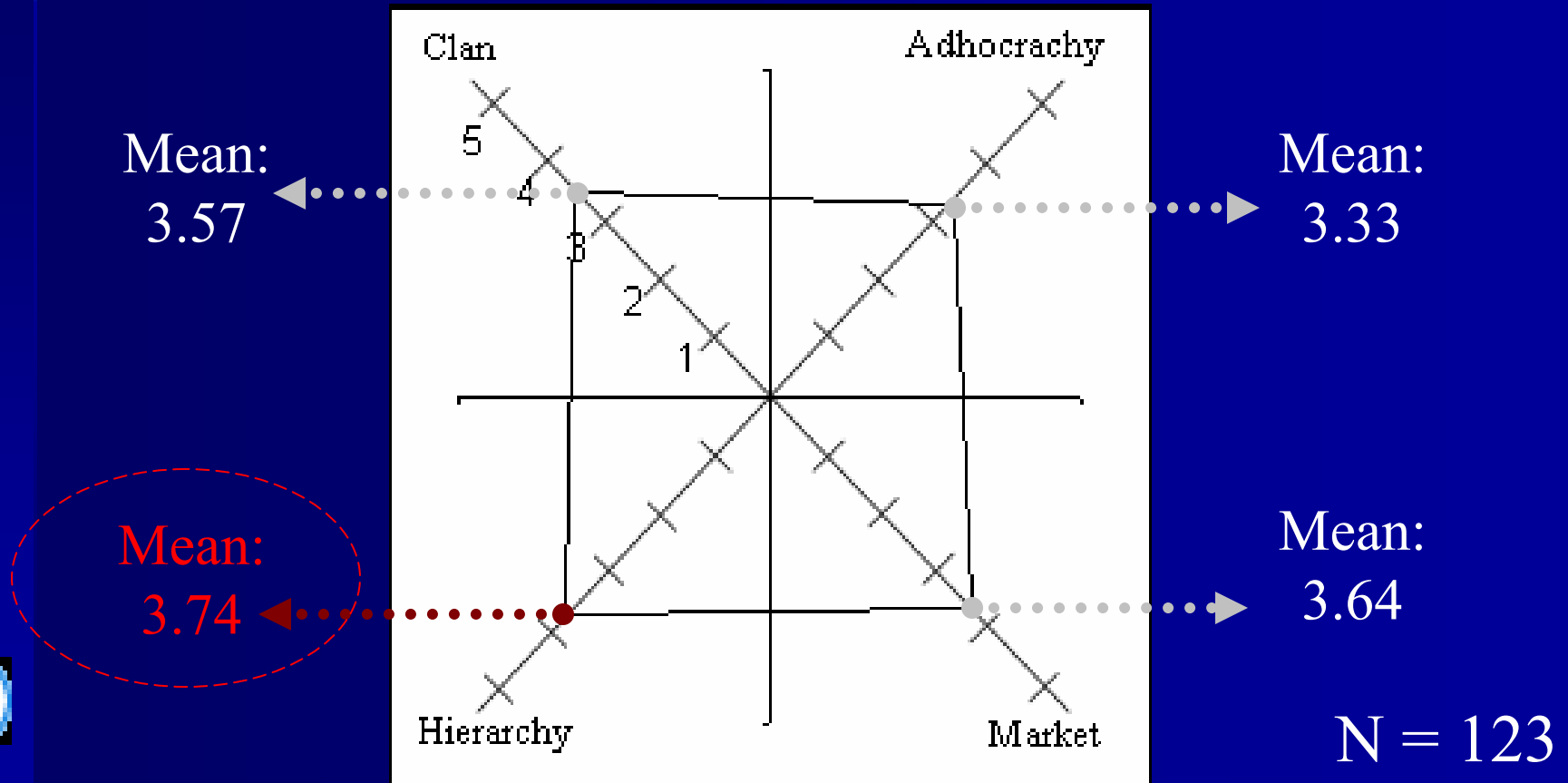
- Total respondents = 123 from 42 companies, selected randomly from Thai Contractor Association Directory 2000

Criteria	Manager	Engineer
Job position	42	81
Duration of company existence (<20 years)	18	36
Duration of company existence (>20 years)	24	45



# ORGANIZATIONAL CULTURE PROFILE

## ■ Overall, (Figure 4.1)





# ORGANIZATIONAL CULTURE ELEMENTS

## ■ Overall, (Table 4.2)

No.	6 Elements of OC	Average Score			
		Clan	Adhocracy	Market	Hierarchy
1	Dominant Characteristic	3.55	3.53	3.54	3.53
2	Organizational Leadership	3.65	3.53	3.85	3.72
3	Management of Employee	3.28	3.09	3.34	3.55
4	Organizational Glue	3.68	3.11	3.64	3.63
5	Strategic Emphases	3.41	3.32	3.73	3.8
6	Criteria of Success	3.60	3.13	3.48	3.97
	<b>Overall OC Profile</b>	<b>3.57</b>	<b>3.33</b>	<b>3.64</b>	<b>3.74</b>

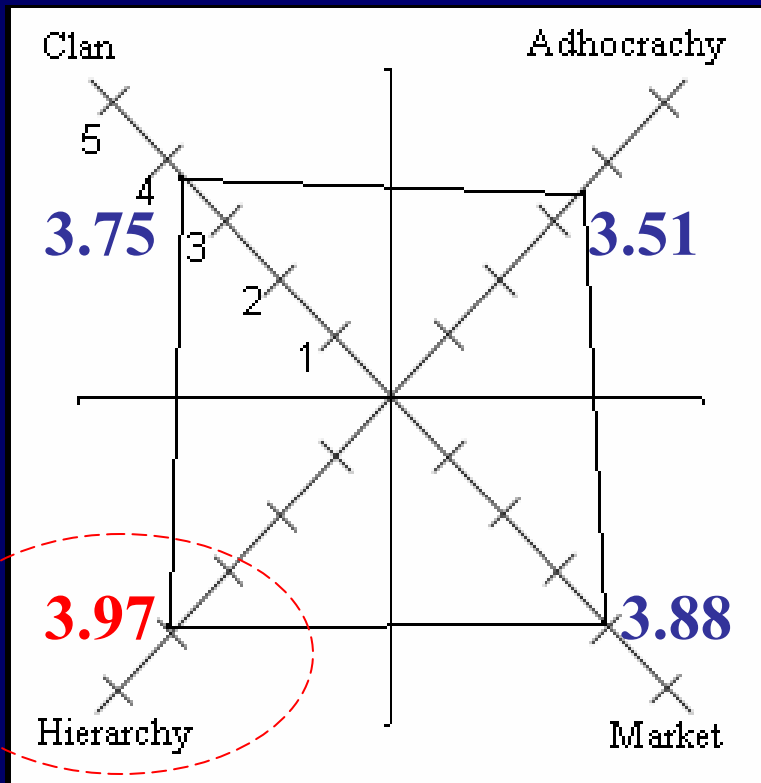
N = 123

The higher average score, the stronger is that particular culture

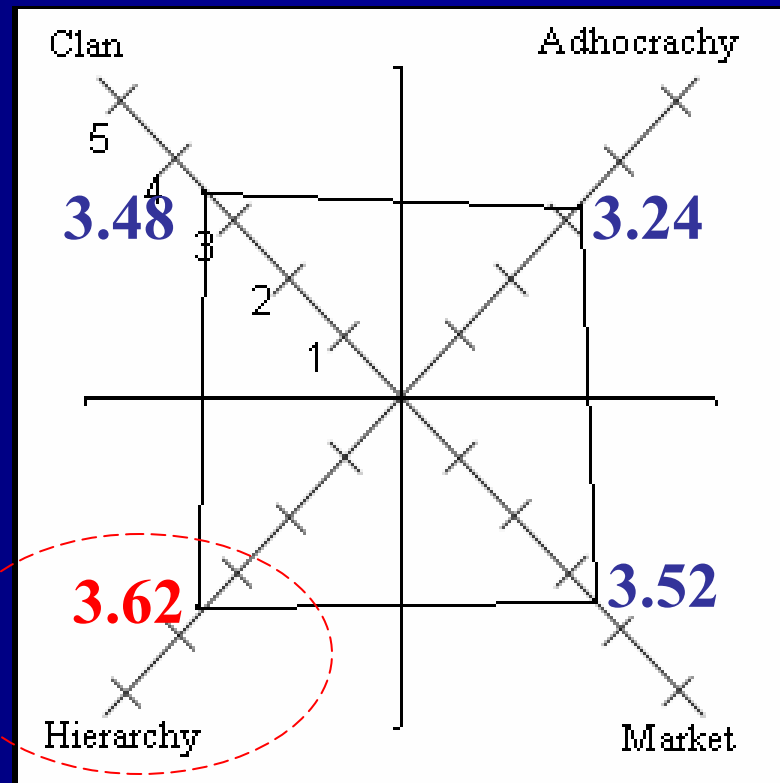


# ORGANIZATIONAL CULTURE PROFILE

## ■ Classified by Job Position



OC PROFILE BY Managers N= 42



OC PROFILE BY Engineers N= 81



# ORGANIZATIONAL CULTURE ELEMENTS

## ■ Classified by Job Position (1)

1	Dominant of Characteristic	Manager		Engineer	
		Average	Rank	Average	Rank
B.1.a	Personal Place (CC)	3.76*	4	3.44*	4
B.1.b	Dynamic and entrepreneurial (AC)	3.83*	2	3.37*	2
B.1.c	Production oriented (MC)	3.86*	1	3.37*	2
B.1.d	Formalizes and structures (HC)	3.81*	3	3.38*	1
r = 0.316					
sig.(2-tailed) = 0.684					
2	Organizational Leadership	Manager		Engineer	
		Average	Rank	Average	Rank
B.2.a	Mentor, sage, or parent figure (CC)	3.76	3	3.59	3
B.2.b	Entrepreneur, innovator (AC)	3.67	4	3.46	4
B.2.c	Hard-driver, producer (MC)	4.07*	1	3.74*	1
B.2.d	Coordinator, organizer (HC)	3.86	2	3.64	2
r = 1.000**					
sig.(2-tailed) = 0.000					



# ORGANIZATIONAL CULTURE ELEMENTS

## ■ Classified by Job Position (continued)

3	Management of Employee	Manager		Engineer	
		Average	Rank	Average	Rank
B.3.a	Teamwork, consensus (CC)	3.31	3	3.27	2
B.3.b	Innovation, freedom (AC)	3.17	4	3.05	4
B.3.c	Production and achievement (MC)	3.62*	2	3.20*	3
B.3.d	Security of employment (HC)	3.90*	1	3.37*	1
r = 0.800					
sig.(2-tailed) = 0.200					
4	Organizational Glue	Manager		Engineer	
		Average	Rank	Average	Rank
B.4.a	Loyalty and tradition (CC)	3.93	1	3.56	1
B.4.b	Innovation and development (AC)	3.21	4	3.06	4
B.4.c	Production, goal accomplishment (MC)	3.86	2	3.53	3
B.4.d	Rules and Policies (HC)	3.81	3	3.54	2
r = 0.800					
sig.(2-tailed) = 0.200					



# ORGANIZATIONAL CULTURE ELEMENTS

## ■ Classified by Job Position (continued)

5	Strategic Emphases	Manager		Engineer	
		Average	Rank	Average	Rank
B.5.a	Participative and comfortable (CC)	3.69*	3	3.26*	3
B.5.b	Dynamics and readiness (AC)	3.50	4	3.22	4
B.5.c	Competitive and confrontational (MC)	3.98*	2	3.60*	2
B.5.d	Permanence and stability (HC)	4.02	1	3.69	1

$r = 1.000^{**}$

sig. (2-tailed) = 0.000

6	Criteria of Success	Manager		Engineer	
		Average	Rank	Average	Rank
B.6.a	Sensitivity to customers, concern (CC)	3.88*	2	3.46*	2
B.6.b	Product leader and innovator (AC)	3.40*	4	2.99*	4
B.6.c	Market penetration, market share (MC)	3.67	3	3.38	3
B.6.d	Smooth scheduling (HC)	4.19*	1	3.85*	1

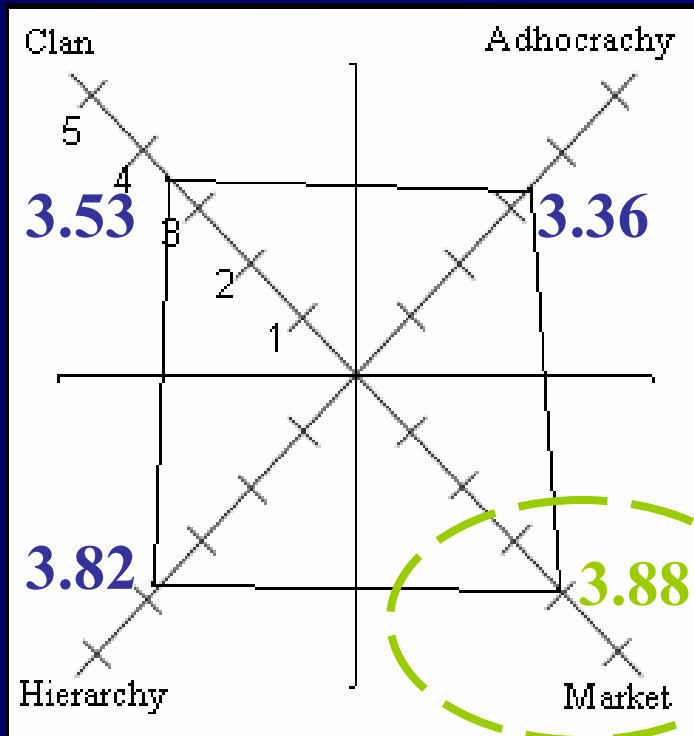
$r = 1.000^{**}$

sig. (2-tailed) = 0.000

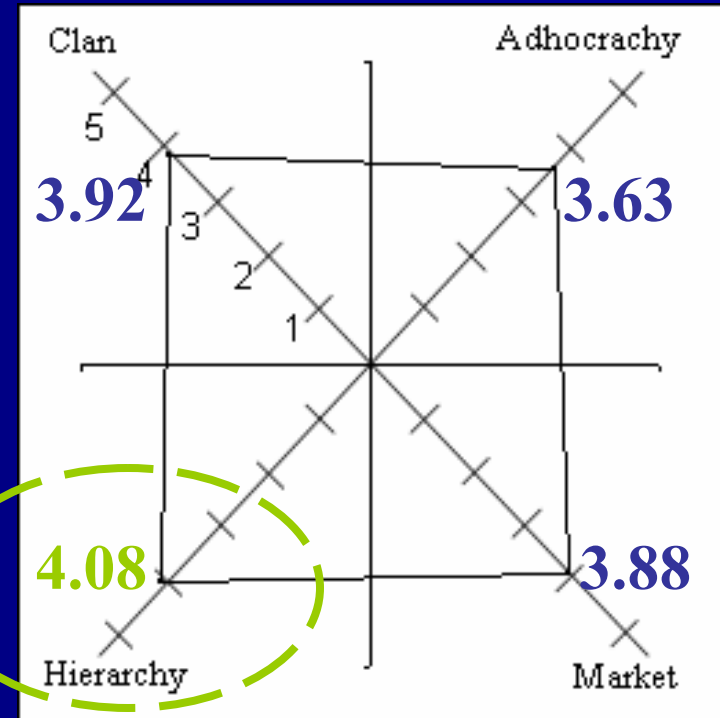


# ORGANIZATIONAL CULTURE PROFILE

- Classified by Duration of Company (Manager's Perception)



OC PROFILE BY < 20 yrs N = 18



OC PROFILE BY > 20 yrs N = 24



# ORGANIZATIONAL CULTURE ELEMENTS

- Classified by Duration of Company (Manager's Perception) –(1)

1	Dominant of Characteristic	< 20 years		> 20 years	
		Average	Rank	Average	Rank
B.1.a	Personal Place (CC)	3.39*	4	4.04*	1
B.1.b	Dynamic and entrepreneurial (AC)	3.78	2	3.88	3
B.1.c	Production oriented (MC)	3.94	1	3.79	4
B.1.d	Formalizes and structures (HC)	3.67	3	3.92	2

$r = -1.000^{**}$

sig. (2-tailed) = 0.000

2	Organizational Leadership	< 20 years		> 20 years	
		Average	Rank	Average	Rank
B.2.a	Mentor, sage, or parent figure (CC)	3.72	2	3.79	3
B.2.b	Entrepreneur, innovator (AC)	3.67	3	3.67	4
B.2.c	Hard-driver, producer (MC)	3.89	1	4.21	1
B.2.d	Coordinator, organizer (HC)	3.56	4	4.08	2

$r = 0.400$

sig. (2-tailed) = 0.600



# ORGANIZATIONAL CULTURE ELEMENTS

- Classified by Duration of Company (Manager's Perception) –(continued)

3	Management of Employee	< 20 years		> 20 years	
		Average	Rank	Average	Rank
B.3.a	Teamwork, consensus (CC)	2.94*	3	3.58*	2
B.3.b	Innovation, freedom (AC)	2.78*	4	3.46*	3
B.3.c	Production and achievement (MC)	3.83	1	3.46	3
B.3.d	Security of employment (HC)	3.78	2	4.00	1

$r = 0.105$

sig. (2-tailed) = 0.895

4	Organizational Glue	< 20 years		> 20 years	
		Average	Rank	Average	Rank
B.4.a	Loyalty and tradition (CC)	3.78	1	4.04	1
B.4.b	Innovation and development (AC)	3.06	2	3.33	4
B.4.c	Production, goal accomplishment (MC)	3.78	1	3.92	2
B.4.d	Rules and Policies (HC)	3.78	1	3.83	3

$r = 0.775$

sig. (2-tailed) = 0.225





# ORGANIZATIONAL CULTURE ELEMENTS

- Classified by Duration of Company (Manager's Perception) –(continued)

5	Strategic Emphases	< 20 years		> 20 years	
		Average	Rank	Average	Rank
B.5.a	Participative and comfortable (CC)	3.61	3	3.75	3
B.5.b	Dynamics and readiness (AC)	3.22	4	3.71	4
B.5.c	Competitive and confrontational (MC)	3.83	2	4.08	1
B.5.d	Permanence and stability (HC)	3.94	1	4.08	1

$r = 0.949$

sig. (2-tailed) = 0.051

6	Criteria of Success	< 20 years		> 20 years	
		Average	Rank	Average	Rank
B.6.a	Sensitivity to customers, concern (CC)	3.50*	2	4.17*	2
B.6.b	Product leader and innovator (AC)	3.28	3	3.50	4
B.6.c	Market penetration, market share (MC)	2.72	4	3.63	3
B.6.d	Smooth scheduling (HC)	3.94	1	4.37	1

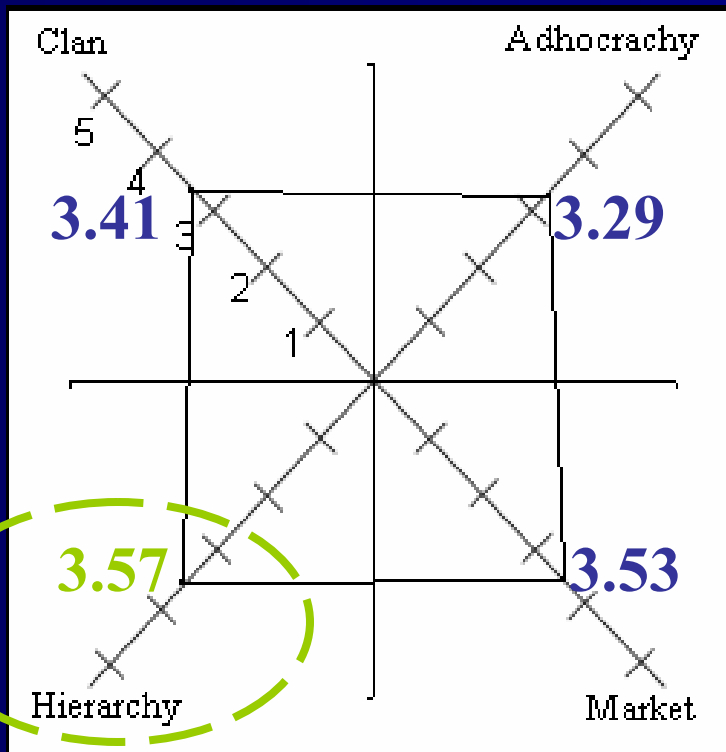
$r = 0.800$

sig. (2-tailed) = 0.200

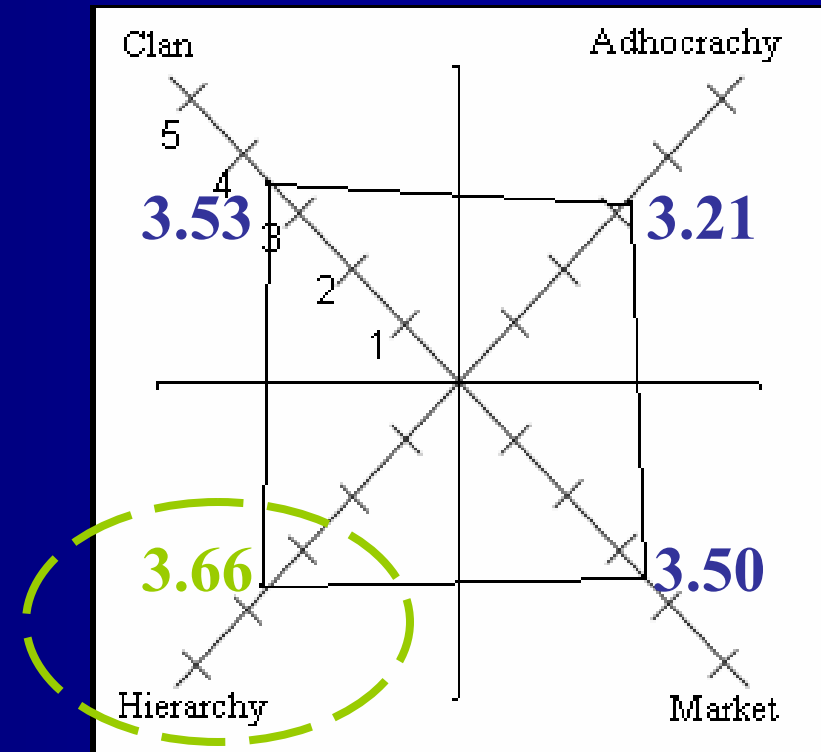


# ORGANIZATIONAL CULTURE PROFILE

- Classified by Duration of Company (Engineer's Perception)



OC PROFILE BY < 20 yrs N = 36



OC PROFILE BY > 20 yrs N = 45



# ORGANIZATIONAL CULTURE ELEMENTS

- Classified by Duration of Company (Engineer's Perception) –(1)

1	Dominant of Characteristic	< 20 years		> 20 years	
		Average	Rank	Average	Rank
B.1.a	Personal Place (CC)	3.33	3	3.53	1
B.1.b	Dynamic and entrepreneurial (AC)	3.33	3	3.40	2
B.1.c	Production oriented (MC)	3.39	1	3.36	4
B.1.d	Formalizes and structures (HC)	3.36	2	3.40	2
$r = -0.833$					
$\text{sig. (2-tailed)} = 0.167$					
2	Organizational Leadership	< 20 years		> 20 years	
		Average	Rank	Average	Rank
B.2.a	Mentor, sage, or parent figure (CC)	3.50	2	3.67	3
B.2.b	Entrepreneur, innovator (AC)	3.50	2	3.42	4
B.2.c	Hard-driver, producer (MC)	3.61	1	3.84	1
B.2.d	Coordinator, organizer (HC)	3.50	2	3.76	2
$r = 0.775$					
$\text{sig. (2-tailed)} = 0.225$					



# ORGANIZATIONAL CULTURE ELEMENTS

- Classified by Duration of Company (In Engineer's Perception) –(continue)

3	Management of Employee	< 20 years		> 20 years	
		Average	Rank	Average	Rank
B.3.a	Teamwork, consensus (CC)	3.31	3	3.24	2
B.3.b	Innovation, freedom (AC)	3.14	4	2.98	4
B.3.c	Production and achievement (MC)	3.36	1	3.07	3
B.3.d	Security of employment (HC)	3.42	2	3.33	1
$r = 0.400$					
$\text{sig. (2-tailed)} = 0.600$					
4	Organizational Glue	< 20 years		> 20 years	
		Average	Rank	Average	Rank
B.4.a	Loyalty and tradition (CC)	3.36	3	3.71	1
B.4.b	Innovation and development (AC)	3.11	4	3.02	4
B.4.c	Production, goal accomplishment (MC)	3.42	2	3.62	2
B.4.d	Rules and Policies (HC)	3.50	1	3.58	3
$r = 0.200$					
$\text{sig. (2-tailed)} = 0.800$					



# ORGANIZATIONAL CULTURE ELEMENTS

- Classified by Duration of Company (In Engineer's Perception) –(continue)

5	Strategic Emphases	< 20 years		> 20 years	
		Average	Rank	Average	Rank
B.5.a	Participative and comfortable (CC)	3.25	3	3.27	3
B.5.b	Dynamics and readiness (AC)	3.22	4	3.22	4
B.5.c	Competitive and confrontational (MC)	3.69	1	3.53	2
B.5.d	Permanence and stability (HC)	3.67	2	3.71	1
r = 0.800					
sig. (2-tailed) = 0.200					
6	Criteria of Success	< 20 years		> 20 years	
		Average	Rank	Average	Rank
B.6.a	Sensitivity to customers, concern (CC)	3.39	3	3.51	2
B.6.b	Product leader and innovator (AC)	3.11	4	2.89	4
B.6.c	Market penetration, market share (MC)	3.42	2	3.36	3
B.6.d	Smooth scheduling (HC)	3.75	1	3.93	1
r = 0.800					
sig. (2-tailed) = 0.200					

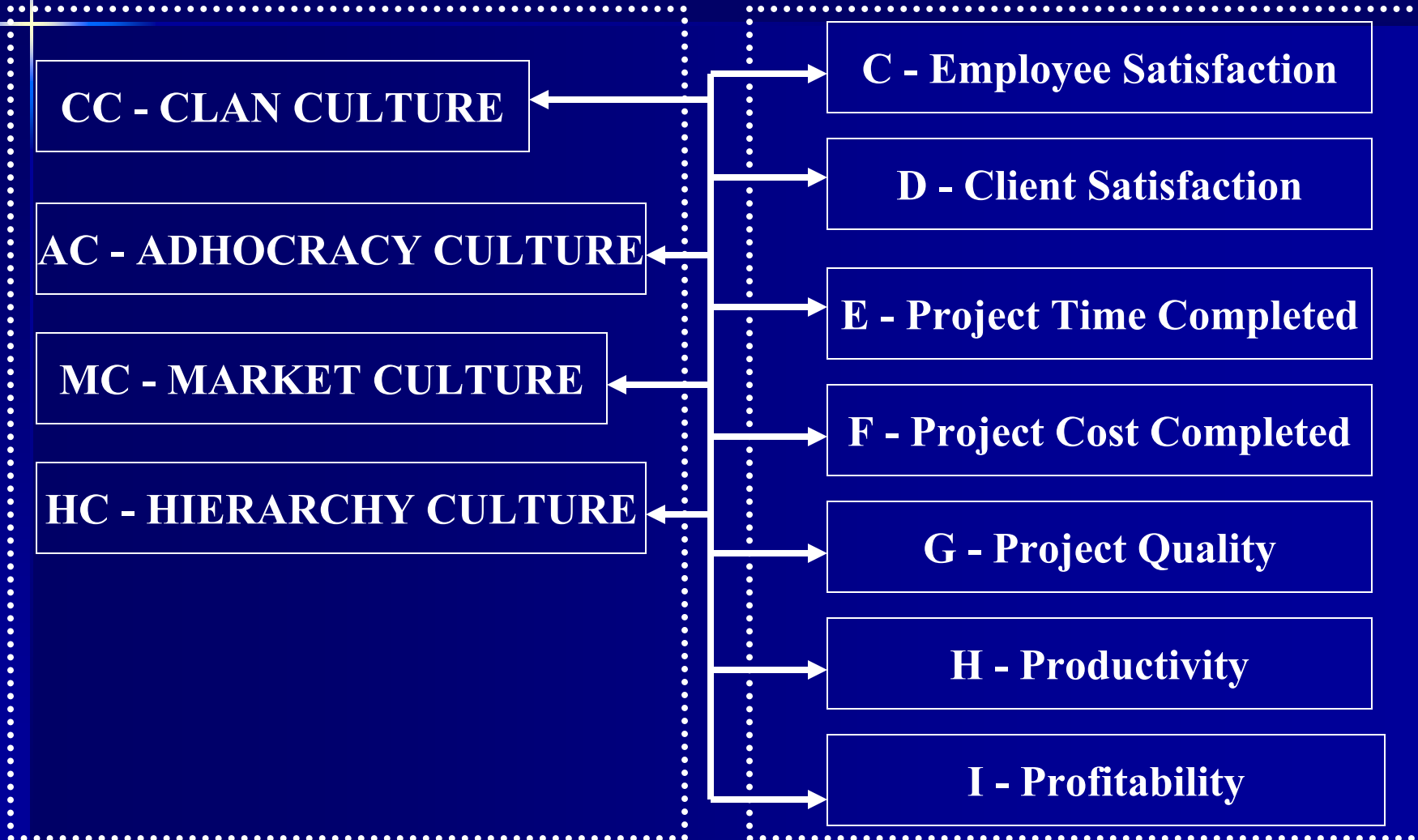


# RELATIONSHIP OC-OE

Refer to Figure 4.5

**OC**

**OE**



# RELATIONSHIP OC-OE

## ■ Overall (1)

TYPE OF CASES	NAME OF CASES	CORRELATION COEFFICIENT			
		CC	AC	MC	HC
C	Employee Satisfaction				
	C.1 Overall satisfaction	0.691**	0.507**	0.608**	0.667**
	C.2 Monetary award	0.495**	0.478**	0.491**	0.450**
	C.3 Working condition	0.593**	0.363**	0.429**	0.523**
	C.4 Safety condition	0.518**	0.517**	0.575**	0.617**
	C.5 Cooperation with colleagues	0.594**	0.441**	0.481**	0.539**
	C.6 Recognition of achievement	0.638**	0.530**	0.566**	0.600**
	C.7 Appraisal system	0.510**	0.452**	0.423**	0.520**
	C.8 Job assignment	0.627**	0.381**	0.472**	0.581**
	C.9 Opportunity for self development	0.504**	0.384**	0.451**	0.478**
	C.10 Training system	0.481**	0.535**	0.376**	0.525**
	(C-Overall) of Employee Satisfaction	0.765**	0.599**	0.646**	0.742**



# RELATIONSHIP OC-OE

## ■ Overall (continue)

TYPE OF CASES	NAME OF CASES	CORRELATION COEFFICIENT			
		CC	AC	MC	HC
<b>D</b>	<b>Client Satisfaction</b>				
	D.1 Product satisfaction	<b>0.289**</b>	0.080	<b>0.193*</b>	<b>0.320**</b>
	D.2 Service satisfaction	<b>0.277**</b>	0.037	0.158	<b>0.241**</b>
	D.3 Number of complaint	<b>0.204**</b>	0.185	0.167	0.158
	(D-Overall) of Client Satisfaction	<b>0.372**</b>	0.135	<b>0.216*</b>	<b>0.317**</b>
<b>E</b>	<b>Project Time Completed</b>	<b>0.289**</b>	0.091	<b>0.190*</b>	<b>0.188*</b>
<b>F</b>	<b>Project Cost Completed</b>	<b>0.398**</b>	0.130	<b>0.277**</b>	<b>0.340**</b>
<b>G</b>	<b>Project Quality</b>	0.075	0.017	0.034	-0.028
<b>H</b>	<b>Average Annual Production Output</b>	0.053	-0.053	0.030	0.094
<b>I</b>	<b>Average Annual Profit Case</b>				
	I.1 Average Annual profit (turnover)	0.026	-0.100	-0.020	0.012
	I.2 Average Annual profit (total asset)	0.178	0.108	0.082	0.143
	(I-Overall) of Profitability	0.144	0.021	0.042	0.089





# RELATIONSHIP OC-OE

## ■ Classified by Job Position (1) Employee Satisfaction

TYPE OF CASES	CORRELATION COEFFICIENT							
	CC		AC		MC		HC	
	Manager	Engineer	Manager	Engineer	Manager	Engineer	Manager	Engineer
C.1	0.572**	0.707**	0.442**	0.483**	0.358*	0.669**	0.564**	0.670**
C.2	0.495**	0.448**	0.491**	0.407**	0.301	0.506**	0.445**	0.416**
C.3	0.403**	0.658**	0.172	0.369**	0.15	0.448**	0.227	0.603**
C.4	0.307	0.584**	0.484**	0.502**	0.442**	0.586**	0.451**	0.658**
C.5	0.457**	0.644**	0.408**	0.438**	0.256	0.532**	0.428**	0.566**
C.6	0.612**	0.633**	0.45**	0.555**	0.329*	0.618**	0.567**	0.613**
C.7	0.425**	0.515**	0.526**	0.421**	0.333*	0.443**	0.487**	0.535**
C.8	0.608**	0.602**	0.35*	0.366**	0.218	0.553**	0.574**	0.580**
C.9	0.479**	0.501**	0.369*	0.365**	0.29	0.511**	0.577**	0.436**
C.10	0.408**	0.494**	0.63**	0.498**	0.26	0.394**	0.602**	0.462**
C-Overal	0.659**	0.777**	0.612**	0.559**	0.438**	0.691**	0.699**	0.737**



# RELATIONSHIP OC-OE

## ■ Classified by Job Position (continue)

TYPE OF CASES	CORRELATION COEFFICIENT							
	CC		AC		MC		HC	
	Manager	Engineer	Manager	Engineer	Manager	Engineer	Manager	Engineer
D.1	0.257	<b>0.262**</b>	0.056	0.042	0.389*	0.037	<b>0.416**</b>	<b>0.260*</b>
D.2	0.227	<b>0.280*</b>	-0.061	0.029	0.195	0.11	0.191	<b>0.255*</b>
D.3	0.115	<b>0.274*</b>	-0.051	<b>0.294*</b>	-0.068	<b>0.282*</b>	0.03	<b>0.240*</b>
D-Overall	0.298	<b>0.393**</b>	0.007	0.155	0.202	0.199	0.267	<b>0.357**</b>
E	0.302	<b>0.307**</b>	0.204	0.04	0.219	0.180	0.194	0.215
F	<b>0.338*</b>	<b>0.423**</b>	0.081	0.163	<b>0.383*</b>	0.206	0.209	<b>0.388**</b>
G	0.17	0.001	0.046	0.039	0.113	-0.047	0.061	-0.076
H	0.155	0.006	0.05	-0.146	0.118	-0.04	0.249	0.021
I.1	-0.027	0.026	0.019	-0.173	-0.009	-0.028	0.102	-0.044
I.2	-0.004	<b>0.254*</b>	0.219	0.05	0.077	0.105	0.256	0.107
I-Overall	0.041	0.175	0.167	-0.06	0.021	0.072	0.207	0.045



# **CONCLUSIONS AND RECOMMENDATIONS**

# ORGANIZATIONAL CULTURE PROFILE (1)

Group	Manager		Engineer		Manager				Engineer				Overall	
					<20		>20		<20		>20			
6 Elements of OC	S	W	S	W	S	W	S	W	S	W	S	W	S	W
Dominant Characteristic	M	C	H	C	M	C	C	M	M	C,A	C	M	C	A
Organizational Leadership	M	A	M	A	M	H	M	A	M	C,A,H	M	A	M	A
Management of Employee	H	A	H	A	M	A	H	A,D	M	A	H	A	H	A
Organizational Glue	C	H	C	H	C,M,H	A	C	A	H	A	C	A	C	A
Strategic Emphases	H	A	H	A	H	A	H	A	M	A	H	A	H	A
Define of Success	H	A	H	A	H	M	H	A	H	A	H	A	H	A
Overall OC Profile	H	A	H	A	M	A	H	A	H	A	H	A	H	A

Symbol: S = Strongest culture

C = Clan culture

M = Market culture

W = Weakest culture

A = Adhocracy culture

H = Hierarchy culture

# ORGANIZATIONAL CULTURE PROFILE (2)

- **Overall**, the dominant or the strongest culture of contractor companies in Thailand is **Hierarchy culture (3.74)** and the weakest culture is **Adhocracy culture (3.33)**. Hierarchy and Market culture are stronger than Clan and Adhocracy culture
- All classifications perceive Hierarchy culture as the strongest culture except group **based on Manager and Company duration**, the strongest culture in **company that exist <20 yrs** is **Market** culture
- This difference may have resulted from **new strategy** in new companies that emphasize more on **profit and goal accomplishment** and due to more **competitive market**
- In terms of elements of OC, all classifications emphasizes different culture in each element
- This presence of **cultural incongruence** in the contractor companies may have resulted from a mixture in the Thai market place and also from characteristic of Thai people

# THE RELATIONSHIP BETWEEN OC-OE (1)

OE \ OC	CC			AC			MC			HC		
C-Employee Satisfaction	O	M	E	O	M	E	O	M	E	O	M	E
D-Client Satisfaction	O		E				O			O		E
E-Project Time Completion	O		E				O			O		
F-Project Cost Completion	O	M	E				O	M		O		E
G-Project Quality									-	-		-
H-Productivity				-		-			-			
I-Profitability						-						

Symbol: CC = Clan culture

AC = Adhocracy culture

MC = Market culture

HC = Hierarchy culture

O = Overall respondents

M = Manager

E = Engineer

# THE RELATIONSHIP BETWEEN OC-OE (2)

- The symbols O,M,E represent “Significant Positive Correlation” between OC-OE and blank box means there is no significant correlation, and colored box implies the strongest culture
- All the culture types do not only have positive relationship. They also have negative correlation in some cases, which can be a liability  
→ See the red dash
- So, it is concluded that culture has relationship with effectiveness, (positive or negative relationship) in various criteria of effectiveness
- In some criteria, “all four types of culture” do not facilitate the achievement of optimal effectiveness. They can even have negative effect → See case G, H, and I
- So, the best fit culture or effective culture for companies to achieve optimal effectiveness based on:
  - Overall and Engineer = Clan Culture in case C,D,E, and F
  - Manager = Market culture in case F  
Hierarchy culture in case C

# RECOMMENDATIONS

- In achievement of the stakeholders' needs must **fit** with the culture of the organization in order to be effective.
- For contractor companies to become effective → **Clan culture** should be applied all the time in order to **achieve optimal effectiveness**, especially in terms of employee satisfaction, client satisfaction, high percentage of project completed on time, and high percentage of project completed within cost.
- The **congruence of the various elements** in organizational is a requirement for high performance
- The **framework** that has been introduced in this study can be used as rough **guidance** for companies to **assess** organizational culture



# RECOMMENDATIONS FOR FURTHER STUDY

- The questionnaire must be **shorter, clearer, and in better format** → to obtain complete data
- Define the **number** of target respondents and **job position** suitable for responding to the survey
- Conduct special **case studies** in several companies or projects
- Do a **comparative study** of organizational culture in Asia to capture the overall Asian situation, which may assist organizations in **adapting to new cultural situations across construction industry sectors and countries.**

**Thank You**

**Discussions Please**