

SIZE MATTERS: ORGANIZATIONAL CULTURE IN SMALL, MEDIUM, AND LARGE AUSTRALIAN ORGANIZATIONS

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Abstract

Despite extensive research on corporate culture, very little empirical research has examined the culture of small organizations. An updated version of the Organizational Culture Profile (OCP) (O'Reilly, Chatman and Caldwell, 1991) was used in an Australia-wide survey (N=1918). Executives from small, medium, and large organizations recorded perceptions of the culture of their organizations. The results indicate that small organizations (<100 employees) were perceived to be significantly more supportive, competitive, innovative, and performance-oriented than large organizations. Practical and theoretical implications and directions for future research are discussed.

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SIZE MATTERS: ORGANIZATIONAL CULTURE IN SMALL, MEDIUM, AND LARGE AUSTRALIAN ORGANIZATIONS

Culture has been considered a powerful and stable force in organizations (Schein, 1985) and its importance is enhanced through its impact on organizational performance and long-term effectiveness (Kotter and Heskett, 1992; Trice and Beyer, 1993). Organizational culture has been viewed as a source of sustained competitive advantage (Barney, 1986; Fiol, 1991). Cohesive business cultures are thought to underpin higher productivity, improve employee morale, affect work attitudes (Connor and Becker, 1994; Dose, 1997), and encourage stronger employee commitment (Deal and Kennedy, 1999; Kozlowski, Chao, Smith, and Hedlund, 1993). Thus, organizational culture constrains and directs management behaviour which affects performance through decision-making, problem solving, and strategy formulation (Christensen and Gordon, 1999). Although there are innumerable definitions evident in the literature, Limerick, Cunnington, and Crowther (2000: 168) view organizational culture as “a set of beliefs, assumptions, and values shared by a majority of those within an organization.” In other words, culture sums up the way an organization functions.

According to Cameron and Quinn (1999), the assessment of organizational culture in terms of key dimensions has become increasingly important because of the need for organizations to change while maintaining stability in the current turbulent external environment. There is considerable evidence that the success of performance-enhancing strategies such as reengineering, TQM, and downsizing is dependent on cultural change (Becker and Gerhart, 1996; Daymon, 2000; Delaney and Huselid, 1996; Heifetz and Laurie, 1997; Seihl and Martin, 1990). Consequently, several researchers consider an assessment of organizational culture is an essential prerequisite for the design and implementation of intervention programs (Bate, 1995; Maull, Brown, and Cliffe, 2001; Schein, 2000).

Although there is a great volume of research examining corporate culture, very little empirical research has been conducted to examine cultures of small and medium-sized organizations (Choueke and Armstrong, 2000). There is an underlying assumption in the literature that the aspects of culture that characterise large corporations apply to the same extent in small and medium-sized enterprises (SMEs). However, several researchers maintain that it is inappropriate to treat the small firm as a microcosm of a large organization (Ghobadian and Gallear, 1997; Wyer and Mason, 1999). Small organizations differ from large organizations in terms of their organizational structures, responses to the environment, managerial styles, and the ways in which they compete with other firms (Man, Lau, and Chan, 2001). For example, research indicates that large organization quality management strategies do not translate well into the small organization environment (North, Blackburn, and Curran, 1998). Thus, the findings concerning corporate culture may not be applicable to small organizations because of fundamental differences between large and small organizations (Dandridge, 1979; Julien, 1995; Welsh and White, 1981).

The lack of research concerning small business culture is significant from both a theoretical and practical viewpoint. For example, change management, particularly in relation to organizational growth and development is an important theme evident in the small business research literature (Weinzimmer, 1997). Without accompanying cultural change, most organizational changes fail or remain short-lived (Cameron and Freeman, 1991). Consequently, to improve small organizational effectiveness, there needs to be a way of assessing the relevant dimensions of small business culture.

Thus, the purpose of the current study is to a) examine executive perceptions of organizational culture in small, medium, and large organizations in Australia, b) determine to what extent small, medium, and large organizations are perceived to share common cultural characteristics, and c) examine the similarities and differences in organizational culture for small, medium, and large organizations.

LITERATURE REVIEW

Generally, cultural studies are conducted at different levels of analyses (for instance, organizational versus societal) using different methodological approaches (conceptual, quantitative, and qualitative) and a variety of associated constructs. For example, culture has been studied in association with leadership as proposed by Schein (1985), or values as examined by O'Reilly et al. (1991). On the basis of these studies, the underlying focus for the present study is delimited to an examination of organizational culture from an individual perspective (e.g., Kristof, 1996; Van Vianen, 2000). This operationalisation of individual values and preferences for organizational culture is consistent with the approach adopted by O'Reilly et al. (1991) in their development of the original version of the Organizational Culture Profile (OCP). This approach is also consistent with the proposition that only the top echelons of leaders are in a position to significantly influence cultural identity and change (Katz and Kahn, 1978). These foci are appropriate to our study which relies on senior executives as the data source.

Organizational culture is shaped by varying aspects of organizational life, such as strategies, interpersonal relationships, and context (Schneider, 1980; Seihl and Martin, 1990; Denison and Mishra, 1995; Cabrera and Bonache, 1999). From a contextual perspective, it is important to recognise that research findings on organisational culture may not readily transfer to comparative but nonetheless different organisational cultures in other countries (e.g., Javidan and House, 2001). In the case of the current study, data were collected from executives operating in Australian organisational cultures. These executives may have different attitudes and modes of behaviour from their British or American counterparts. For instance, a study by Ashkanasy and Trevor-Roberts (2001/2002) of Australian executives' attitudes to nine discrete cultural dimensions as part of the international 62-nation GLOBE (Global Leadership and Organizational Behaviour Effectiveness program) project (House, Javidan and Dorfman, 2001) identified considerable idiosyncrasies of Australian leader behaviour. Consequently, these results may affect the generalisability of the findings of the current study to other countries, organisations, and business executives.

A range of criteria are evident in the literature to define SMEs, but given that a study by Atkins and Lowe (1996) found that employee numbers were used as the criterion in 34 of 50 studies in the U.K. and Australia, number of employees was used in the current study. However, there is considerable variation in the threshold figures selected even within a country. For example, in the U.S. the upper limit to define small business ranges from 100 to 500 employees, while the Australian Bureau of Statistics (1999) defines small business as having fewer than 100 employees in the manufacturing sector and fewer than 20 in retail, wholesale, construction, and service sectors. In the current study, small organisations had fewer than 100 employees, medium-sized firms had 100-499 employees, and large organisations had more than 500 employees.

Small enterprises have been encouraged to pursue growth because of their important contribution to the economy, particularly in terms of employment creation (Hamilton and Lawrence, 2001; Orser, Hogarth-Scott, and Riding, 2000), innovation, and the long-term development of economies (Hansson, 2001). The growth in small enterprises remains both infrequent (Storey, 1994) and poorly understood (Scott and Rosa, 1996). However, changes in organisational size may be accompanied by changes in organisational culture which could have adverse consequences. For example, anecdotal evidence reported by Alvesson (2002) suggests that once the organisational size exceeds 300 employees, the quality of work deteriorates, there is greater uncertainty, more bureaucracy, and a reduction in levels of trust.

There is some evidence in the literature to suggest that there may be cultural differences between large and small organisations. For example, SMEs are considered to have greater flexibility, an absence of bureaucracy, less rigidity in decision-making, and can respond more quickly to new opportunities and threats (Carlsson, 1999; Kuratko, Goodale, and Hornsby, 2001). Consequently, SMEs are considered to have a competitive advantage over the "corporate dinosaurs driven by standardization, mass production and stifled by bureaucratic organizations" (Thore, 1995: 115). Hill and Wright (2001) suggest that small organisations benefit from having less formal structures which means that employees in small organisations rely on personal contact networks to a greater extent than in large organisations. The comments imply that SMEs may provide a more supportive environment than large organisations. The more informal, flatter, and highly centralised structures of SMEs may assist in the rapid introduction of change programs (Hale and Cragg,

1996; Marlow and Patton, 1993). In addition, the close interaction of management with employees in small businesses provides an opportunity for direct leadership which may facilitate the permeation of a strong culture (Weisner and McDonald, 2000).

Current studies have failed to provide unequivocal evidence concerning whether the culture of small organisations gives them a competitive advantage over medium-sized or large organisations. For example, small IT companies have been portrayed as having higher productivity per employee, little or no bureaucracy, but having limited resources, and being less stable than large companies (Engler, 1999). Further, compared to large organisations, several studies consider small organisations are handicapped by “resource poverty” resulting from financial constraints, lack of professional expertise, and the lack of material and human resources (Barrier, 1994; McAdam, 2000; Thong and Yap, 1995). As a result of SMEs having smaller management teams compared to large organisations, they are unlikely to have the breadth of experience and knowledge to undertake business improvement programs such as reengineering (Raymond, Bergeron, and Rivard, 1998). The findings suggest that the overall lack of resources may indicate that SMEs are less able to undertake innovative programs compared to large organisations. Similarly, small manufacturing organisations have been considered too small to take advantage of economies of scale and therefore, have high production costs (Audrestsch, 1991) which implies that small organisations are less competitive than large organisations.

Support for innovation has been identified as an important aspect of organisational culture because innovation enhances organisational effectiveness in rapidly changing environments (West and Anderson, 1996). There is ambiguous evidence concerning whether small or large organisations are more innovative. Thong and Yap (1995) investigated why small organisations have been slow to adopt technological innovations and found that cultural factors are critical in the adoption of information technology to improve business efficiency and effectiveness. It is well established that the bulk of R&D is undertaken in large organisations while small organisations only account for a minor share of R&D inputs in the U.S. (Scherer, 1991) which could suggest that large organisations may be more innovative. However, given that the multidimensional aspects of innovation should be taken into account, that is, innovation should include new products, processes, and the use of advanced technologies as well as R&D, Baldwin and Johnson (1991) conclude that small (often new) organisations make major innovative contributions in many industries. Similarly, Chandler, Keller, and Lyon (2000) found that company size and formalised human resource practices (considered a form of bureaucracy) had a negative effect on employee perceptions of an innovation-supportive culture. Consequently, the research findings on the relationship between size of organisation and innovation are inconclusive and require clarification. Thus, in addition to investigating the extent to which small, medium, and large organizations are perceived to share common cultural characteristics, the study examines the similarities and differences in organizational culture for small, medium, and large organizations. In particular, we predict that:

Hypothesis 1: Small business culture will be perceived to be significantly more supportive, innovative, competitive, performance oriented, and have a greater emphasis on rewards, and take greater social responsibility than the cultures of medium-sized or large organisations.

Hypothesis 2: Small business culture will be perceived to be significantly less stable than the cultures of medium-sized or large organisations.

The culture of an organisation is difficult to assess because “it is grounded in the taken-for-granted, shared assumptions of individuals in the organization” (Cameron and Freeman, 1991, p. 25). Values are central to many definitions of organisational culture and drive organisational behaviours (Cameron and Quinn, 1999; Schein, 1985). According to Howard (1998), while organisations may differ in terms of their dominant values, there are common value dimensions that are evident in most organisations and can be reliably represented by the values held by top management. Subramaniam and Ashkanasy (2001) state that the role of perceptions of organisational culture has attracted only limited attention in the research literature. Further, Wilderom, Glunk, and Maslowski (2000: 193) advocate the conduct of comprehensive, empirical studies using sophisticated measures to validate the “strong belief among researchers that the performance of organisations is attributable, in part, to organizational culture.” Prior to evaluating differences in firm performance according to size, organisational culture needs to be clearly identified. Ashkanasy, Broadfoot,

and Falkus (2000) recommend the use of quantitative measures to increase our understanding of organisational culture. Therefore, the current study addresses the deficiencies identified in the literature by examining executive perceptions of the values which underpin organisational culture in small, medium, and large organisations in an empirical study.

METHOD

A stratified random sample of 5000 members was selected from the population of 21,461 members of the Australian Institute of Management (AIM) categorised by state of origin. A questionnaire was designed which included questions to gather data concerning personal and professional demographic details and the instrument, The Organizational Culture Profile (OCP) (O'Reilly et al., 1991). A number of mail-outs to the sample resulted in a final total sample of 1,918 useable responses (a 39% response rate).

Sample

Over one-third (37%) of respondents worked in small firms with fewer than 100 employees, 22% in medium-sized firms (100-499 employees), and 41% in organisations with more than 500 employees. There was a close similarity between the sample and the AIM membership when classified by state, gender, and age. Around three-quarters of the sample (78%) were males and 22% were females which was almost identical to the gender composition of the AIM membership. Table 1 presents the demographic details for the sample classified by size of organisation (small, medium, and large) and for the total sample. Around one-third of respondents had completed post-graduate degrees (Masters, PhD, or professional degrees): 33% in small, 35% in medium, and 40% in large businesses, while respondents from small businesses had the highest percentage of technical qualifications (30% compared to 21% in medium and 19% in large businesses). Almost half (47%) of respondents in small businesses were chief executive or operating officers compared to 28% from medium and 10% from large businesses. One-third (33%) of respondents from small businesses compared to only 22% from medium and 20% from large businesses had been in their current position for more than eight years, while one-third of respondents in each category had been an executive for more than 20 years.

Table 1 about here

Instrumentation

The Organizational Culture Profile (OCP) developed by O'Reilly et al. (1991) and since revised by Cable and Judge (1997) and Judge and Cable (1997) was used to measure organisational culture. The instrument was originally designed using a Q-sort method for acquiring respondent data where respondents sorted 54 attributes of organisational culture (e.g., *tolerance*, *working long hours*) arranged on cards into nine categories ranging from 1= *very uncharacteristic of me* to 9=*very characteristic of me* (Judge and Cable, 1997). However, this approach assumes that individual and organisational values are idiographic. Further, such ipsative response scales do not produce independent responses and there is no accepted method for estimating internal consistency estimates of reliability of such scales (Howard, 1998). Consequently, with permission of the authors, the instrument was modified in the current study by amending the original Q-sort procedure to a normative scale. In this revised and reformatted version, respondents were required to indicate the organisation's characteristic cultural values orientation along a five-point Likert scale where 1=not at all, 2=minimally, 3=moderately, 4=considerably, and 5=very much. In other words, respondents were asked to indicate to what extent a particular item describing a value was characteristic of their organisation. Permission to use an amended and revised version was received from the American Psychological Association (27 September 1999) and Professor O'Reilly (21 December 1999). The revised OCP provides a more versatile and user-friendly means to investigate individual perceptions of organisational culture which is appropriate for use with large samples.

The statistical software package, AMOS (Arbuckle and Wothke, 1999) was used to undertake confirmatory factor analysis (CFA) which tested the theoretically derived, hypothetical structure of factors and substantiated the content validity. Composite factor reliability coefficients (Fleishman and Benson, 1987) and Cronbach's alpha coefficients indicated high internal consistency for each of the seven factors. The mean Cronbach alpha coefficient of .75 indicates acceptable reliability for the revised instrument. Table 2 presents the composite factor reliability coefficients for the seven factors. Evidence of discriminant, construct, and predictive validity (see Sarros, Gray, and Densten, 2002) suggests that the revised instrument is robust and the factors reflect true differences among the aspects being measured.

Based on the nature of the items loading on each composite factor and taking into account the original factor labels where appropriate, the new, shortened version of the OCP consisted of a 28-item, seven factor structure. The factors are defined in terms of the following value items: Supportiveness: Being team oriented, sharing information freely, being people oriented, and collaboration; Innovation: Being innovative, quick to take advantage of opportunities, risk taking, and taking individual responsibility; Competitiveness: Achievement orientation, an emphasis on quality, being distinctive – being different from others, and being competitive; Performance Orientation: Having high expectations for performance, enthusiasm for the job, being results oriented, and being highly organised; Stability: Being calm, security of employment, low conflict, and stability; Emphasis on Rewards: Fairness, opportunities for professional growth, high pay for good performance, and praise for good performance; and Social Responsibility: Being reflective, having a good reputation, being socially responsible, and having a clear guiding philosophy.

Analyses of data

Quantitative data were analyzed using SPSS 10.0. A Pearson correlation matrix was calculated to determine the strength of relationships among OCP factors for the total sample and for each sub-sample where data were categorised according to size of organisation. Descriptive statistics including means and standard deviations were calculated as well as composite factor reliability coefficients for OCP factors. Analyses of variance were calculated to assess the differences among group mean scores for OCP factors by size of organisation. A post-hoc Scheffé test was used to identify significant differences among sub-groups.

RESULTS

Descriptive statistics, reliabilities, and a correlation matrix of the data for the total sample are presented in Table 2. All of the scale reliabilities are above .70 and are clearly acceptable. Table 2 indicates that Australian executives perceived Performance Orientation to be the most dominant cultural characteristic of their firms and evident to a considerable extent, followed by Social Responsibility, Supportiveness, Emphasis on Rewards, Innovation, and Stability which were all rated as 'moderately' characteristic of their firms. Competitiveness, with the lowest mean score was perceived overall as least characteristic of organisations.

The correlation matrix in Table 2 indicates that all OCP factors were positively and moderately correlated. There were significant strong positive relationships between Supportiveness and Emphasis on Rewards (.78), Competitiveness and Performance Orientation (.76), Competitiveness and Innovation (.67), and between Emphasis on Rewards and Social Responsibility (.67). The weakest correlations were for Stability with Innovation (.33), Competitiveness (.43), and Performance Orientation (.35). The correlation matrix for the total sample was compared with the matrix for each sub-sample where data were categorised according to size of organisation. All OCP factors were positively and moderately correlated across all sub-samples and individual correlations varied by no more than 0.1 indicating the stability of the inter-relationships among OCP factors across all sub-samples.

Table 2 about here

Table 3 indicates that there were significant differences for all OCP factors according to size of organisation. As predicted in Hypothesis 1, means scores for each factor were significantly higher for small organisations than

medium-sized or large organisations. The culture in small organisations was perceived to be significantly more supportive, innovative, competitive, performance oriented, to have a greater emphasis on rewards, and to take greater social responsibility than the cultures in medium-sized or large organisations.

The results did not support Hypothesis 2 since small business culture was perceived to be significantly more stable than in medium-sized or large organisations.

Table 3 about here

DISCUSSION

The overall objective of this study was to advance understanding of perceived similarities and differences in organisational cultures in small, medium, and large Australian organisations. The mean OCP factor scores indicate that respondents perceived all the factors to be evident at least to a “moderate” level in all organisations regardless of size.

The correlation analysis indicates strong linkages among variables and many of the interrelationships identified are consistent with findings evident in the literature. For example, the strong positive relationship between Innovation and Competitiveness is consistent with the results of a study by Koberg and Chusmir (1987) which found that innovation impacted on organisational competitive advantage. Russell and Russell (1992) suggested that employees in organisations which are perceived to be innovative prefer more organic structures and participative management processes which relates to collaboration, an aspect of OCP Supportiveness. Another study of the climate for innovation and creativity in Canadian and U.S. SMEs concluded that the most important factors for creativity were challenging work and organisational encouragement (Bommer and Jalajas, 2002). Similarly, Chandler, Keller, and Lyon (2000) conducted a study of 23 small to medium-sized manufacturing firms and concluded that supervisory support (Supportiveness) and reward system support (Emphasis on Rewards) were positively related to innovation which is consistent with the relationships identified in the current study. Participative cultures, where the needs of all stakeholders are considered important are oriented towards community service (Bechtold, 1997) which is consistent with the strong, positive relationship between Supportiveness and Social Responsibility. Organisational support and an emphasis on people, particularly in relation to employee training and development creates and maintains a more performance-oriented culture (Denison, 1990; Gardner, 1999; Hansen and Wernerfelt, 1989; Johnson and Gubbins, 1992) and improves competitiveness (Johnson and Gubbins, 1992) which again accounts for the positive relationships among Supportiveness, Performance Orientation, and Competitiveness.

On the other hand, innovation involves risk-taking and employees in organizations characterised as “innovative” are more likely to face uncertainty. Under these circumstances, McDermott and Stock (1999) suggest that organisational flexibility and spontaneity are required to counter uncertainty rather than control and stability. Consequently, in highly innovative organisations, there could be a reduction in perceptions of stability and predictability. This may account for the weaker positive relationship between Innovation and Stability evident in this study. Alternatively, the weak relationships for Stability with Innovation, Performance Orientation, and Competitiveness may reflect the pervasiveness of change over the last decade as organisations attempted to improve productivity, efficiency, competitiveness, and effectiveness. Therefore, stability may be interpreted more often as stagnation and maintaining the status quo rather than steadiness (Cameron and Quinn, 1999).

The results indicate that small organisations were perceived to be more supportive than large organisations which is consistent with previous studies. A study by Bryson (1999) in the U.K. of employee involvement practices which encourage employee commitment found marked differences in the level of employee involvement in small organisations compared to large organisations. Regular, direct communication between managers and workers in small organisations appeared to foster mutual trust and meant that workers felt more involved in decision-making processes.

The comparison of means (i.e., Table 3) indicates that small organisations were perceived as emphasising innovation and competitiveness to a greater extent than large organisations. The results provide supporting evidence for the views of Hill and Wright (2001) and Thore (1995) and clarify Hodgetts' (1996) statement that all enterprises regardless of size and financial status are involved in quality improvements (one aspect of competitiveness). The results indicate that small organisations are perceived to have a greater emphasis on rewards than medium or large organisations. The results are consistent with previous research which established that wage responsiveness to individual-level productivity is greater in small organisations than in large organisations (Bishop, 1987). In contrast, Brown, Hamilton, and Medoff (1990) concluded that workers in large organisations enjoy better benefits, have greater security, and earn higher wages than their counterparts in small organisations.

Despite the fact that most studies of social responsibility focus on large organisations (Thompson and Smith, 1991), the findings are consistent with a study by Besser and Miller (2001) of 675 small business firms in Iowa which concluded that a significant group of business operators had positive attitudes toward their communities and reported providing support for local communities. Further, Acs (1999: 16) contends that community building is more important for small organisations than large organisations because small organisations "have fewer resources and rely more on community and localised knowledge networks."

The results suggest that small businesses were perceived to be significantly more stable than medium-sized or large organisations and therefore, Hypothesis 2 was not supported. This finding is in contrast to trends identified in the economic literature where large organisations are portrayed as "focusing on the status quo" (i.e. maintaining stability) while small organisations are seen as "dynamic" and focusing on change (Acs, 1999: 8). According to Kotter and Heskett (1992), organisations that lack competition and value stability are characterised as 'unhealthy' cultures. However, the items which loaded on Stability in the OCP instrument required respondents to indicate to what extent their organisation was characterised by *stability, being calm, having security of employment, and having low conflict*. These aspects of stability may in Cameron and Quinn's (1999) terms indicate steadiness rather than stagnation, and create a predictable environment that is conducive to change and innovation.

Finally, Bechtold (1997) considered high performance organisations (Performance Orientation) are more able to adapt to changing environments, emphasise the importance of people (Supportiveness), value participation, and have an orientation toward community service (Social Responsibility). According to this description, respondents in our study perceived their organisations to have high performance cultures. Small organisations were perceived on average to out-perform medium and large organisations according to the factors examined.

Limitations

A number of limitations need to be taken into account. The findings are based on the use of self-report survey data which may be affected by leniency or inflated responses. Incorporating a range of qualitative methods, for example conducting interviews, focus groups, and participant observation may mitigate the problems associated with self-report data. Another limitation relates to data collection at a single point in time which does not allow for changes in perceptions and attitudes over time. For this reason, a longitudinal study of organisational culture is strongly recommended and long overdue. Further, from an organizational structure perspective, it may not be accurate to compare the perceptions of executives in the same hierarchical position in different sized organizations. For example, an executive in a small organization may be comparable to a division-head in a large organisation rather than to the CEO of a corporation.

The current study was based on a stratified random sample of 5,000 members selected from the population of 21,461 members of the Australian Institute of Management at the time of data collection (July 2000). However, the AIM does not include all businesses in Australia and therefore, this may be a source of selection bias. This paper has drawn broad generalisations based on the assumption that the cultures of organisations within one size category tend to be relatively homogeneous. However, there may be differences between cultures evident in "micro" businesses with fewer than five employees and other businesses classified as "small" businesses. Thus, the variations in organisational cultures among organisations within each category need to be examined in further research. The moderating effects of

nationality, industry, micro-environments, and stage of growth require further clarification. Such studies would allow the accumulation of comparative and normative data necessary for the evaluation of the impact of organisational size on culture.

The findings from this study have important implications for researchers, given the challenge of identifying organisational culture characteristics. The study provides encouraging evidence that the OCP is an appropriate measure to examine culture in organisations regardless of size, and the instrument shows promise in providing a framework to investigate cultural norms. The OCP uses a rigorous approach which minimises bias and is suitable for theoretical testing and for making cross-organisational comparisons. Further, the OCP should provide a foundation for investigating the relationships among culture and organisational outcomes such as job satisfaction, performance, and employee commitment particularly in relation to small businesses where very few studies have been conducted.

The modified version of the OCP has a range of practical applications. For example, the new measure should facilitate the monitoring of organisational cultural change as identified by organisational members and assist in the assessment of readiness for the successful adoption of new technologies and change management strategies. The OCP could be used to provide insights into perceived similarities and differences concerning cultural profiles particularly when organisational mergers or takeovers are proposed. A further application of the OCP is to assess person-organisation fit. Originally, the OCP was developed to examine the congruence between individual and organisational values (O'Reilly et al., 1991). The application of the modified instrument should be extended to evaluate person-organisation fit in small, medium, and large organisations. The use of the OCP could provide operational data to aid in the recruitment, selection, and socialisation of new employees.

CONCLUSION

In conclusion, this paper reports on the first major, nation-wide study which compares perceptions of organisational culture in small, medium, and large organisations. The study enhances our understanding of the inter-relationships among cultural values and assists in establishing baseline cultural profiles for organisations ranging from small businesses to large corporations. The results suggest that executives need to recognise the strength of the linkages among supportiveness, innovation, and performance orientation. The findings indicate that small organisations were perceived to be significantly more supportive, competitive, innovative, and performance-oriented than large organisations. Consequently, the findings provide grounds to reject the notion that small organisations can only be successful by imitating large organisations. Paradoxically, larger organisations might benefit from creating small business units where the culture may be more conducive to maximizing the balance between performance and emphasis on people. Finally, further research should investigate how small organisations develop and maintain the capacity to be innovative and competitive despite their resource limitations.

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Table 1: Frequencies and Percentage Frequencies for Demographic Variables by Size of Organisation

Variable	Small (<100) n=655		Medium (100-499) n=389		Large (>500) n=712		Total N=1918	
	f	% ^a	f	% ^a	f	% ^a	f	% ^a
Sex								
Males	505	78	298	77	515	73	1436	76
Females	143	22	89	23	187	27	457	24
Total	648	100	387	100	702	100	1893	100
Age								
1 < 30 years	30	5	7	2	31	4	72	4
2 30-39 years	138	20	84	21	162	23	399	20
3 40-49 years	213	33	169	44	279	39	705	37
4 50-59 years	212	33	111	29	214	30	598	32
5 60+ years	60	9	15	4	24	4	135	7
Total	653	100	386	100	710	100	1909	100
Education								
High School	68	11	34	9	36	5	150	8
Assoc/Dip	30	5	12	3	19	3	70	4
Tech	193	30	81	21	136	19	424	22
Bachelor	138	21	124	32	235	33	605	32
Masters	171	26	113	29	223	32	513	27
PhD/Prof. degree	48	7	21	6	59	8	140	7
Total	648	100	385	100	708	100	1902	100
Level^b								
1 Top	301	47	105	28	72	10	558	30
2 Upper	148	23	69	18	128	18	376	20
3 Middle	197	30	204	54	502	72	939	50
Total	646	100	378	100	702	100	1873	100
Years in position								
Under 1.5	133	20	90	23	214	30	471	25
1.5-3	140	21	100	26	189	27	459	24
3.1-8	164	26	112	29	169	23	484	25
8.1+	218	33	87	22	140	20	504	26
Total	655	100	389	100	712	100	1918	100
Years as executive								
<6	147	22	82	21	192	27	449	23
6-12	136	21	109	28	155	22	421	22
12-20	157	24	73	19	138	19	409	22
20+	215	33	125	32	227	32	639	33
Total	655	100	389	100	712	100	1918	100

^a Percentages have been rounded to nearest whole number. ^b Level: 1= Chief executive or operating officer, 2= Vice president, director, board level, 3= middle level department executive, superintendent, plant manager, senior professional staff

Table 2: Means, Standard Deviations, Reliabilities and Correlations for OCP Factors (N=1918)

Composite OCP Factors ^a	Mean	SD	r _c ^b	1	2	3	4	5	6
1. Supportiveness	3.70	0.90	0.77						
2. Innovation	3.50	0.91	0.92	0.61**					
3. Competitiveness	3.37	0.65	0.85	0.62**	0.67**				
4. Performance Orientation	4.02	0.71	0.88	0.55**	0.58**	0.76**			
5. Stability	3.46	0.72	0.94	0.58**	0.33**	0.43**	0.35**		
6.Emphasis on Rewards	3.61	0.90	0.87	0.78**	0.62**	0.66**	0.61**	0.57**	
7.Social Responsibility	3.93	0.74	0.74	0.65**	0.49**	0.66**	0.57**	0.58**	0.67**

^a Response categories for OCP factors: 1=Not at all, 2=Minimally, 3=Moderately, 4=Considerably, and 5=Very much.

^b r_c = composite factor reliability coefficients calculated from the maximally weighted factor score regression coefficients obtained from fitting one-factor congeneric measurement models to constituent indicator items.

** Correlation significant at the < 0.01 level.

Table 3: One-Way ANOVA for Mean Scores of Respondents on the OCP Classified by Size of Organization (N=1756)

OCP Factors	Size			F	Sig. Diff. Groups
	1 (n=655)	2 (n=389)	3 (n=712)		
Supportiveness	3.97	3.59	3.43	66.28***	1-2,1-3, 2-3
Innovation	3.79	3.45	3.18	82.30***	1-2,1-3, 2-3
Competitiveness	3.54	3.01	3.20	50.23***	1-2,1-3, 2-3
Performance	4.12	3.95	3.91	17.02***	1-2,1-3, 2-3
Stability	3.63	3.40	3.26	47.87***	1-2,1-3, 2-3
Reward	3.86	3.50	3.34	64.40***	1-2,1-3, 2-3
Social Responsibility	4.08	3.88	3.78	28.38***	1-2,1-3, 2-3

Note: 1 = small (<100 employees); 2=medium (100-499 employees); 3= large (>500 employees). Response categories for OCP factors: 1=Not at all, 2=Minimally, 3=Moderately, 4=Considerably, and 5=Very much.

*p<.05; **p<.01; ***p<.001