

Result Report
Rightsourcing Organizational Culture Compass

for
TECOSIM Technische Simulation GmbH

Related to Project
Project Sketch (Projektskizze)
Nr. 210228

Introduction

Rightsourcing has developed an Organizational Culture Compass (based on research and publications from Hofstede & Waisfisz).

This report is a reduced version of the complete Compass for the consumption of the TECOSIM Management.

The input data had been collected by a digital questionnaire in March 2021 from the following persons: Dr. T. Birken, S. Kumar, U. Jankowski

Disclaimer: THIS REPORT only targets to captures the AS_IS culture at TECOSIM from the management point of view and hence limited to its goal (this information is needed for Rightsourcing for executing the current project for intercultural training to promote smooth working between TECOSIM Germany and India project teams). This report may not be interpreted as recommendations for change. A recommendations report requires a more exhaustive (depth and breadth) questionnaire, industry specific customization for the right definition of the dysfunctional window and an optimal position definition with the management. (which is out of the scope of the current project). The dysfunctional windows defined below are across all Industries, hence a generic indication.

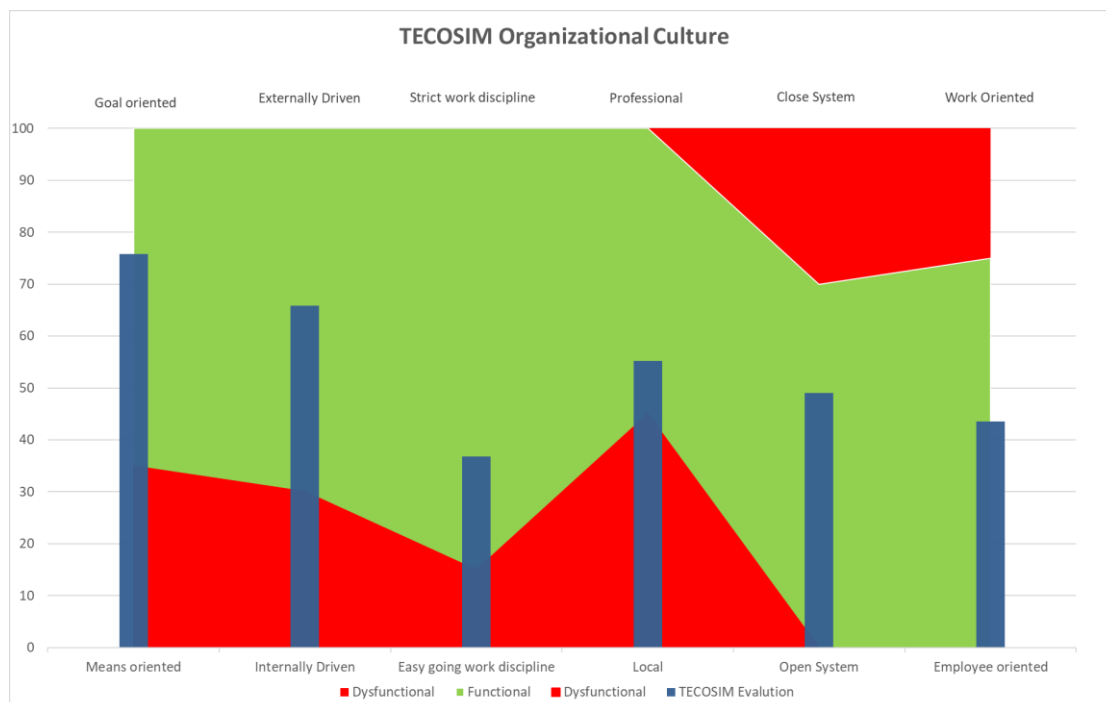
The 'Best' Culture for an organization is NOT predetermined. It is influenced by the reason an organization exists, their strategies to realise the objectives, influence of the environment and subcultures within organizations. Even within the same organization, one single 'best' culture does not exist.

Dimensions and Results

Organizational culture is **“the way in which people in an organization relate to each other, to their work and to the outside world, compared to other organizations.”** The three Organizational components analyzed are: How do we relate to each other internally? How do we relate to our work? How do we relate to the outside world?

These components are measured on 6 autonomous dimensions.

Organizational Culture for TECOSIM (based on the limited data from TECOSIM Management only)



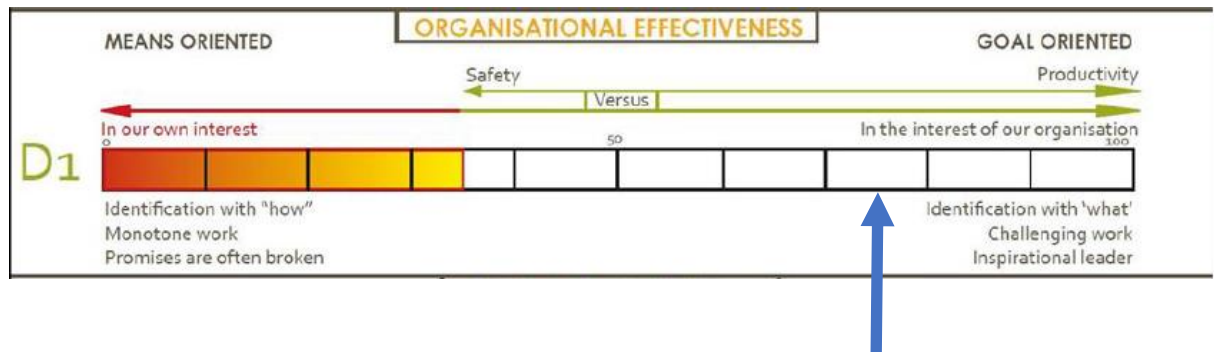
D1: Organizational Effectiveness

Means oriented versus goal oriented

The means oriented versus goal-oriented dimension is most closely connected with effectiveness of the organization.

In a means-oriented culture, the key feature is the way in which work has to be carried out; people identify with the **“how”**.

In a goal-oriented culture, employees are primarily driven to achieve goals or results, even if these involve substantial risks; people identify with the **“what”**.



TECOSIM SCORE on Organizational Effectiveness: **76**

The dividing line between an a-priori functional and dysfunctional culture cannot be put exactly at 35, it lies somewhere between 30 and 40.

- Safety is enabled by a culture scoring between 35 and 50.
- Productivity is enabled by a culture scoring between 65 and 100.
- If a culture scores below 35, there is a fair chance that it is by definition dysfunctional. Then the exchange is not between safety and productivity but between “we work in our own interests” versus “we work in the interests of the organization”. However, there is a heavy influence from the type of industry on the definition of the Internal normative window (the RED ZONE in the pic above).

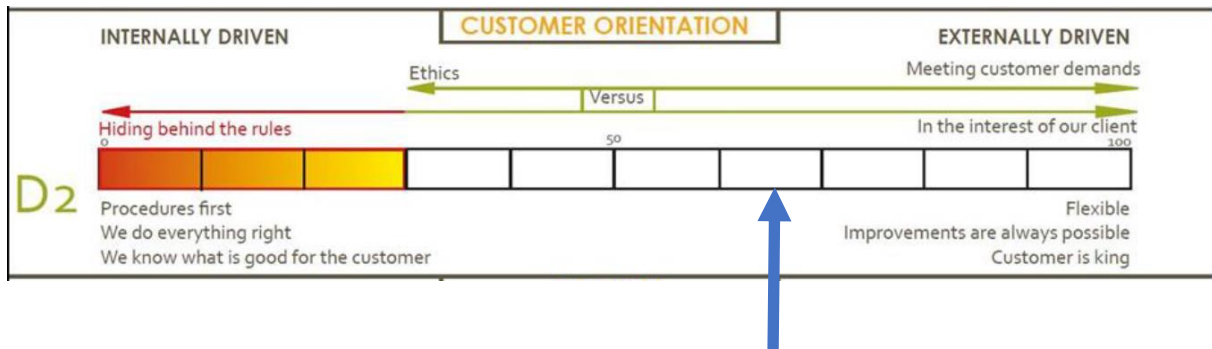
D2: Customer Orientation

Internally Driven versus Externally Driven

This dimension is most closely connected with the **way employees relate to customers** of the organization, as well as to **other stakeholders**.

In an internally driven culture, employees perceive that business ethics and honesty matter most when dealing with external environment. Employees believe they know what is best for customers and the world at large.

In an externally driven culture, the emphasis is on meeting the customer’s requirements; results are paramount and a pragmatism prevails over ethics.



TECOSIM SCORE on Organizational Effectiveness: **66**

An internally driven position can also be based on the fact that one doesn't need to care about what customers want given their very strong / monopolistic position in the market.

- Ethical behavior is enabled by cultures scoring between 30 and 75.
- Meeting customer demands is enabled by cultures scoring between 65 and 100.
- There is a small area in which both objectives can be enabled to a certain extent: behaving ethical while meeting customers' demands in a flexible way can be achieved between 65-75.
- If a culture scores higher than 80, chances are that customers will be serviced in a manner that may be (not necessarily) harmful to them in the long run.
- If a culture scores below 30, that is, extremely internally driven, there is a fair chance that the culture is dysfunctional. The exchange is then not between "ethics" or "meeting customers' demands", but between "hiding behind the rules to cover our ass" versus "we are working in the interest of our clients".

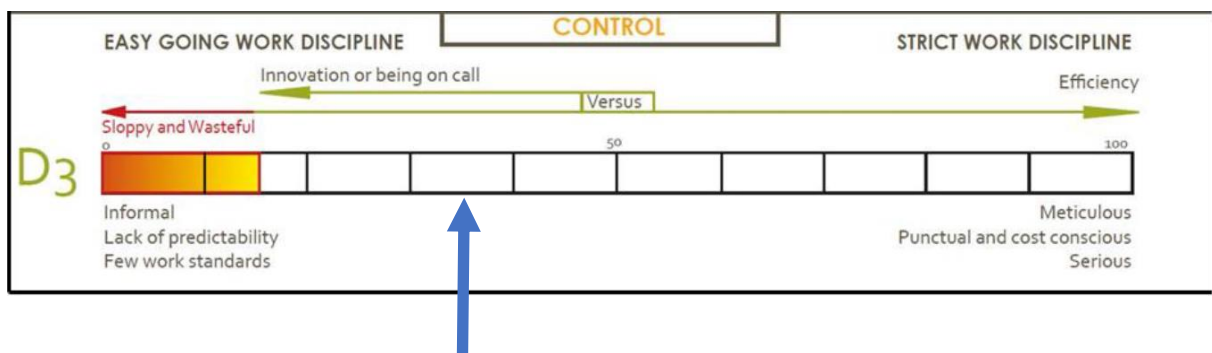
D3: Control

Easy going versus strict work discipline

This dimension refers to the amount of **internal structuring, planning, control and discipline**.

An easy-going culture espouses a loose internal structure, lack of predictability, and little control and discipline; there is much improvisation and there may be many surprises.

A strict work discipline espouses the reverse: people are cost-conscious, punctual and serious.



TECOSIM SCORE on Organizational Effectiveness: **37**

- If a culture scores below 15, people behave so sloppy that it is wasteful.
- A culture scoring between 15 and 40 enables thinking out of the box, but can also occur when it is hard to plan ahead.

- A high score indicates a strict culture. This is functional when a meticulous task implementation is required or when cutting-edge competition can be beaten by cost-consciousness. “First time right” might be their slogan.

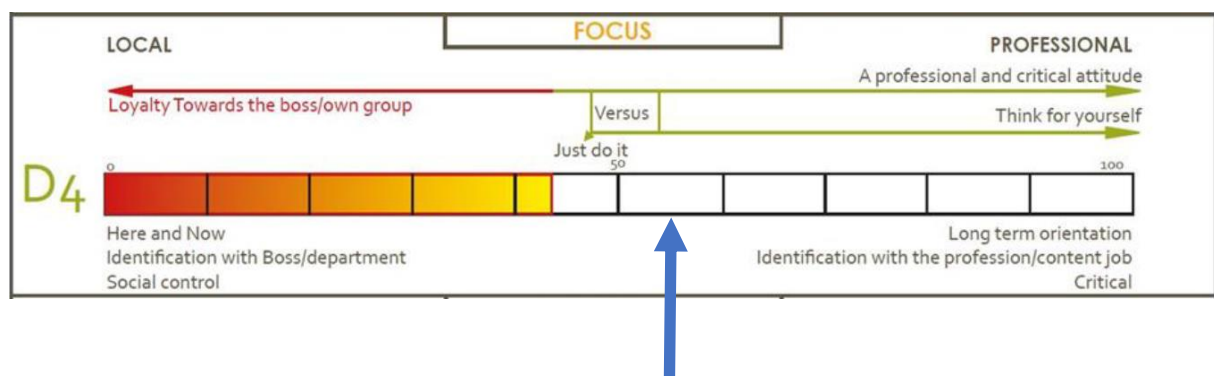
D4: FOCUS

Local versus professional

This dimension is most closely connected with the **way people in an organization relate to the outside world** in general; whether the outside world is seen as threatening or interesting. In a local culture, employees identify with the boss or the unit in which they work. In a professional culture, employees identify with their profession or their job content.

In an extremely local culture, employees are very short-term oriented, they are internally focused and there is strong social control to be like everybody else.

A very professional culture encourages people to be long-term oriented and to go out into the world to learn about the latest developments, and creates a diverse work place. Such a culture also enables positive cooperation between different departments and function groups.



TECOSIM SCORE on Organizational Effectiveness: **55**

- A score below 45 is seen very often in companies and this happens when managers feel personally threatened because they work above their competence level. Perhaps many managers are promoted above their competence level, without receiving proper support and guidance.
- “Just do it” is an expression of a score between 45 - 60. This makes sense if critical questions are raised on the shop floor which hampers the workflow. The idea is that management will do the thinking on behalf of workers.
- A professional culture is a crucial element in promoting a learning organization.

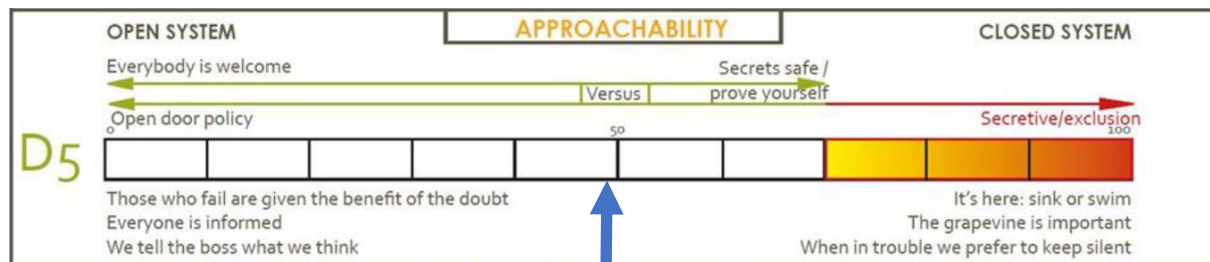
D5: Approachability

Open versus closed system

This dimension relates to the **accessibility of an organization**. **Open cultures are easily accessible to insiders and outsiders**, and it is believed that almost anyone fits in the organization. In a closed organization, newcomers need to adjust before being accepted and outsiders have to know their place.

In an extremely open culture, newcomers and outsiders immediately feel welcome. There is a shared belief that almost anyone fits in the organization.

In a closed culture secrecy prevails. As a result, information travels slowly. A person must earn his or her stripes before being accepted.



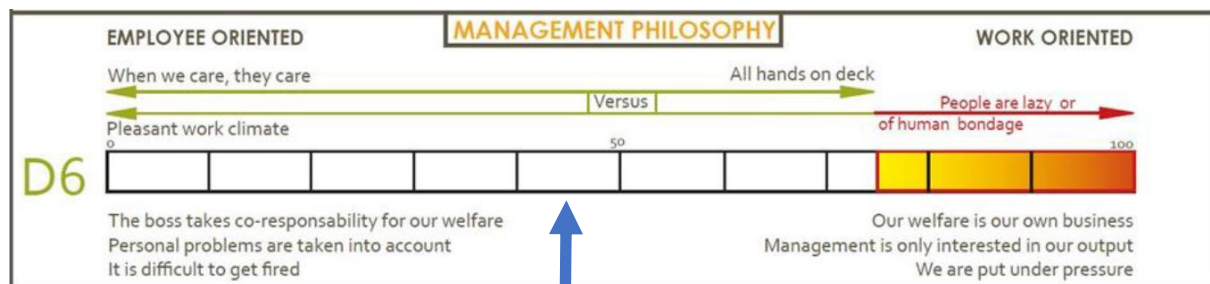
TECOSIM SCORE on Organizational Effectiveness: **49**

- Low scores reflect a place where everybody is welcome and nobody feels excluded.
- Places where secrets are safe or where you have to prove yourself before being accepted, are enabled by cultures scoring between 50 - 70.
- If a culture scores above 70 there is a fair chance that this is dysfunctional. There are very few companies in this area.
- Employees in general prefer an open culture. Yet management may opt at times for a more closed culture, in view of industrial espionage, to safeguard patents etc.

D6: Management Philosophy
Employee versus work oriented

Employee orientation opposes a concern for people to a concern for completing the job, whatever the price may be. This aspect of the culture is particularly related to the **philosophy top management** embraces, either consciously or unconsciously.

In an extremely employee-oriented culture, employees know that personal issues are considered and that the organization goes to great lengths to take co-responsibility for the welfare of its employees. In a very work-oriented culture, there is heavy pressure to perform the task, even at the expense of the health of employees.



TECOSIM SCORE on Organizational Effectiveness: **44**

- Management has a great deal of freedom to embrace and execute the management philosophy they prefer. Yet scores from 75 to 100 are extremely rare and almost don't exist.

About Rightsourcing

Rightsourcing GmbH is a management consulting company focused on process optimization, sales and business development of companies, founded in 2015 in Stuttgart/Germany. The current managing director is Prof. Dr. Markus Hesse.

Rightsourcing specializes in training & coaching adults for business transformation of software, service and engineering companies and in strategic consulting for digitalization strategy of industrial companies.

The company develops its ability to innovate through teaching and research activities at the private University of Economics and Management in Stuttgart.

Rightsourcing has permanent employees and numerous partners who have several years of management experience as managing directors or comparable such positions.

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