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CONCEPT FOR ORGANIZATIONAL CULTURE CHANGE IN A COMPANY
NÁVRH ZMĚNY ORGANIZAČNÍ KULTURY VE VYBRANÉM PODNIKU

MASTER'S THESIS
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ABSTRAKT

Tato diplomová práce je zaměřena na téma orgnizační kultura a její vliv na chod regionální pobočky pojišťovny XYZ. Nejprve byly objasněny teoretické poznatky týkající se organizační kultury a jejího hodnocení. Dále byl uskutečněn polo strukturovaný rozhovor, dotazníkové šetření a provedena obsahová analýza interních dokumentů. Na základě zjištěných informací byla navržena opatření vedoucí ke zlepšení stavu z pohledu organizační kultury.

KLÍČOVÁ SLOVA

Organizační kultura, analýza organizační kultury, změna organizační kultury, dotazníkové šetření

ABSTRACT

This thesis is focused on topic of organisational culture and its influence on the operation of the regional branch of the insurance company XYZ. First, the theoretical background of organisational culture and its evaluation was clarified. Furthermore, a semi-structured interview, a questionnaire survey and a content analysis of internal documents were carried out. Based on the information obtained, measures were proposed to improve the situation from the perspective of organisational culture.

KEYWORDS

Organisational culture, analysis of organisational culture, change of organisational culture, questionnaire survey

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DECLARATION

Prohlašuji, že předložená diplomová práce je původní a zpracoval jsem ji samostatně. Prohlašuji, že citace použitých pramenů je úplná, že jsem ve své práci neporušil autorská práva (ve smyslu zákona č. 121/2000Sb., o právu autorském a o právech souvisejících s právem autorským).

V Brně, dne 30.června 2019   ………………………….

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CONTENT

INTRODUCTION

Today's world of globalization could be called a world of organizations. Various types of organizations affect virtually every part of our lives. Every organisation's integral part is organisational culture. It is constantly evolving, its importance is persistently growing although this phenomenon is not described, classified or recognized easily. It represents the basic values, norms and general rules that determine the organisation.

Every organisation differs from each other. These differences are reflected in all its activities and decisions. Each organisation shares some common consciousness that, to a certain extent, determines how its members think, behave, act, and which makes it unique.

Understanding the concept of organisational culture is a powerful tool that allows the owner, management and other members of the organisation to work together to shape it to support the achieving of set goals or increase overall efficiency. Every organisation shapes its culture throughout its development. No matter the size of the business, annual turnover, profitability, or industry. Manifestations of the culture are more or less visible. It depends on the communication and relationships between employees, superiors and subordinates, common customs, traditions, and other characters, which all together form the organisational culture of the company.

1. THE OBJECTIVES OF THE THESIS AND USED METHODS

1.1. The objective of the Thesis

The main aim of this thesis is to design the content of the desired organisational culture in the regional branch of XYZ insurance company. Proposed measures will be based on the analysis of the current state of the organisational culture of XYZ insurance company with a focus on its particular regional branch in order to support the overall performance of the branch.

First, the detailed literature review will be carried out based on the applicable literature of authors who deal with the issue of organisational culture and communication.

In the second part, the company will be introduced and its current situation will be described using selected research methods.

1.2. Research Methods

Three methods of research will be used to analyze the organizational culture of the insurance company.

- Analysis of corporate documents

Basic information about the company was found out on the basis of content analysis of company documents (web pages, intranet, etc.). During the analysis of the documents, it is necessary to take into account who created the document and for what purpose.

- Interview

A semi-structured interview will be carried out with the regional branch manager. The structure of the interview will be prepared in advance and the conversation will be recorded for subsequent easier processing. The interview will be the basis for selecting a range of questions in the questionnaire.

- Questionnaire survey

The questionnaire will be compiled on the basis of information obtained from the analysis of company documents and semi-structured interview with the branch manager. 34 questions will be designed to better understand the regional branch employee's perception of organizational culture. The questionnaire will be divided into four sections:

Employee satisfaction

Workplace relationships

Communication

Motivation and remuneration

All employees of the regional branch except the manager participated in the questionnaire survey.

Hypotheses of Thesis

H1: Organizational culture of the regional branch of XYZ insurance company has a positive effect on employee performance.

H2: Employees of the regional branch of insurance company XYZ are satisfied with the new equipment of the workplace.

2. THEORETICAL PART

The theoretical part deals with the clarification of basic knowledge and concepts related to the topic of the thesis and the research goal. The chapter aims to clarify the organisational culture and…

2.1. Organisational Culture

In order to properly understand the complex concept of organisational culture, it is necessary first to elaborate on what culture and organising are.

2.1.1. Culture

„Culture is a set of cognitions shared by members of a social unit."
(O'Reilly, Caldwell, 1991, p. 491)

Originally, the term culture was used in antiquity for the cultivation of land until later the philosophers created this parallel, and the concept of culture began to be used in the context of tending of soil or cultivating people and society.

Culture cannot be unequivocally defined as it interferes with many scientific disciplines.

Every individual is naturally part of different groups from its birth and goes through the continuous learning process of the group's culture. These groups influence us and our behaviour patterns, attitudes, beliefs and values are either accepted or shared. Initial socialisation occurs in the family, where the individual adopts opinions, behaviours, and thinking, passed on from parents and grandparents, from generation to generation.

Gradual change is natural for every culture, individuals or entire social groups are leaving, and newcomers must adapt to the rules set. Accepting and identifying with them creates a sense of belonging to the group and define who is and who is not a member of the group (Cohen, 2009).

Robert Lawless (1996) argues that culture is a specific way of life for a certain group of people or society that is given a pattern of behaviour by members of society. A „defined group or company of people" is every organisation which has a unique culture that determines the behaviour of its members.

The behaviour is more or less observable and helps its members to identify it (Lawless, 1996). The vast number of different definitions and ways of understanding suggests that culture is a very broad and interdisciplinary term. It is a term that has been addressed by many researchers from all over the world.

Schein (2009) claims that using a synthesis of 7 different definitions helped to identify four characteristics of a culture.

- About shared understandings among group members
- About group member's interactions
- Implicit (and explicit)
- Based on history and tradition

2.1.2. Organising

Organising is a fundamental managerial activity that is essential for the proper functioning of all organisations. The organisational structure is the external manifestation of the organisation (Odcházel, 2007).

From an organisational structure point of view is organising the creation of a new system and order it combines employees ideas with expectations of management. An organisational structure defines relationships and competencies among people in the organisation. In classical corporate structures, competencies are assigned to managers. In newer concepts, management skills are also allocated to other employees, which is often referred to as increasing management decentralization. It leads to the organisation of people, other resources, processes, services, structures and systems within the organisation. Certain factors may limit the effective operation of the organisation. These internal factors may be a structural, procedural, individual, group, or management. These limits factors can be influenced. Therefore, all these factors need to be continuously checked and, if necessary, properly coordinated in order to maximize efficiency within

the organisation. Activities in the organisation that logically follow each other should be merged into one organisational unit (Tureckiova, 2004).

2.1.3. Organisational climate

It is challenging to distinguish climate and culture from each other because they exist in the same environment, but these two terms are not the same, although they can be easily mistaken. Culture is linked with the entire structure of the organisation. On the other hand, the climate is connected to system of values. That is why it is much easier to make a change of climate than the culture.

„Organisational climate is typically conceptualized at the aggregate level; that is, organisational climate represents the gestalt perceptions widely shared among employees regarding the firm's practices, policies, procedures, routines, and reward." (Schneider, Barbera, 2014, p.98)

Organising Culture

"The only thing of real importance that leaders do is to create and manage culture."
*"If you do not manage culture, it manages you, and you may not even be aware of the extent to which this is happening." (*Schein, 2004, p.11.)

According to Kandula (2006), organisational culture is one of the most important elements of an organisation's success and is regarded to be one of the greatest impacts on how a company or institution think and act. Corporate culture and organisational culture could be understood as a perception of culture in an organisation. Both phrases mentioned in the previous sentence will be understood as synonyms, although it is a simplification.

All used resources agree that organisation behaviour is a very broad term, and is highly difficult to define it clearly, concisely and completely comprehensible. Term organisational culture was used for the first time in the book of Eliott Jasque The Changing Culture of a Factory (Jaques, 1951).

The research has reached the greatest boom at the turn of the 1970s and 1980s when this topic was explored intensively by many renowned authors from various areas. At that time, most Japanese firms had very high sales as a result of the high-quality and efficient work of all employees who supported each other and worked together to fulfil core business goals. This period is often called an „economic miracle". The huge success of the Japanese economy has motivated many individuals to be interested in the main motives and steps leading to this miracle. These people who examined the causes of the success of Japanese firms were mainly Americans - a superpower that was already a very strong and economically stable country. After that, Japanese firms became a model for Americans, and their goal was to find out what was so crucial to this unexpected success. Over time, organisational culture has become a standard and commonly used component in management (Putnam & Conrad, 1999).

Organisational culture is difficult to measure, but it can be defined, identified and further developed. The building of culture is a continuous process that begins immediately after the company's establishment.

The organisational culture affects decision making throughout the organisation. It influences the communication style, way of finding solutions to potential problems, methods of controlling employees, motivation, or adapting new employees (Brooks, 2003). Based on discussed characteristics, it can be concluded that every company has its own culture even if it does not realise it or work on it. If the development of the culture is not managed, it may be a threat to the business.

There are many various definitions of organisational culture. Several acknowledged definitions are listed below.

> *"The specific way of action, thinking, feeling that people have learned, as a result of the combinations of procedures developed by the managers, but also of the influence of the social environment in which they lived and were formed."*
> (Nica & Iftimescu, 2008, p.47)

> *"The collective programming of the mind."* (Hofstede, 1980, p.25)

„Organisational cultures represent the character of an organisation, which directs its employees' day-to-day working relationships and guides them on how to behave and communicate within the organisation, as well as guiding how the organisation hierarchy is built" (Ribiere and Sitar, 2003, p.39).

„Organisational or corporate culture is the pattern of values, norms, beliefs, attitudes and assumptions that may not have been articulated but shape the ways in which people in organisations behave and things get done" (Armstrong, 2007, p.257).

"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 you perceive, think, and feel in relation to those problems"

(Schein, 2004, p.12).

This Scheine's quote is a combination of two cultural definitions with emphasis that the company should be able to adapt their values and norms to influences from the internal and external environment.

„A system of shared values defining what is important, and normas, defining appropriate attitudes and behaviours, that guide members' attitudes and behaviours." (O'Reilly and Chatman's, 1996, p.166)

Although the presented definitions differ, some common elements can be observed. It is an existence of common values and behaviour patterns that the members of the organisation adhere to. Dimensional approaches, interrelated approaches and typological

approaches are three different classifications of approaches to diagnose and research organisational culture.

Dimensional approach is based on empirical analysis of organisational culture. Interrelated approaches connect the elements of organisational culture with other organisational attributes. Typological approaches are based on preset characteristics that are divided or grouped in categories. For a deeper insight into the essence of culture, it is necessary to respect several laws that apply to organisational culture (Pfeifer et al., 1993).

- Organisational culture reflects human dispositions, thinking and behaviour
- It is a qualitative variable, so you can not easily quantify it
- Whenever a company is considering cultural change, it is necessary to take into account the specific dispositions of its workers
- Organisational culture affects human ideas, approaches and values both consciously and consciously
- Organisational culture is a product of past activities and at the same time restricting factor of future
- Organisational culture is recognizable – although it is unmeasurable
- Organisational culture is inert - the culture of the company is hard and long-term changeable
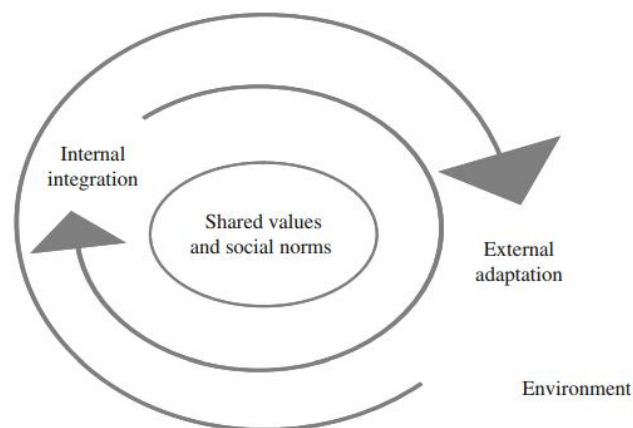

Figure 1: Interrelation of Culture

(Source: Schein, 2009, p.37)

Figure 1. graphically depicts the process of external adaptation to environmental factors such as regulations, market situation etc. and at the same time ongoing internal integration

in order to establish an understanding of how things are going to be done. Schein (2009) argues that understanding the process of adaptation and integration should be defined in the shared values and norms of the organisation. Culture can only be considered effective if it works properly in a given environment, thereby supporting the organisation's long-term goals.

2.2. The Levels of Organisational Culture

2.2.1.   Hofstede's Onion Model of Culture

Hofstede's (2007) cultural model is composed of several layers demonstrating the different depth and differentiates between 4 cultural elements.
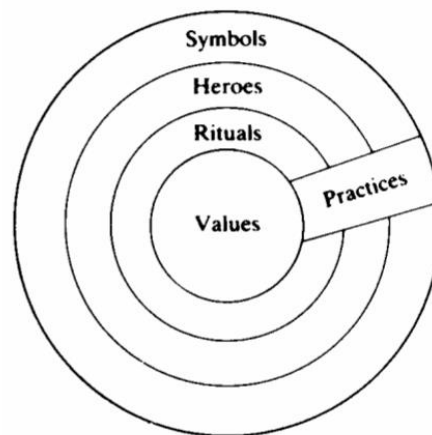

Figure 2: Hofstede's onion model of culture

(Source: Hofstede et al., 1990,p.291)

Each cultural element represents one layer of the onion. The individual layers/cultural aspects are values, rituals, heroes and symbols. Last three layers - symbols, heroes and rituals are called practices.

Values

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„The core of culture is formed by values. Values are broad tendencies to prefer certain states of affairs over others. Values are feelings with an added arrow indicating a plus and minus side. They deal with pairing such as the following: evil vs good, dirty vs clean, ugly vs beautiful etc. " (Hofstede et al., 2010,p.8-9)

Symbols

Symbols are dialogues, expressions, images, or items that have a specific meaning that only those who share a culture acknowledge.

Heroes

Existing or non-existing "role models" who have unique personal characteristics and are admired by people.

Rituals

Social activities that are done because it is customary usually with no rational reasons, only for socialising (Hofstede et al., 2010).

2.2.2. Schein's Model of Organisational Culture

Schein argues that organisational culture is unconsciously acquired on the basis of group experience. Schein's method, every organisations' culture could be examined by artefact, espoused beliefs, values and basic underlying assumptions.

There are several more existing models of corporate culture, but the most frequently used is Schein's model. Schein claims the culture could be analyzed in different ways, and each method of analysis will allow the observer to examine a different level of culture (Schein, 2004).
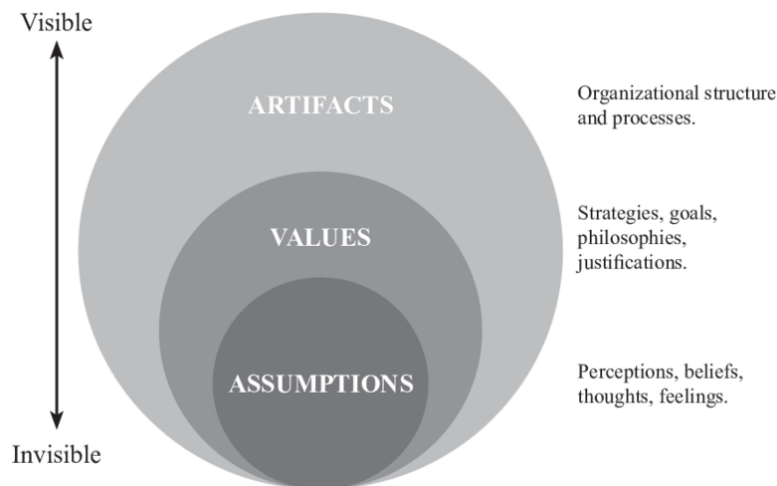

Figure 3: Schein's Multi-Layered Organisational Culture Model

(Source: Kwiatkowski, 2016):

Artifacts

- The most tangible layer
- Can be seen or heard
- Easy to observe
- Difficult to decipher and understand the real meaning

Visual organisational structures and processes. The meanings of artifacts gradually become apparent if the individual remains in the organisation long enough. If there is a need to speed up this process, it is possible to do it by observation of different cultural levels and communication with a member of the group. Artifacts can be quite easily noticed, but it is not that easy to interpret it because it is the most superficial level of culture. They could be material (logo, motto, architecture, promotional items, advertisiment etc.) or immaterial (image, presentation of vision, philosophy of the organisation, customs, used language etc.) Another division of artifacts is whether they are observable outside or inside the organisation (Schein, 2004).

Cezary Kwiatkowski, in his article, divided artifacts into three categories physical, behavioural and verbal.

Physical :   art/design/logos, buildings/décor, dress/ appearance, material items

Behavioural: ceremonies/rituals, communication patterns, traditions/customs, rewards and punishments

Verbal: jokes, names, nicknames, explanations, stories, myths/history, heroes, metaphors

Espoused Beliefs and Values

- More difficult to observe compared to artifacts
- Considered to be much more important within an organisation
- Regulating function for an organisation
- Determine how members of an organisation should behave in key situations
- Strategies, goals and philosophies

Values and norms are not that easily recognisable compared to artifacts. Values and norms are considered as important. Organisation percieves values and norms as very important. They have a regulatory function and determine the behaviour of members of the organisation during critical situations. (Schein, 2004).

Basic Underlying Assumptions

- The deepest and unconscious level of culture
- Fixed ideas about the functioning of reality
- Self-evident
- Work unconsciously and automatically without considering any consequences
- Stable, change is very difficult
- Automatically transferred to new members

- Most important in terms of operations

Basic underlying assumptions are linked with the learning of self-evident solutions to problems relating to adaptation and integration (Schein, 2004).

Schein (1986) defined six types of assumptions that form a paradigm for each organisation:

- Assumptions about what is true.
- Assumptions about the importance of time in a group.
- The assumptions about personal space, the formation of relationships between individuals.
- Assumptions about human nature.
- Assumptions about the relationship between an organisation and its environment.
- Assumptions about the right way of connecting people, sharing power and responsibility.

2.2.3. Denison's model of organisational culture

Denison has created a successful and functional model which demonstrates the connection between the culture and efficiency of the organisation. The model works with four fundamental characteristics of organisational culture and each with three sub-groups. The outcome is a model that demonstrates the connection between corporate culture and the effectiveness of the company and 12 specific characteristics of organisational culture(Misigo & Moronge, 2017).

The effectiveness of the organisation's performance in this model can be compared on a basis with indicators such as general efficiency of the organisation, quality of products and services, increase in trade volume, profitability, market share and employees' satisfaction.

- **Involvement**
- **Consistency**
- **Adaptability**
- **Mission**

Besides Schein's model, there exist, other models of the cultural organisation structure, for example, Denison's model and Charles Handy's model (Misigo & Moronge, 2017).
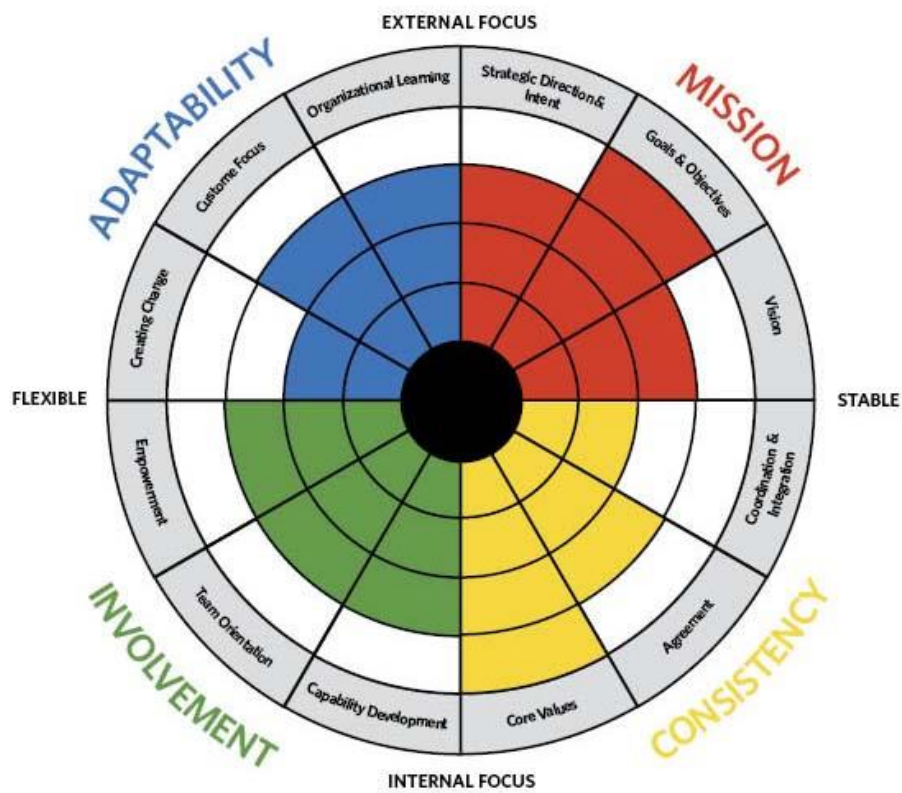

Figure 4: The Dension Model

(Source: archbright.com, 2019)

2.2.4. Organisational culture model of G. Johnson and K. Scholes

Johnson and Scholes (1988) described the so-called cultural web, which consists of elements that contribute to a clearer characterization of organisational culture. At the core
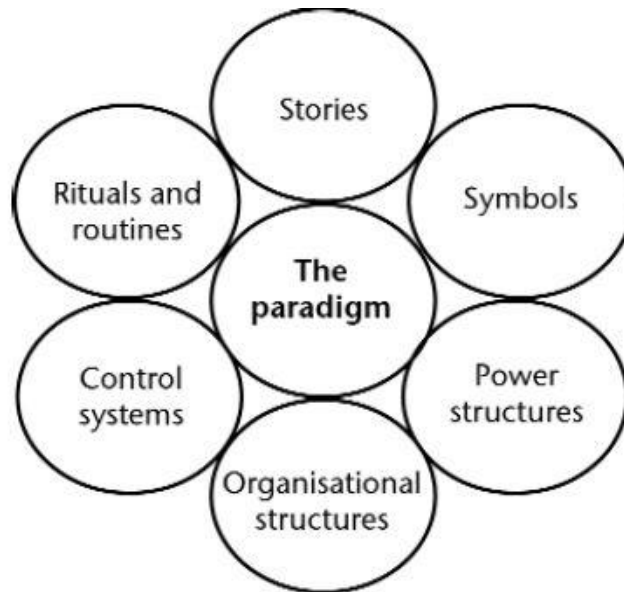

Figure 5: Cultural Web

(source: Johnson and Scholes 1988)

of this imaginary web is a paradigm - what an organisation has, what it does, what mission and values it has.

- **Stories** - Events that people talk about and spread inside and outside the organisation. It could be perceived as a way of letting people know what is important in an organisation.

- **Symbols** - Objects, events, acts or people that convey, maintain or create meaning over and above their functional purpose. Visible representation of an organisation such as organisational logos, design, formal or informal dress code. Symbolism in the exercise of power.

- **Power Structures** - Includes the most powerful people within an organisation who have a major impact on other employees. Who decides? How much does she/he affect others?

- **Organisational Structure** - Reflects power and show important roles and relationships within and organisation. A defined organisational structure as well as unwritten rules of power and influence; the way ideas flow through the organisation.

- **Control system** - Processes used to monitor what is happening and what is important within an organisation.

- **Rituals and Routines** – Events or activities that emphasise what is important in the culture, what behaviour is expected in certain situations, and what is being valued. Examples include training programmes, interview panels, promotion and assessment procedures, sales conferences, and so on. Rituals can also be informal activities such as gossiping around photocopying machines or drinks after work.

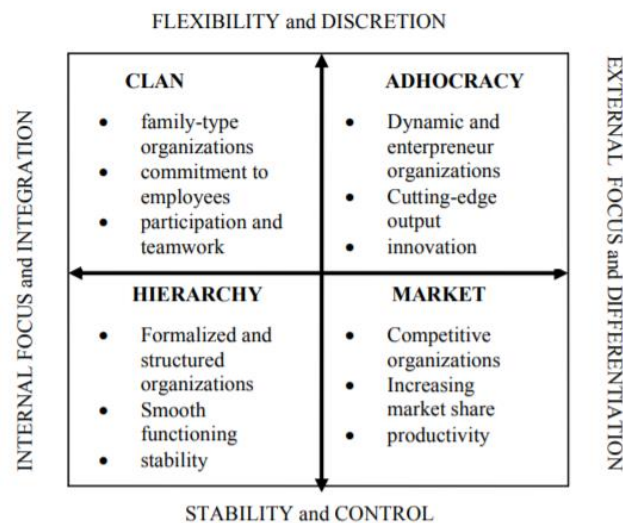## 2.3. Types of Organisational Culture

Figure 6: The Competing Values Framework

(Source:Camreon and Quinn, 1999)

Organisational cultures can be grouped into four main categories based on the structure, flexibility and dynamism of the organisation.

2.3.1. Collaborate (Clan) Culture

Organisations with clan culture are like extended families that have common shares values and goals. Characteristic by their focus on human relations, sensitivity for customers and employees, internal maintenance with flexibility and emphasis on internal relations. Leaders in these types of organisations are rather mentors than superiors. The sense of „we" is dominant in clan culture. The friendly internal climate supports employees' loyalty and commitment (Igo and Skitmore, 2006).

2.3.2. Create (Adhocracy) Culture

Adhocracy culture creates dynamic, innovative, highly individualistic and competitive environment. Organisations are characteristic flexibility, external positioning, responsiveness and putting long term emphasis on growth. Leaders are usually visionaries and support open system of promoting. Success is adhocracy culture is seen as the production of unique products and services. (Igo and Skitmore, 2006).

2.3.3. Control (Hierarchy) Culture

Hierarchy or Bureaucracy culture emphasises economy, control, efficiency, stability and internal maintenance. Important aspects in such organisations are unambiguous

assignments of tasks, low risk, standardized operations and rules, rationality and obedience. Organisations, where hierarchy culture is used, tends to adopt formal approach

and the process of feedback is slow. The organisation is held together by formal rules and policies (Igo and Skitmore, 2006).

Weber (1947) proposed seven characteristics that have become known as the classical attributes of bureaucracy (rules, specialization, meritocracy, hierarchy, separate ownership, impersonality, accountability)

Deal and Kennedy (1982) claim that hierarchy culture is usually used in insurance firms, financial-service firms and government agencies.

2.3.4. Compete (Market) Culture

Market culture indicates a results-oriented workplace with centralised power whereas the activities are externally oriented. Organisations with market culture emphasized high productivity, competitive pricing, rational goals and market leadership. Market culture is characteristic by personal initiative diligence, perfectionism and aggressiveness. Leaders are usually tough, supporting competitive environment; they are dominant and demanding. Success in this culture is perceived as market share and penetration (Igo, Skitmore, 2006).

2.4. Subcultures

Organisational culture, as part of the so-called soft elements of the organisation, affects its internal environment and thus influences and formulates it. From different perspectives on organisational culture, it follows that it is a common behaviour that appears to be homogeneous and outwardly heterogeneous. However, this may not always be true, as there may also be a culture consisting of two or more. And more subcultures (Brooks, 2003).

Subcultures are characterized as relatively separate cultures that have different social norms or other hierarchy of value preferences. The difference is usually between different levels of the management hierarchy or between functional areas.

Boisnier (2003) then develops this idea and says that subcultures need not be formed only by the same division, nor may they be conscious with clear intent. They can be formed on the basis of working groups or teams within a hierarchical organisation, or the deployment of employees in the workplace in different parts of the building or the city.

Equally frequent is the emergence of a subculture based on socio-demographic differences such as religion, age, gender, or nationality. It is also possible to observe subcultures based on performance characteristics such as commitment to meeting goals and performance measurement (Boisnier, 2003).

Most cultures respect individual subcultures and often welcome them, as they can provide a mechanism for cultural change and dynamism. But there may also be conflicts between different subcultures (Brooks, 2003).

Dominant subcultures have an open relationship to conflict situations, and they aim to promote their opinions and ideas. They often use threats and warnings. The atmosphere in this subculture is compared to a sport, battlefield, or controlled aggression.

Collaborative subcultures are based on active discussion and listening. The essential is to understand each other's opinion and mutual respect. The emphasis is on finding a compromise that will be beneficial for everyone involved. Employees collect and share different ideas to help them solve their tasks.

Avoiding subcultures are characterized as passive and less pronounced in conflict resolution. The conflict is seen as something dangerous, which undermines the harmonious relationships between employees. People respect other's opinions and ideas.

Conflict management in an organisation is an essential prerequisite for its successful operation. The truth is that not all conflicts could be solved in such a way that satisfy all parties. Sometimes one or more parties have to give up their demands. Sometimes conflicts can arise that cannot be resolved, as the parties are more likely to argue than to abandon any demand. At that moment, it is more advantageous not to waste time in an unsolvable conflict and rather avoid it.

If a common, solvable conflict arises in an organisation, it is advisable to follow these recommendations. These will help lead the conflict in the right direction. First, it is important to realize that meeting the demands of the parties does not necessarily mean satisfying their needs. It is important to find out all available information to identify the real needs of the parties - the need to ask questions, propose alternative solutions, not to pretend to understand the problem. It is quite common in a conflict that each party defends its truth without thinking about what the other party wants. It is necessary to divert attention from what the opinions differ and to start thinking and combining common consensus (Williams, 1997).

2.4.1. The Strength of Organisational Culture

The differences in organisational culture and the number of subcultures affect its intensity. It moves on a scale from weak to strong. An organisation with a strong organisational culture is one where culture is an integral part of the day-to-day behaviour of all or most workers. It follows that the more differentiated the structure of the organisation, the more subcultures occur and the consequent impossibility of unified organisational culture.

Strong Organisational Culture

Organisations with strong organisational culture create clear and understandable values and expect employees to identify with them and share them (Boisnier, 2003). In general, a strong organisational structure must meet three basic criteria: clarity, broadness and anchor. Culture must thus show workers what action is required, what they must and must not do; what he should and should not do. This behaviour must be obvious to any worker, regardless of education or scope. At the same time, it must be aware of it in any situation. With strong organisational culture, it cannot happen that some of the above examples were unclear to employees. On the contrary, only a few, not most, employees know the values of a weak organisational culture.

Strong organisational culture has a positive impact in all areas and should be strived to have unified values and ideas in the organisation without any deviations. Many authors have agreed that this idea is not correct and we must seek some balance on the scale.

According to Boisnier (2003), strong organisational culture helps cohesiveness, determination, organisational stability and short-term performance. On the contrary, it could be harmful in the areas of innovation, change, adaptation and long-term performance of the company.

Advantages of strong organisational culture

Luke (2018) defines a strong organisational culture with four factors.

- Clear mission. Only with a clearly defined, simplified and reduced mission can the cultural values be understood and respected across the organisation.
- Mutual respect. If employees feel respected by their superiors, they tend to perform better and participate actively in their work.
- Solid communication. There is a clear informal communication network within a strong organisational culture. Employees communicate freely there, and mutual understanding is easier.

Superior performance. Mostly, strong culture means happier employees who have a proactive attitude, and their performance tends to be higher.

Disadvantages of strong organisational culture

A strong culture is not only linked to positives. Negative phenomena are manifested mainly in the need to react dynamically or radically change organisational strategies.

- **A tendency to closeness**. The more the individual views coincide, creating a unique organisational culture, the more difficult it will be to cooperate and share the values of another culture. Employees are satisfied with their culture and do not accept other cultures.
- **Conservativity**. Employees are loyal to procedures and formulas that led to success in the past. They find difficult to adapt and seek new approaches that would initially pose a risk of failure.

- **Conflict avoidance**. If an employee has a new idea that would deviate from an accepted culture, he/she will rather change his mind because of the possible disruption of the atmosphere and subsequent conflict.

Weak organisation culture

Contrary to strong organisational culture, values and ideas are not widely shared within a weak organisational culture. Employees care more about their personal values, standards and principles. In such organisations, it is not customary to invest in culture. Emphasis is placed on rules and regulations, not on sharing values, philosophy across the organisation (Thokozani, 2016).

Weak organisational culture not only interferes with the inner atmosphere of the organisation but also greatly influences how the environment perceives the organisation and significantly threatens the competitive advantage of society. Stan (2018) noted several elements and factors indicating weak organisational culture.

- **Low work morale**. Employees in such organisations feel underestimated. Lack of discipline allows the unethical behaviour of individual employees at the expense of others. Pessimism is large; on the contrary, creativity and innovation are suppressed.
- **Leaving of employees**. As a result of the long-lasting negative atmosphere, the best employees usually leave to better-performing companies.
- **Lower quality of products or services.** If employees have a negative relationship with their job due to a weak organisational culture, this relationship can easily be reflected in their performance. Employees do not have a proactive approach and do not seek to improve quality.
- **Lack of cooperation**. Employees who do not share common values do not work as a team and do not work together. As a result, individuals prefer their personal interests.

Lee (2018) looks at the issue of weak organisational culture from a different perspective and enriches above mentioned four basic factors by the following.

- **The organisation's chaotic focus.** Businesses often do not have a business plan and if so, employees do not follow it very often.

- **Insufficient motivation.** Financial motivation cannot be the only goal in the organisation. If that case, employees would probably not be proud of what they do. There is a risk that employees would transfer their dissatisfaction to customers and the internal problem becomes a public issue.

- **Autonomous Division.** Weak organisational culture often occurs in companies that are divided into several non-cooperative departments. Individual departments focus only on their results and culture, not on a common, unified goal.

- **Non-respect of generational differences.** If different age groups do not realize that they can learn and enrich each other, organisational culture is suppressed.

2.5. Organisational Communication

2.5.1. Communication

„To effectively communicate, we must realize that we are all different in the way we perceive the world and use this understanding as a guide to our communication with others." Tony Robbins

What does communication mean? The origin of the word comes from Latin communicare, which means doing and share something common. In a strict sense, communication means the Exchange of information – transmission of a report. There is more than communicating content, and there is shared participation on something – giving and receiving. This means transferring thoughts, information, attitudes, feeling from one person to another (Paulík, 2007).

Communication is a basic human communication instrument and plays a very significant part of our life. Communication has followed us since our birth and is gradually permeating all fields of our life. Without interaction, there was no existence.

The ability to communicate correctly with the setting is an art that not everyone can do, and at the same moment, the prerequisite for healthy communication is the understanding of the communication itself and its procedures. (Drucker, 1999)

According to Mikuláštík communication implies a two-way system in which a presenter (communicator) sends certain data (communications) over a specified route (communication channel) to a listener (communicator) expected to react to a message (feedback) obtained. Language and environment influence this process, as well. Much of the data is transmitted through nonverbal (facial expressions, gestures, postures, or views) or paralinguistic signals (volume, velocity, fluency, or phrasing) that may trigger confusion among process respondents (Mikuláštík, 2003).

Human communication has certain preconditions, namely: the presence of a link between the presence of a communication relationship between its respondents and willingness to promote openness to interaction (Urban et al., 2011).

In today's fast growth of communication technology, the importance of the art of efficient communication and the advancement of its views, as well as the capacity to use its understanding and experience through words, is becoming increasingly apparent. One of the main prerequisites for achievement in many jobs is the capacity to actively and effectively communicate, particularly when holding management roles.

Executives are dealing with people on a daily basis, motivate and lead individuals; studying communication skills is crucial for them. Thanks to efficient leadership communication, the inner environment of the organisation can be adjusted to altering long-term environmental circumstances, achieving better continuing customisation, reaction to modifications, and the benefit of an organisation in today's competitive setting (Urban et al., 2011).

2.6. Types of communication

Intrapersonal- represents an individual's perception and experience of a specific section of social reality. It is a dynamic method in which a person, based on his / her psychic

characteristics and statements and based on his / her experience, interprets and evaluates data and prepares for a choice (the individual's inner monologue or "dialogue"), is also a communicator in this idea. (Tureckiová, 2004).

Interpersonal — this is a communication between two people, potentially in a tiny community, in which communications participants relate to each other as people and in which direct and personal contact with all respondents (dialogue, interview, conversation, etc.) can be maintained. (Tureckiová, 2004).

Public- where the message is communicated to the public, not to people (e.g. all staff). We can also differentiate communication here, where there is a single speaker on the one side and listeners on the other, or mass communication (e.g. mass media) on the other. (Tureckiová, 2004).

The basic forms of communication are:

Verbal: spoken and written

Nonverbal: an expression such as facial expression, gestures, etc.

Paralinguistics: voice-ringing, phrasing, volume-up.

In corporate communication, all of the above types of communication are depicted. When we interact with someone, we attempt to pay attention to what it tells us (the significance of this communication's content), but not only its verbal aspect, but we also see at the subconscious stage how the other party communicates, its gestures, behaviour, etc.

2.6.1. Company Communication

Efficiency and utilisation of comprehensive kinds of communication imply the organisation's communication scheme can significantly enhance the growth of individual employees ' potential. On the other side, an organisation's communication system's inefficiency may result in its stagnation. In this regard, rather than the amount of

information transmitted, its value and targeted information for the organisation, the effectiveness of the means of transfer and its transformation into knowledge, which make it possible to increase the efficiency of all the activities and processes carried out by employees in the organisation, is crucial. A well-functioning communication system is important for a system of organisational development and organisational change (Tureckiová, 2004).

For corporate communication, communication intention and communication impact are essential; both aspects of the communication scenario frame the social communication process. They also determine the application of systematic corporate communications design and leadership. In developing a communication strategy, these two aspects are essential and influence the resulting efficiency of the communication process.

The feedback mechanism, during the communication process itself, confirms or refutes the accomplishment of the communication purpose in the communication process's ultimate efficacy. At the end of the day, that implies we have understood or not (Tureckiová, 2004).

Communication in an organisation is divided into internal and external communication, according to Holá (2011), internal communication takes place within the organisation, and external communication with its environments is represented by the organisation.

Managers who affect the motivation, efficiency, attitudes and conduct of individual employees according to the following procedures should be the primary bearer of the inner stream data. These procedures are:

Surveillance — gathering the required data — interpretation — presentation of individual data to the business — distribution —dissemination of particular data to particular staff— sharing— accessibility of data to all staff— execution— application and management of communication flows.

Internal Communication

Internal communication involves two-way communication, not only from management to staff but also backwards from staff to management. Internal communication must work

closely with other elements to meet its objectives. In particular, human resources.

At the same moment, HR is generally accountable for constructing and developing a corporate culture within the company. This can be described as a shared set of values for employees that determine the nature of the organization and have a significant effect on the capacity of the organization to achieve its objectives.

The starting point for constructing an inner corporate culture is generally a vision definition, the organization's broader objectives in the future, and a task that attempts to identify what distinguishes the organisation from its rivals.

Corporate media are the core of internal communication instruments. Printed journals are their traditional representative. Electronic media is becoming more and more common in addition to them, whether they are internal websites or electronic newsletters and magazines.

Besides the normal meeting framework, which forms the backbone of the leadership of the business, there are also numerous specially structured events such as in-house conferences for chosen employee organisations or structured meetings of all staff.

Other forms of interaction with staff are also gradually gaining ground together with the growth of contemporary techniques. These include, for instance, the use of text messages (SMS), especially when dealing with cases of crisis. Traditional bulletin boards are beginning to replace TV screens or information displays located in places with high frequencies of people. Large corporations and multinationals also use standard advertising tools, including TV and radio spots, to push certain messages inside the company. It is common practice to use teleconference equipment in global companies where it is not possible to ensure that a senior management member is present at an important meeting or event.

Argenti (2007) categorizes important inner communication objectives:

- Make staff conscious of the company's vitality
- Improve morality and encourage goodwill among staff and leadership
- Inform staff of inner modifications
- Show employee benefits

- Increase staff knowledge about goods, organisation and company climate
- Change staff thinking to concentrate on performance, efficiency and enterprise
- Provide health and social insurance to staff
- Strengthen staff involvement in joint operations

2.7. Methodology of Research

2.7.1. Qualitative methods of research

Qualitative research has no information standardisation, so it has poor accuracy. It is non-numerical research and analysis. The interviewed persons testify according to their point of view and opinion; they choose what they consider relevant. The use of these methods allows to reveal the contents of the inner layers of organisational culture, which are not easily accessible to the observer. The interviewed sample should be homogenized, i.e. its components should somehow link the researched topic. Information collection and evaluation is a time-consuming process

Analysis of company's documents

It is a research of corporate documents - magazine, intranet, company website, corporate reports, employee presentations, guidelines, annual reports - and it is the basic source of knowledge about the company, its position on the market, financial situation, ongoing changes, new corporate culture. It allows to identify the environment in which further research will be carried out.

Observation

The researcher has to some extent, a direct insight into what is happening in the company. By observing researches employees' behaviour to customers, superiors and colleagues. It enables to identify specific work habits, rituals and processes.

3. ANALYSIS OF ORGANISATIONAL CULTURE

The following chapter will introduce the history of the company, its activities and values. In addition, an analysis will be conducted. This analysis will help to identify the shortcomings of the organisational culture of the company/regional branch.

Based on the output of the analysis, changes in the organisational culture of the regional branch of XYZ company will be proposed in the following chapter.

3.1. Introduction of XYZ insurance company

All information used in the analysis was obtained from the company's intranet. XYZ company is one of the largest providers of MTPL insurance on the Czech market. Currently, it manages more than 1.8 million contracts and its services are used by over 1 million clients. The company has 855 employees.

3.1.1. History of Company

XYZ was founded in 1995 and obtained the license to perform insurance activities in the same year. The crucial moment was the demonopolization of MTPL insurance in the Czech Republic, for which XYZ obtained a license in 1999. During the first year, it became the 5th largest provider of MTPL in the Czech Republic.

A major breakthrough occurred in July 2005, when the Vienna Insurance Group became the sole shareholder of XYZ through Kooperativa, which raised capital from CZK 0.5 billion to CZK 1 billion and added reserves. Thus, XYZ became part of a major international financial group.

Vienna Insurance Group (VIG) is one of the leading insurance companies in Central and Eastern Europe. The group is represented on the Austrian market by the Wiener Städtische Versicherung, Donau Versicherung and Sparkassen Versicherung. Besides Austria, the Vienna Insurance Group is active through shares in insurance companies in Albania, Belarus, Bosnia and Herzegovina, Bulgaria, the Czech Republic, Montenegro,

Estonia, Georgia, Croatia, Liechtenstein, Lithuania, Latvia, Hungary, Macedonia, Germany, Poland, Romania, Slovakia, Serbia, Turkey and Ukraine.

3.1.2. Product Portfolio

As mentioned, XYZ is a universal insurance company offering both non-life and life insurance products. A key industry for XYZ is vehicle liability insurance. The non-life product portfolio is wider than the life insurance product portfolio. Non-life insurance predominates with 70:30 life insurance. Life insurance includes life, accident and risk insurance. Non-life insurance is divided into four categories:

- **Car insurance**
- **Property and liability insurance**
- **Travel insurance**
- **Business insurance**

3.2. Content analysis of the company's documents

Content analysis of documents enabled to obtain basic, general and to some extent, formal information about the company. The data thus obtained are interpreted in a descriptive form and serve as a basis for clarifying the framework in which the questionnaire survey will be carried out.

3.2.1. Code of Ethics

Ethics rules

The company has established ethical rules that are binding for every employee, agent, member of the board and member of the supervisory board.

The ethical rules are intended to prevent socially and legally harmful conduct by the Company's employees and other persons acting in the interest or within the company's activities.

Ten ethical commandments

- We respect legislation and internal standards, respect ethical rules and respect fundamental corporate values; we require the same from our business partners and customers.
- We always treat our customers and business partners professionally and communicate fairly.
- In business, we respect the right to the competition.
- We protect confidential information, personal information, and data.
- We avoid any conflict of interest.
- We do not support or tolerate corruption, bribery, fraud, or any other form of crime.
- We do not support or tolerate any violation of competition rules, discrimination or harassment.
- We adhere to the rules to prevent money laundering and terrorist financing.
- We provide timely, reliable and accurate information to shareholders, government agencies and the public.
- We protect social values and the environment

Corporate Values

- Pro-client approach
- Fair products
- Quality service
- Expertise

3.2.2. Corporate Social Responsibility – CSR

For many years, XYZ has been supporting programs with societal benefits and is also involved in regional charity projects. The main aim is to contribute to the development of sustainable entrepreneurship and to improve the quality of life in the communities where XYZ operates and from which its employees come.

In 2018, XYZ donated financial and non-financial resources to organisations engaged in educational, social, cultural, sports or environmental activities.

Since 2011, the company has an internal program of corporate volunteering called Social Activity Day, which focuses on comprehensive assistance to community organisations across the Czech Republic.

In 2018, 425 employees participated in volunteering and worked 3,400 hours for 50 organisations. The VIG Group also supports the Volunteer Institute, and since 2013 has announced the Volunteer of the Year Award. For this charity, three XYZ employees have rewarded this award with their selfless help in their free time.

XYZ leads its employees to ecological behaviour and adherence to principles, efficiency and frugality. Volunteers recycle their T-shirts from previous years of Social Activity Day

Corporate gifts and greeting cards for business partners are made ecologically and mainly from sustainable materials.

XYZ's experts participate in educational programs aimed at increasing the financial literacy of the general public, but also students of elementary schools and high schools.

By purchasing products of sheltered workshops and annual non-profit markets, the company supports the employment of disabled people. Employees organise a charity breakfast several times a year to help fund specific individuals or organisations in need and need help.

XYZ implemented a professional training program for non-profit organisations. Their representatives can choose from a diverse range of business workshops which can be beneficial for them to be more sustainable. Together with employees of XYZ, they can take part in the training of presentation or business skills, PR, IT and marketing. In 2018, XYZ donated nearly 400 expert hours to the community and trained 200 pupils in financial literacy.

Top sponsorship and social responsibility projects:

Charity

- Nadace policistů a hasičů – vzájemná pomoc v tísni

- Sdružení hasičů Čech, Moravy a Slezska

- Dům klidného stáří sv. Anny

- Dětský domov Kašperské hory

- Sportovní klub vozíčkářů Praha

Culture

- Divadlo Broadway

- Cleopatra Musical

- Koncerty Z lásky k hudbě

- Film Anděl páně II.

- Ceny Paměti národa

- Festival španělské kultury IBÉRICA 2016

- Bohemia JazzFest 2016

Sport

- CZECH SKI

- FK Jablonec

- SK Slavia – fotbal Praha

- Sport Invest Marketing Hermannová/Sluková

- TK Plus – Zlatá tretra

3.2.3. Volunteering of company's employees

XYZ's management supported its corporate volunteering program with its personal participation. In the Children's Home in Sedlec – Prčice, managers helped clear the loft space. There are 40 children and young people staying in the House and as a surprise for them, Chinaski, who has been cooperating with XYZ for the second year, came to play in the afternoon.

In addition, XYZ donated gifts, vitamin packages to the organisation, and in 2019, it is preparing for children to attend cultural and sports events in Prague.

3.2.4. A-CSR

In June 2018, XYZ became a member of the Association of Social Responsibility (A-CSR). It brings together socially responsible companies, non-profit organisations, social enterprises and public administration institutions. XYZ became the 236th member of the association

3.2.5. Ethical Line

XYZ provides employees with a possibility to report unlawful acts or unethical behaviour in person or by email to a specially created mailbox managed by the Legal and Compliance Department. The manager of the section presents a summary report about the investigation of reported issues and taken measures to the board.

3.2.6. Diversity

In accordance with its corporate strategy and modern trends, XYZ promotes equal employment opportunities and creates employee development programs, employs people with disabilities, enables flexible forms of work, and strives to harmonise work, family and personal life of its employees.

Personnel policy of the company is open to all talents regardless of age, health, ethnicity, sexual orientation, or gender. Since May 2017, the company has been a signatory of the European Diversity Charter.

The company regularly organises mothers' educational meetings on parental leave. This event aims to keep employees - mothers, in the best possible professional condition and ready to return to their original expertise after the end of parental leave.

3.3. Subculture

As already mentioned, the XYZ insurance company is a large company with 855 employees organised into departments. Each department has its own culture, which is referred to as subculture. Determining organisational culture in individual departments is, to some extent in the hands of the manager. In practice, this means some different specialisation of individual departments.

3.3.1. Regional Branch

The regional office functions as a contact/selling point for clients who can inquire about the products, arrange insurance or settle claims here. The main aim of the branch is to meet the defined business plan. All branch employees work together to achieve this plan.

Organisational Structure of the Regional Brach

Graph 1 Fig. Organisational Structure

(Source: Own processing)

The examined regional branch of the company has ten employees, four women and six men. The average age of the employees is between 40 - 50 years.

The branch manager

The manager is responsible for the operation of this department and fulfilling the set goals.

Managing clerks

Each of them has responsibility for an entrusted segment of insurance contracts. They cooperate with brokers and establish new business relationships. Although each of them have their own segment, in practice, they compete with each other.

Officer

Registration of contracts into the system

Administrative assistant

Administrative support of the branch.

Counter Worker

Direct communication with clients, sales of products at the branch, Cross-Selling.

3.4. Results of Interview

Another used research method was a semi-structured interview. This chapter is focused on the interpretation of the semi-structured interview. Considering the time demand of the semi-structured interview, it was conducted only with the branch manager of the regional branch. The interview was conducted on June 15, 2019, in the Czech language, at the company's regional branch. The interview was recorded on a dictaphone

The main aim of the interview was to obtain information concerning the field of organizational culture as a basis for compiling a questionnaire survey

The following questions were asked to the branch manager:

Can you explain the main functions of the regional branch?

Can you explain the reward system that applies to branch employees?

What benefits are available to employees of the regional branch?

Can you describe individual aspects of the working environment?

Which communication methods are used?

What development opportunities the company provides to employees?

How does personnel policy and recruitment work at the regional branch?

First, the **reward system** is described. All employees receive a salary each month. The salary is composed of the basic wage, personal compensation and in some cases a quarterly or semi-annual bonuses (managing clerks and branch manager).

If the company meets the annual business plan, all employees will receive a one-time surcharge.

Besides, the branch manager can propose an incentive bonus for his subordinates. The salary is increased annually with regard to inflation.

In order to ensure that employees have a constant overview of how the company is meeting its goals throughout the year, their performance is evaluated every month, and the results are distributed directly to each employee by the CEO and posted on the company's intranet. However, this only applies to the overall corporate goals.

Second, employees' **benefits** are described. Employees are entitled to a 50% discount on all services provided by the company.

The company uses the benefit plus service. Every employee receives CZK 5500 on the Benefit plus card at the beginning of the year. These funds may be used at their discretion (pharmacy, cinema, massages, etc.).

Another benefit is the contribution to pension and life insurance. The employee must save at least the amount that the company contributes to it. XYZ also contributes to its employees for meal vouchers.

In order to support the health of its employees, XYZ gives a set of vitamins twice a year and contributes to the Multisport card.

Employees are entitled to 5 weeks of leave and, besides, 3 sick days (100% salary).

Third, the **working environment** is described. The working environment greatly affects employee satisfaction and performance, as well.

The regional branch moved to new premises two years ago. As a result, the branch is newly equipped and furnished and fully meets nowaday's standards. Offices are not designed as an open space which employees appreciate. Employees may use a kitchen with a coffee maker.

Although the branch has been in the new location for quite a long time, many customers do not know about the new location, and they have trouble finding it. It is located in the city centre, so it is very well accessible by public transport. Due to its location in the very

centre of the city, it has no reserved parking space for customers, but paid parking is quite close.

Fourth, **communication** in the workplace is described. Workplace communication is rather informal.

The most important part of transferring information is meetings. Regular meetings are held every Monday from which a record is created. The branch manager informs subordinates about news and upcoming changes. The record is available to all employees on the internal network.

In addition to Monday's meetings, the branch manager uses email communication regularly to inform subordinates about upcoming changes.

All employees have a work phone. Communication is approximately 50% personal, 30% by e-mail and 20% by phone.

Although teamwork is necessary in order to fulfil the set business plan and due to the nature of the work of managing clerks and their mutual competition, conflicts in the workplace are quite common. In order to prevent such situations, team buildings are regularly organized, but not all of the managing clerks participate.

Fifth, **professional development** is described. The most important part of the educational process is product training of all company's employees, which is regular and mandatory. This training is crucial to the proper performance of their work. This training takes place every time a company presents a new product, on average every three months.

In addition, employees have the opportunity to apply for diverse training. These training are fully paid by the company and take place during working hours.

Sixth, **personnel policy and recruitment** are described. When the manager wants to hire a new employee, he/she must make a request to the Directorate-General (HR department) to open a new position. Then the recruitment is almost entirely the responsibility of the branch manager.

Managers have available a recruitment guide published by the HR department. The new employee must undergo complete training including product training, computer work, etc.

3.5. Questionnaire Survey

The questionnaire survey was chosen as the main method of research. The main aim of the questionnaire is to identify the current state of organizational culture in the company and to propose measures based on the identified shortcomings.

The only criterion for the selection of respondents was the main employment at the regional branch of XYZ

The questionnaire was divided into **4 thematic sections**. Most of the question options were closed with the option of choosing one answer, in some cases, it was possible to add a custom refining answer. The questions in the questionnaire were compiled based on a semi-structured interview with the branch manager.

The questionnaire survey was conducted at a regional branch with 10 employees and was completely anonymous. Employees were asked to complete the questionnaire at a regular Monday meeting, which was then sent to their work email.

The questionnaire consisted of a total 34 questions focused on the following categories. For each question in the questionnaire was drawn up a chart that illustrates the answers to the questions.

Section 1 – Employee satisfaction

How long have you been working for the company?

11%

33%

22%

34%

■ Less than 1 year   ■ 1 - 4 years   ■ 5 - 9 years   ■ 10 and more years
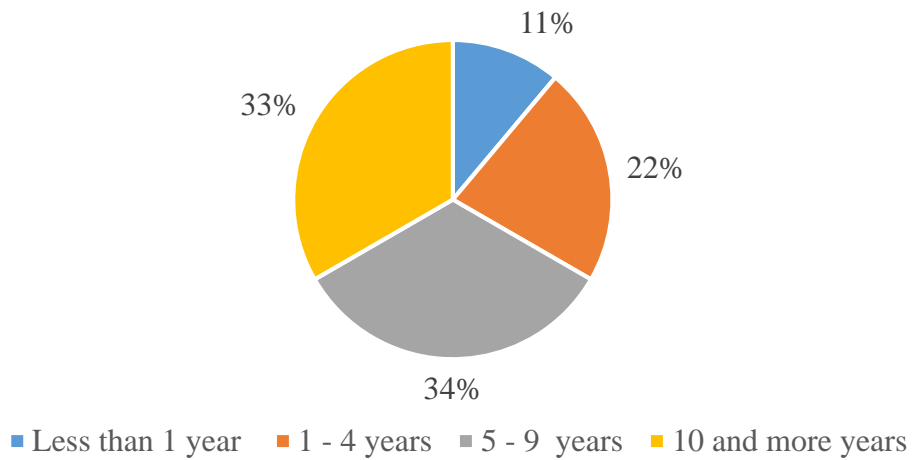
Graph 2: Length of employment
(Source: own processing)

Only one employee replied that he/she has been working for the company for less than a year. Two respondents replied that they have been in the company for 1 to 4 years. Two-thirds of employees have been in the company for five years or more year, specifically three employees 5 to 9 years and three employees, 10 and more years. The answers suggest that employees are loyal to the company, and staff turnover at the branch is at a low level.

Are you satisfied with your job?

0%

33%

67%

■ Very Satisfied   ■ Satisfied
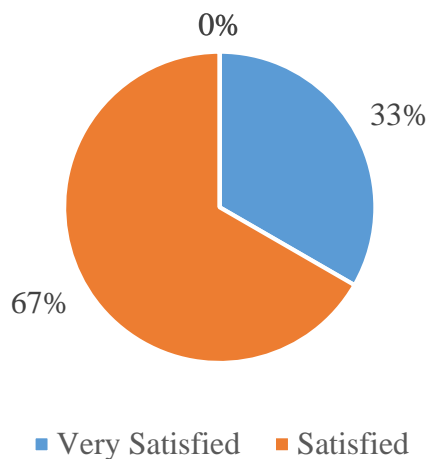
Graph 3: Job Satisfaction

(Source: Own processing)

Six employees responded that they are satisfied and three of them are even very satisfied. Neither of the respondents answered that he/she was not satisfied with his work. This can be interpreted as a very good result which correlates with the length of the employment from the previous question.

Have you considered leaving the company during the last year?

11%

89%

■ Yes ■ No
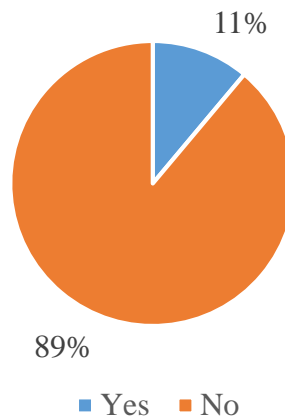
Graph 4: Consideration of Leaving the Company

(Source: Own processing)

Only one respondent answered he/she was considering leaving the company during the last year. The remaining eight did not consider it. The result of this question also indicates an employee's satisfaction in the company

If you were looking for a job, would you choose this company again?

22%

78%

■ Yes   ■ No
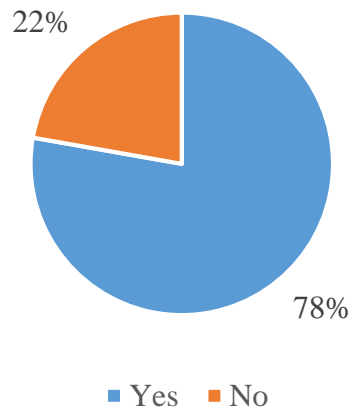
Graph 5: Choosing of Company again

(Source: Own processing)

Seven respondents would choose the company again, and only two would not. This outcome can be seen as a decent result in terms of employee satisfaction and loyalty.

Would you recommend working for the company to your family member?

11%   11%

33%

45%

■ Yes, Definetly   ■ Yes, Generaly   ■ No, Not Really   ■ No, Definetly Not
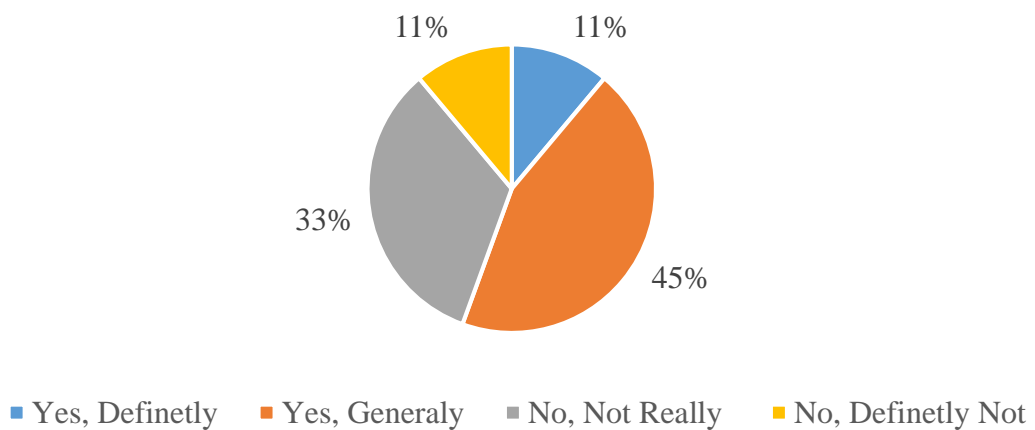
Graph 6: Recommendation of the to Family

(Source: Own processing)

Most of the respondents would recommend working for the company to their relatives nevertheless the answers to this question were not that unambiguous as in previous

55

questions. It can be assumed that this is caused by a stressful and unstable environment of the insurance industry.

Are you aware of company's vision?
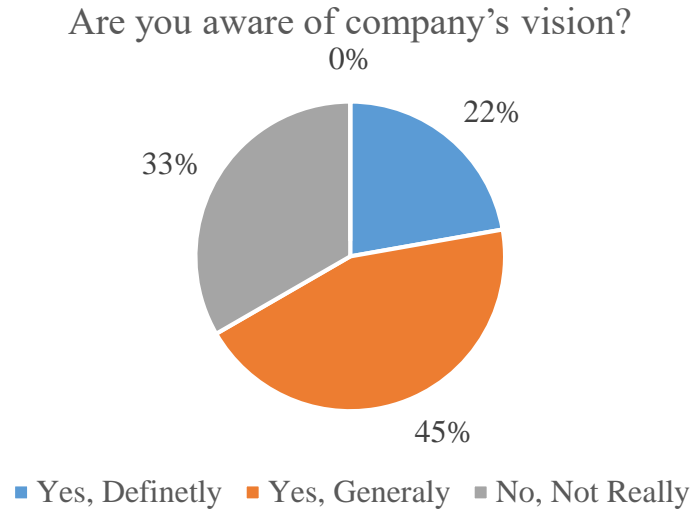
Graph 7: Company's vision

(Source: Own processing)

Two employees responded that they are very well aware of the company's vision, four of them slightly less. Three respondents are not aware of the company's vision.

Only a slight majority of employees consider equipment of the workplace as satisfactory.

Do you consider the equipment of the workplace satisfactory? (furniture, air conditioning, computers, printers, etc.)
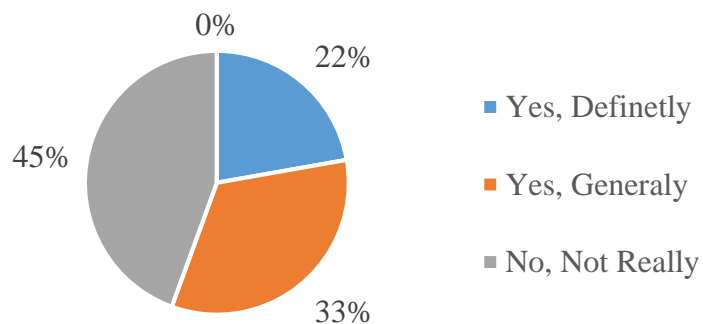
Graph 8: Equipment of the Workplace

(Source: Own processing)

Four respondents are not fully satisfied which is quite surprising considering the fact the branch was newly equipped two years ago. The last question of the first section in the

questionnaire is open, and the respondents will have a possibility to specify the shortcomings.

Does your employer provide you all the necessary tools and equipment to do the job properly?
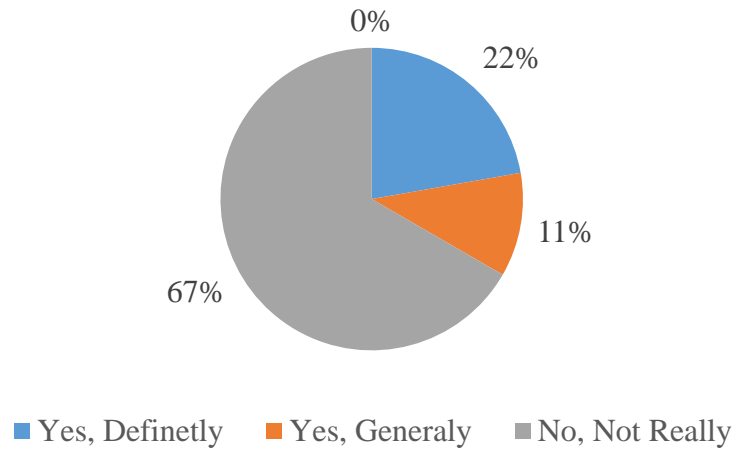
Graph 9: Needed Equipment, Tools, Resources

(Source: Own processing)

Only three respondents are more or less satisfied with provided equipment and tools. Six employees are dissatisfied and according to the result of this question, their work performance is limited.

All dissatisfied respondents will have a possibility to concretise shortcomings in the last question of the first section. It can be assumed that respondent's answers differ according to their job classification

What does affect your satisfaction or productivity?

45%

55%

■ Car ■ Back Pain
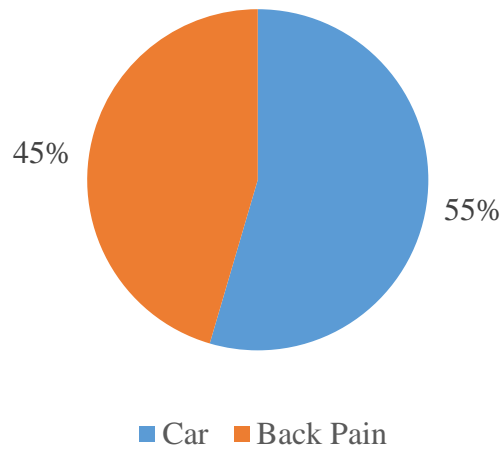
Graph 10: Affection of Satisfaction and Productivity

(Source: Own processing)

.

Seven out of nine respondents answered this question. This question was open and respondents could list several shortcomings at the same time.

The first issue was the usage of a company car. Six employees mentioned this issue. The regional branch has only two cars available. One car is used only by the branch manager and the other one is shared by 6 employees who need it to do their job.

A situation when multiple employees need to use the car at the same time may limit their productivity.

The second discussed issue was the back pain caused by poor quality of office chairs. Employees complain of back pain due to the office being furnished with cheap non-ergonomic office chairs. Three employees mentioned this issue.

The results of Section 1 suggest that employees in the company are relatively satisfied.The identified issue that would be appropriate to solve is the distribution of car among employees and back pain caused by low quality chairs.

Section 2 - **Workplace relationships**

Are you satisfied with the atmosphere in the company?

■ Yes, Definetly   ■ Yes, Generaly   ■ No, Not Really
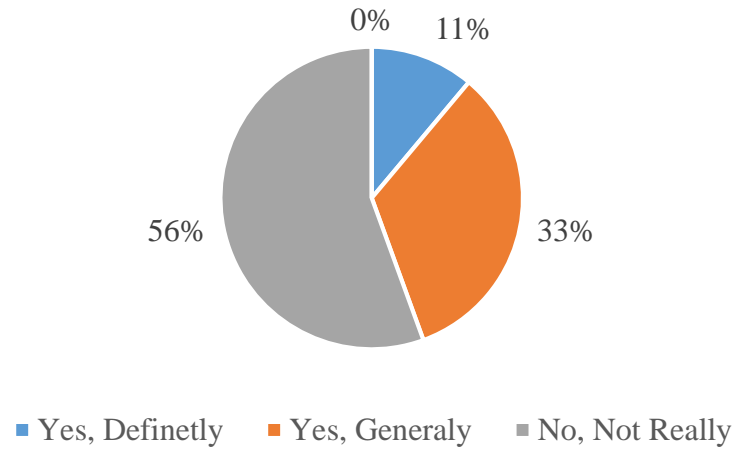
Graph 11: Atmosphere in the Company

(Source: Own processing)

Only one respondent answered that is fully satisfied with the atmosphere in the company. Most of the employees are not satisfied.

It can be assumed that this result is due to the stressful and competitive nature of the job. The outcome of this question should be addressed.

It can be assumed that respondent's answers differ according to their job classification and description.

Are your opinions and ideas respected by your supervisor and colleagues?

0%

22%

33%

45%

- Yes, Definetly   - Yes, Generaly   - No, Not Really
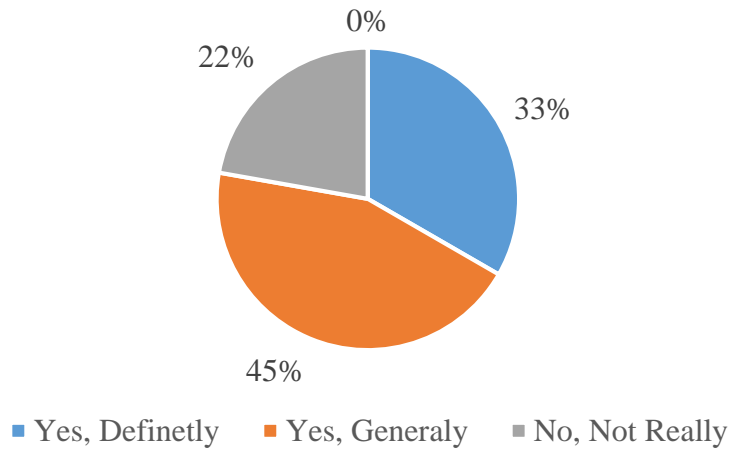
Graph 12: Respected Opinions

(Source: Own processing)

Seven respondents agree that their opinion and ideas are respected by their supervisor or colleagues. Two employees disagree. Although this is a relatively good result, there is a possibility of further improvement

Are you satisfied with the interpersonal relationships with your colleagues?

0%   11%

22%

67%

- Yes, Definetly   - Yes, Generaly   - No, Not Really
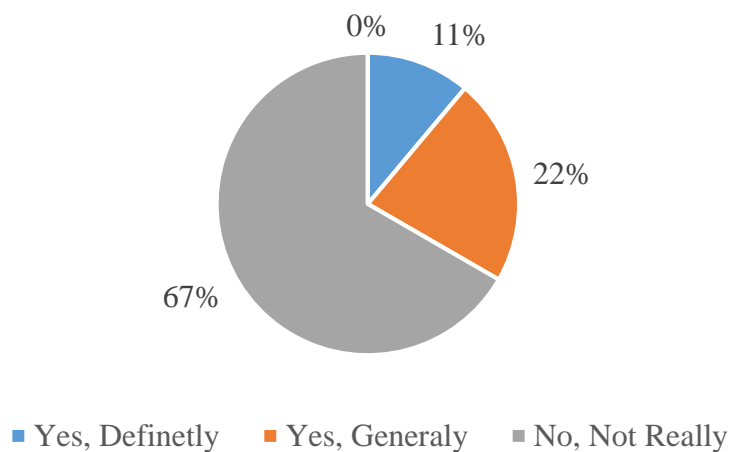
Graph 13: Interpersonal Relationships

(Source: Own processing)

Six respondents are not really satisfied with interpersonal relationships with their colleagues. The answers to this question indicate poor workplace relationships and it represents a significant problem that should be further addressed.

Are your colleagues willig to help you if necessary?
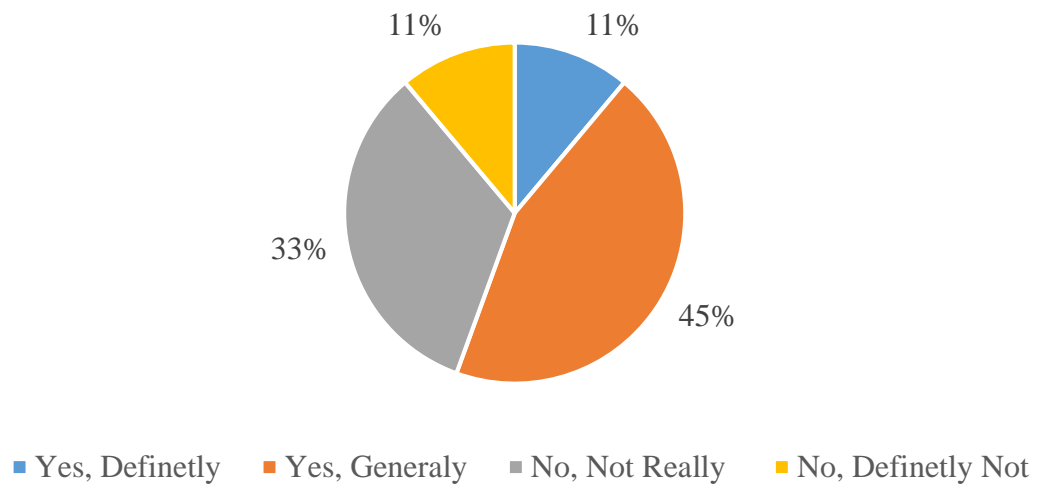
Graph 14: Willing of help

(Source: Own processing)

A slight majority of respondents answered that colleagues are more or less willing to help if necessary. The answers to this question are somewhat contradictory and it can be concluded that relationships in the workplace are not ideal.

How do you perceive the level of cooperation with your supervisor?

0%

11%

33%

56%

■ Very Satisfying ■ Satisfying ■ Unsatisfying
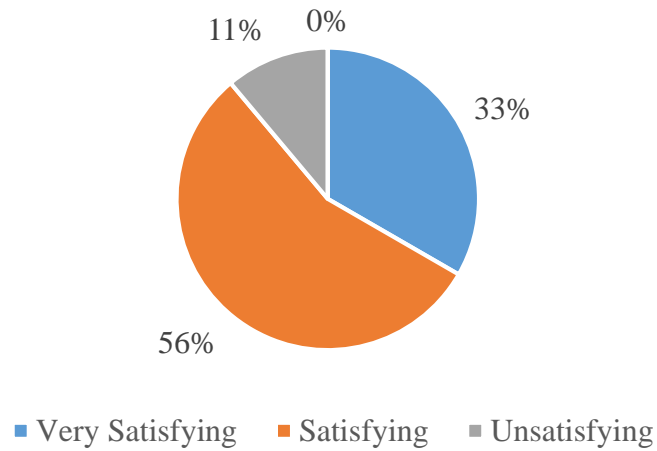
Graph 15: Cooperation with Supervisor

(Source: Own Processing)

Eight out of nine respondents answered that they are more or less satisfied with the level of cooperation with their supervisor. The result indicates a good relationship between the supervisor and the remaining employees of the branch. It also could be assumed that bad relationships in the workplace are particularly between individual employees.

Do you consider your work stressful?

0%

22%

45%

33%

■ Yes, Definetly ■ Yes, Generaly ■ No, Not Really
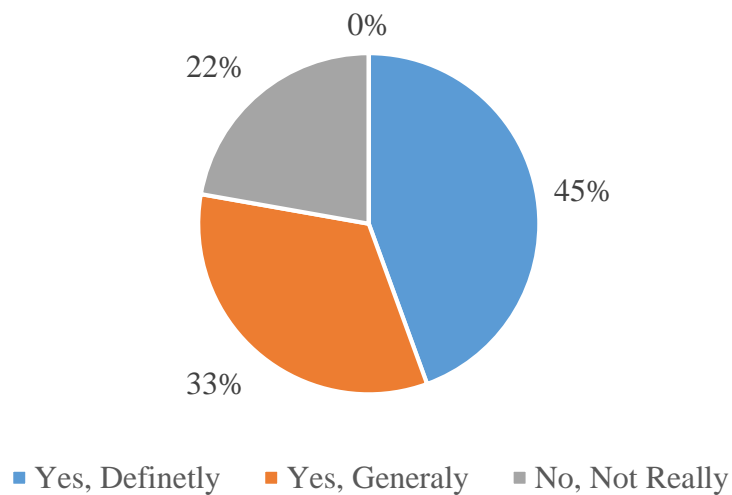
Graph 16: Stressful Work

(Source: Own Processing)

Only two respondents do not percieve their work as stressful. The rest of the employees perceive their job more or less stressful. This result is, to some extent, expected due to the nature of the work performed. Nevertheless, this issue should be addressed as it can pose a great risk in terms of employee loyalty, performance and satisfaction.

Do you regularly attend events organised by the company?
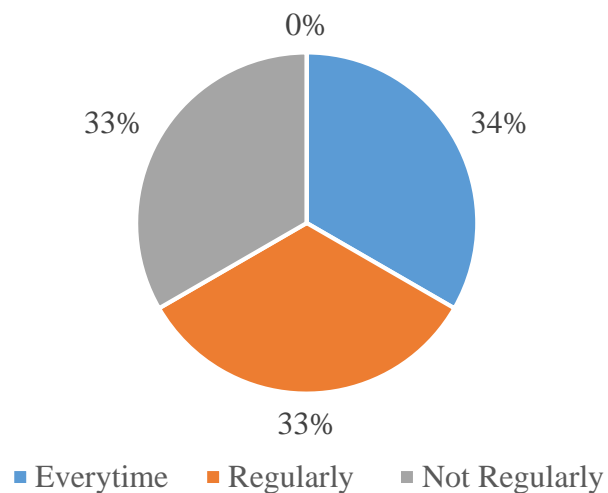
Graph 17: Organised Events

(Source: Own processing)

Two-thirds of the respondents answered that they attend corporate events every time or regularly, and three employees do not attend regularly.

Are you satisfied with company's social events? (Quality and quantity)

22%

33%

45%

■ Absolutely Satisfied   ■ Satisfied   ■ Unsatisfied
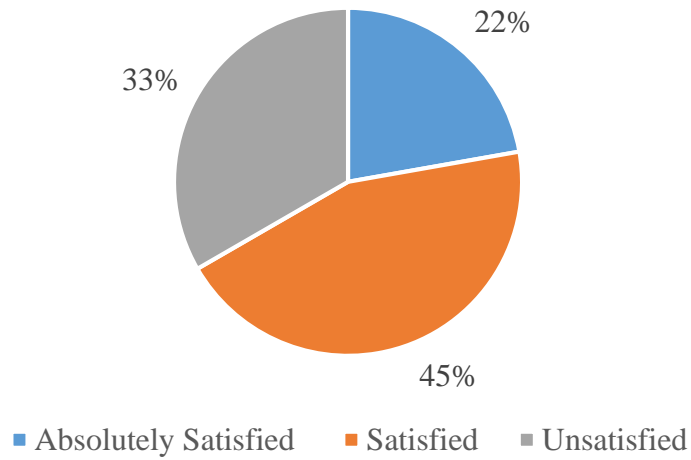
Graph 18: Social Events
((Source: Own processing)

Six out of nine respondents are more or less satisfied with corporate events, and three are unsatisfied.

Section 3 - Communication

Are you satisfied with the level of cooperation and communication in the workplace?

0%

22%

45%

33%

■ Very Satisfied   ■ Satisfied   ■ Unsatisfied   ■ Very Unsatisfied
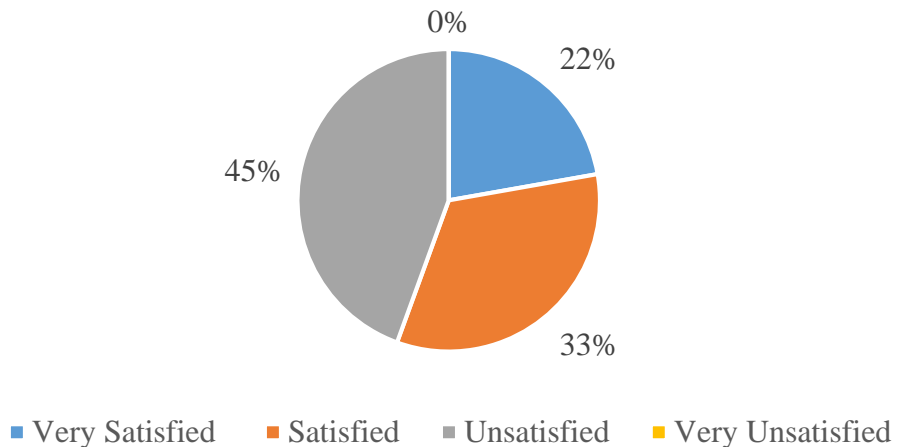
Graph 19: Cooperation and Communication

(Source: Own processing)

64

More than half of respondents said that they are more or less satisfied with the communication in the workplace. Four respondents are dissatisfied with the communication in the workplace.

Is ordinary communication between colleagues in the workplace formal?

0%

33%

67%

■ Only Formal   ■ Rather Formal   ■ Rather Infromal   ■ Only Informal
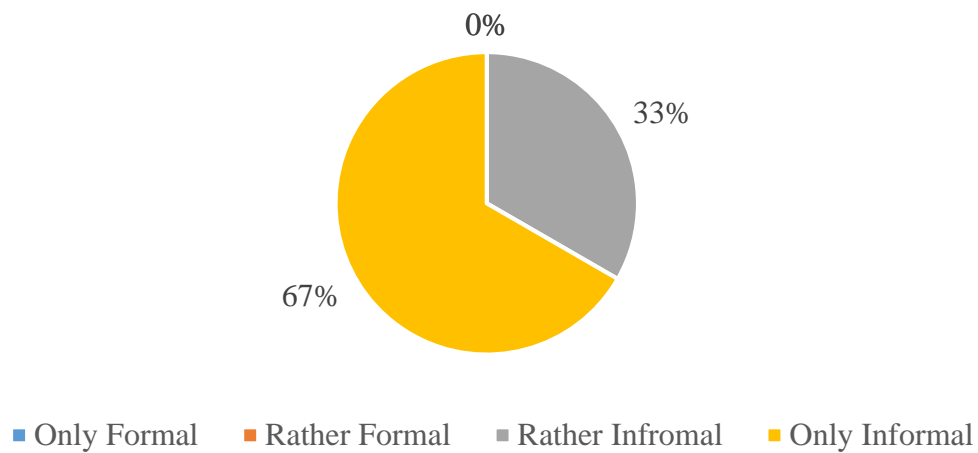
Graph 20: Formal vs Informal

(Source: Own processing)

Answers to this question clearly indicate that communication in the workplace is informal. Two thirds of respondents consider communication in the workplace to be only informal and one third of respondents answered rather informal.

Are you satisfied with the way your superior (branch manager) communicates with you?

0%

33%

67%

■ Satisfied ■ Rather Satisfied ■ Rather Unsatisfied ■ Unsatisfied
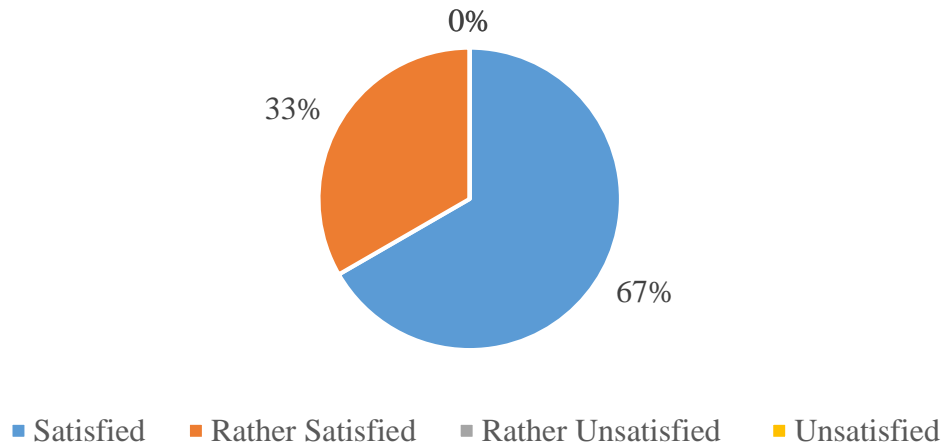
Graph 21: Communication of Superior

(Source: Own processing)

All respondents are more or less satisfied with the way their superior - branch manager communicates with them.

From this result it can be concluded that the manager communicates with his subordinates effectively.

Is your superior (branch manager) open to discussion?

0%

22%

33%

45%

■ Yes, Definetly ■ Yes, Generaly ■ No, Not Really ■ No, Definetly Not
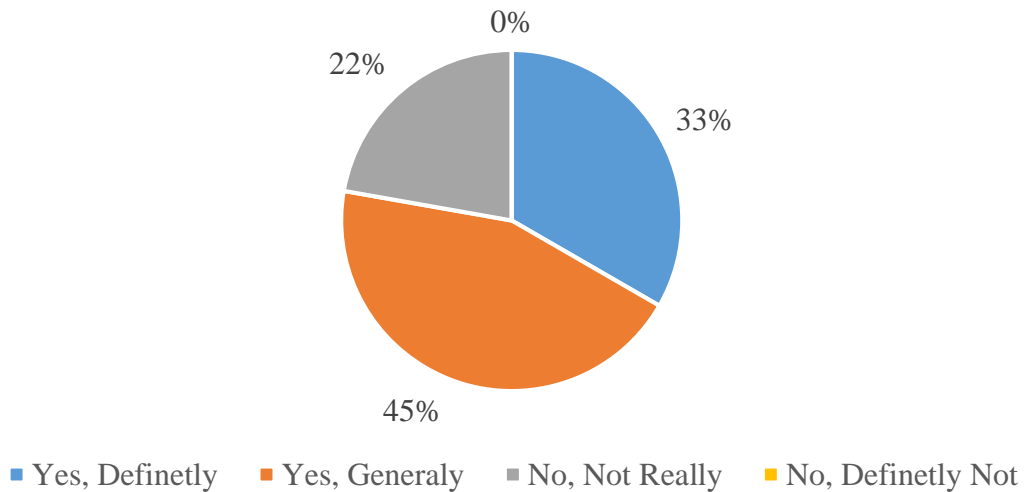
Graph 22: Superior Discussion

(Source: Own processing)

7 out of 9 respondents think their superior (branch manager) is more or less open to discussion. Two respondents hold opposite view.

This result can be considered satisfactory yet there is a room for improvement.

Do you always have all needed information to do your job?
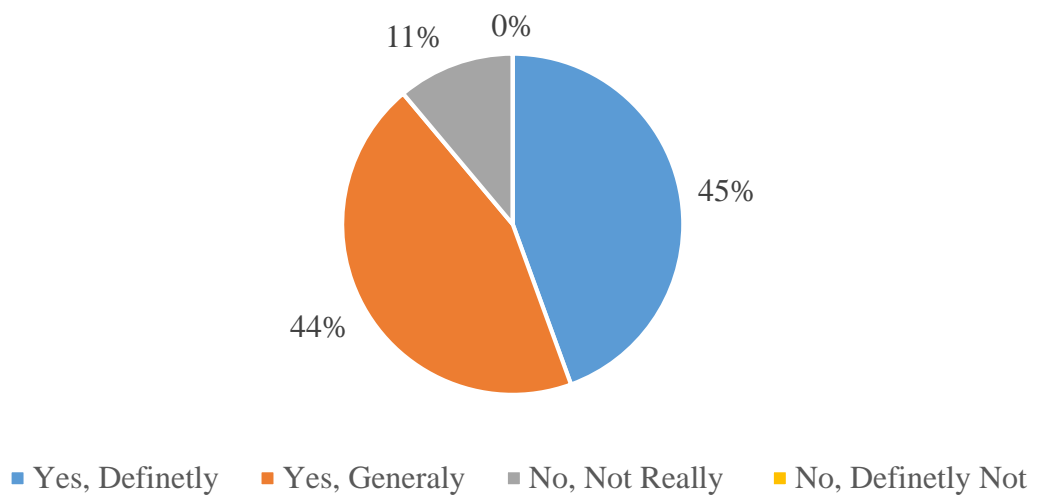
Graph 23: Provided Information

(Source: Own processing)

8 of 9 employees claim to have more or less all the needed information to do their job properly. Only one employee has opposite view.

Which communication method do you use most often to communicate with your colleagues?

11%

33%   56%

■ Face to Face   ■ Email   ■ Telephone
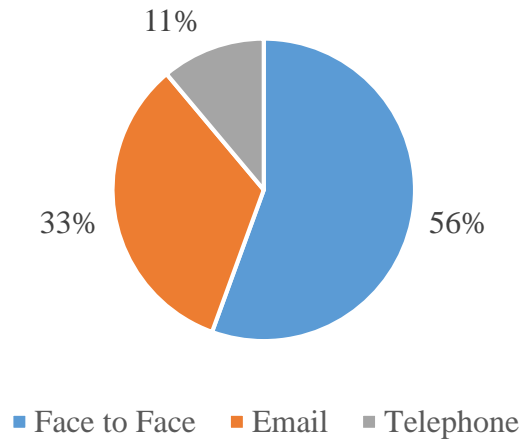
Graph 24: Communication Method

(Source: Own processing)

This result indicates that employees have well-defined competences and transfer of information from their superior is effective.

Most respondents communicate with their colleagues face-to-face. Three of them use mainly email and only one uses mostly telephone to communicate with the colleagues.

Face-to-face communication is most effective but at the same time it is the most time consuming.

Are conflicts between colleagues usual?

11%

33%   56%
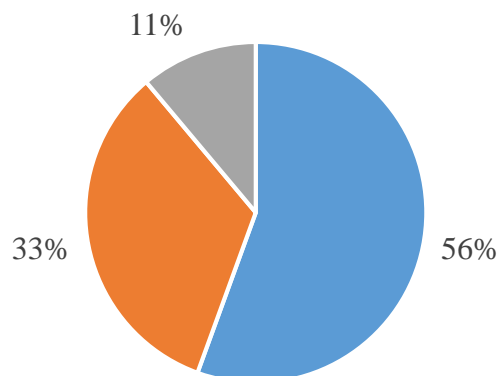
Graph 25:Conflicts Colleagues

(Source: Own processing)

Five respondents answered that conflicts in the workplace are usual. Three respondents answered that conflicts are occasional and only one respondent anwered that conflicts in the workplace are not common.

The result of this question should be addressed as conflicts in the workplace are risky and may negatively affect employee morale

## Have you had a conflict with one of your colleagues during the last week?

■ Yes ■ No ■
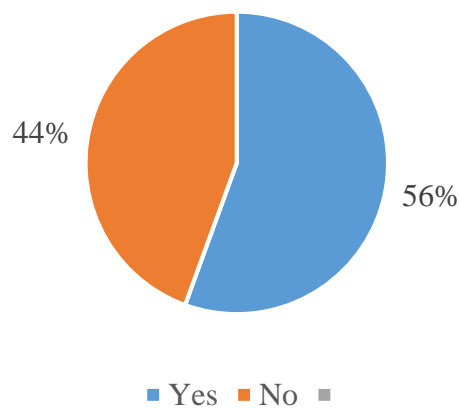
Graph 26: Conflict Last Week

(Source: Own processing)

Five respondents had a conflict with one of her/his colleagues during past week.

This question follows on from the previous question and confirms that

Do you discuss personal matters in the workplace?

11%

45%

44%

■ Yes, Definetly   ■ Yes, Generaly   ■ No, Not Really
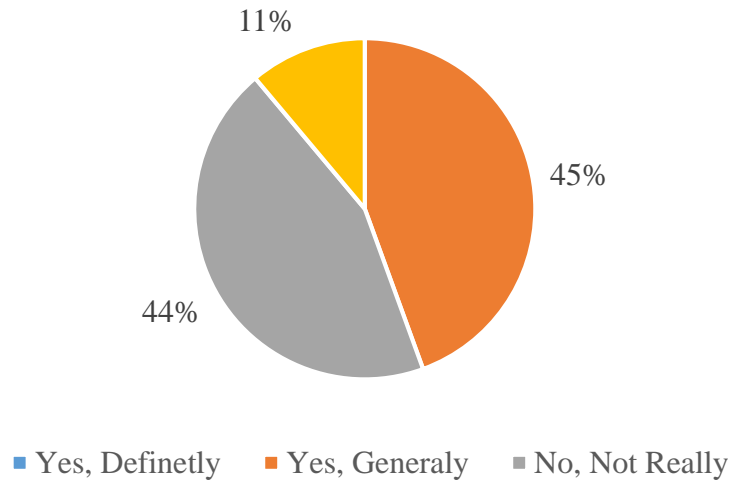
Graph 27: Personal Matters

(Source: Own processing)

Most of the answers to this question were negative. The result thus supports the finding that communication in this workplace is problematic.

## How would you define the relationship with your colleagues?

22%

56%

22%

■ Friendly   ■ Professional   ■ Neutral
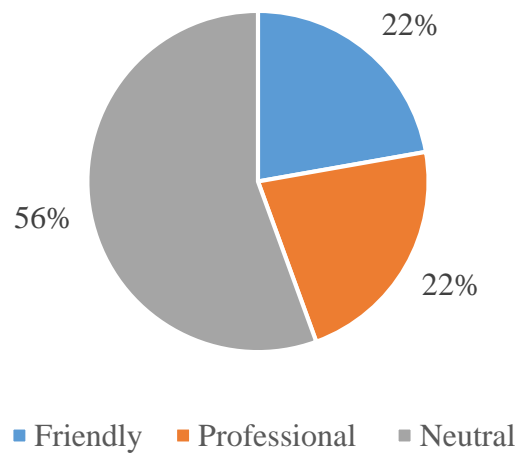
Graph 28: Relationship with Colleagues

(Source: Own processing)

Most employees have a neutral relationship with their colleagues. Only two respondents answered they have a friendly relationship and two employees consider relationships in the workplace as professional.

Do you meet with your colleagues out-of-work? (cinema, sport, etc.)


- Regularly - Occasionally - Never
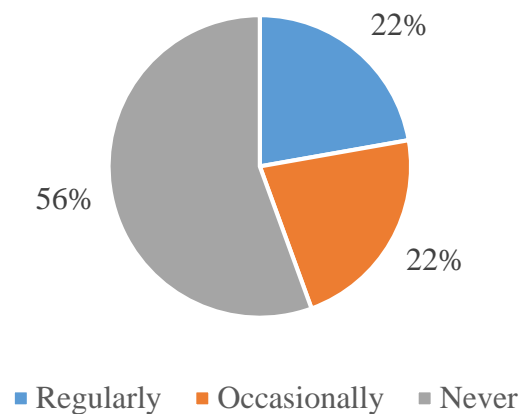
Graph 29: Meeting out of Work

(Source: Own processing)

5 out of 9 employees never get in touch with their colleagues outside work. Only 2 meet regularly and 2 occasionally

Communication in the workplace appears to be a serious problem that needs attention. Poor relationships in the workplace and ineffective communication lead to lower employee satisfaction along with lower work performance.

Section 4 – Motivation and Rewarding

Are you satisfied with the rewarding system in the company?

22%   22%

56%

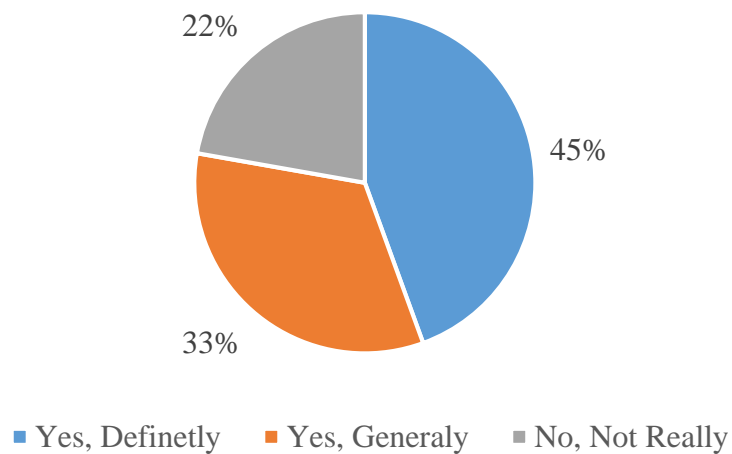- Yes, Definetly   - Yes, Generaly   - No, Not Really
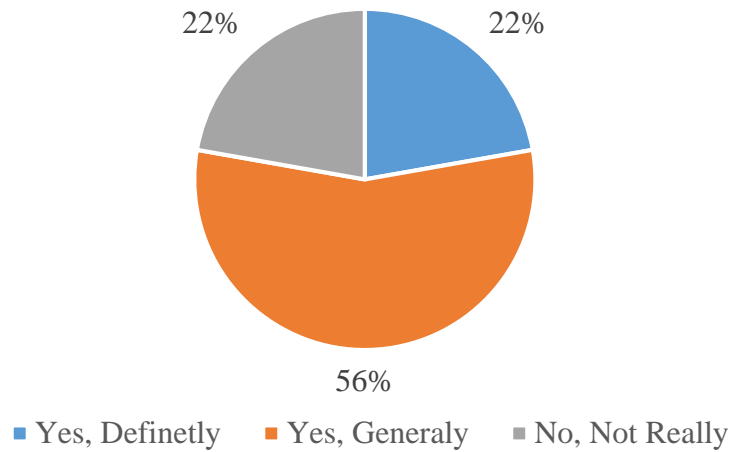
Graph 30: Rewarding Satisfaction

(Source: Own processing)

Employees in general are satisfied with the rewarding system. Only two employees are dissatisfied. These are probably employees who have only fixed wages.

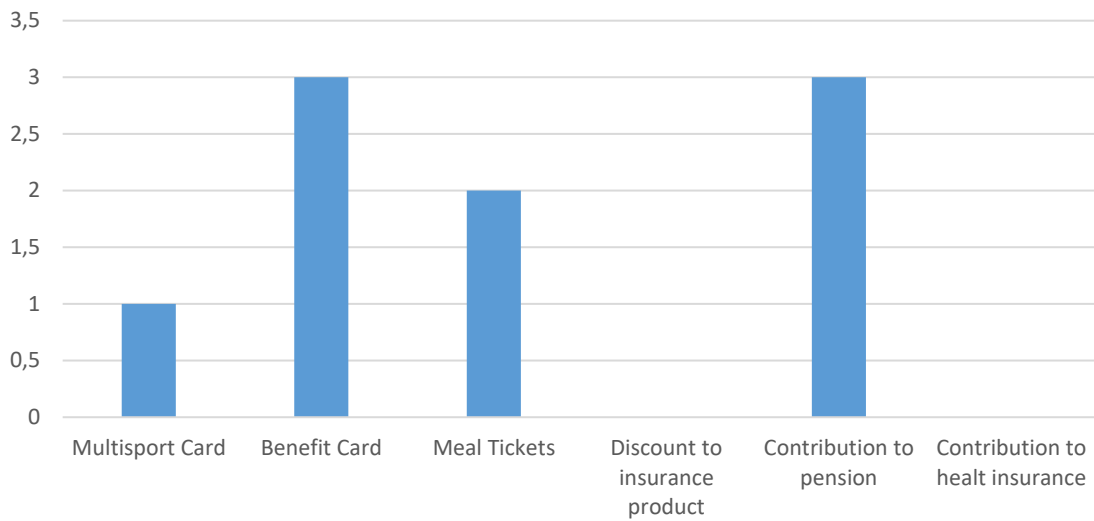Do you consider the rewarding system motivational?

22%

45%

33%

- Yes, Definetly   - Yes, Generaly   - No, Not Really

Graph 31: Motivation Rewarding

(Source: Own processing)

Most employees consider the rewarding system as motivational.

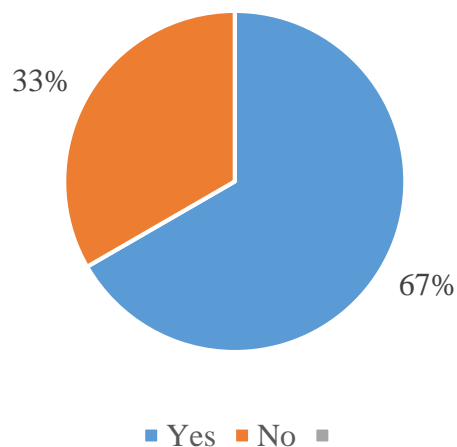## Which one of the following benefits do you appreciate the most?

Graph 32: Employee Benefits

(Source: Own processing)

Employees appreciate mainly Benefit Plus card and pension contribution. Two employees vote for meal vouchers and one for multisport card.

Is your salary increasing regularly?
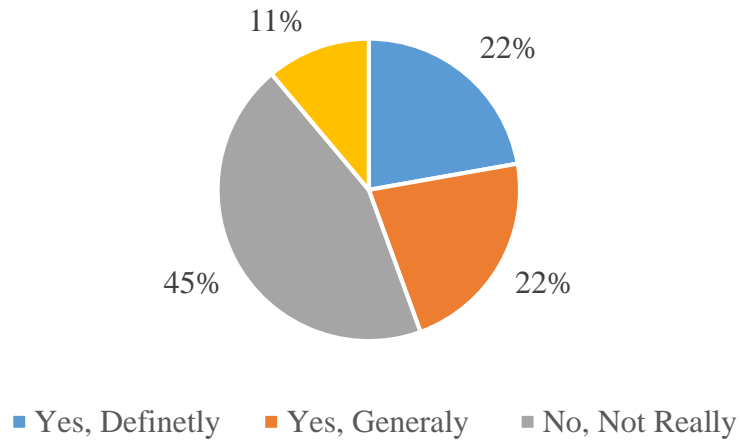

33%

67%

■ Yes ■ No ■

Graph 33: Increasing of Salary
(Source: Own processing)

Six out of nine employees have regular wage increases.

Do you think the company supports you in work development?

11%

22%

45%

22%

- Yes, Definetly   - Yes, Generaly   - No, Not Really

Graph 34: Support of Development

(Source: Own processing)

Most employees believe that the company does not sufficiently support them in personal development.

4. PROPOSALS FOR THE COMPANY

In this part, corrective measures will be proposed in order to eliminate identified weaknesses of the organizational culture.

4.1. Working environment

Identified issue

The first identified issue concerns the workplace environment, which may negatively affect employee satisfaction and productivity.

In the first section of the questionnaire, several respondents complained about back pain. The branch employees spend the vast majority of the time in the office, sitting at the computer. This problem is quite common among office workers, and it is usually caused by a sedentary lifestyle, poor ergonomic design of chairs, prolonged seating without a stretch or lack of compliance of proper sitting posture. Thus, employees are exposed to factors of the working environment that may adversely affect their health and work performance.

The first part of the solution is from the company's perspective the least demanding. The basis for mitigating the negative effects of sedentary work is a healthy lifestyle and proper sitting posture. Part of the OSH training, which is obligatory for all employees, is devoted to this problematics, but it takes place only every other year, and many employees are unaware of its importance. In addition to OSH training, these specific instructions, recommendations, exercises and warnings of possible consequences are available to all employees on the company's intranet. Although this information is easily available, its reach needs to be increased.

Improvement proposal

The first step is the placement of coloured posters (A3 - 297x420mm) with basic principles of seat ergonomics in each office of the regional branch. The image to print is available in sufficient resolution on the company's intranet, marked with its logo. This

measure is not demanding in terms of time, money and personnel. Printing can be ordered online and delivered directly to the regional branch. Printing of one poster (premium 200g paper) costs 30,25 CZK including VAT.

5 x A3 posters	30,25 x 5	=	151,25 CZK
Transportation costs			110 CZK
Total			**261 CZK** Including VAT

Another way to highlight the potential risks of sedentary type of work and to promote healthier workplace habits of employees is sending regular educational emails. Once a month, the administrative assistant will elaborate one of many topics related to the factors which can negatively affect the health of employees in the workplace and possible preventive steps that can be done (e.g. stretching, regular breaks, chair positioning, potential risks, etc.). Then the discussed topic will be briefly introduced to other colleagues at regular Monday meeting. Immediately after the meeting, the administrative assistant will send the prepared email to all colleagues at the branch. All necessary information in order to create the content of educational emails is available on the company's intranet and from OHS training materials. Therefore, the preparation of this measure should take a maximum of 20 minutes per month and brings no extra cost.

The last step in order to prevent or at least alleviate the discussed issue is the purchase of new, better quality office chairs. Equipment of the whole branch with new office chairs is relatively expensive and the regional branch does not have enough budget for such a purchase. Therefore, the branch manager must file an application for allocating the necessary amount of money to the directorate and also provide sufficient and convincing explanation of the reason for the purchase and its price.

The main criteria for choosing suitable new office chairs is ergonomics and price. Ergonomic office chairs are available on the Czech market from approximately 4000 CZK. To have a chance for approval by the Directorate, the price of the entire purchase should not exceed 60 000 CZK (6 000 CZK per employee).

This office chair corresponds to the required characteristic - ergonomics and price not exceeding 6000 CZK:

RIM Flexi FX (AD 1104)

This chair is made by Czech company RIM, and it is equipped with a synchronous mechanism to provide so-called dynamic sitting. The meshed backrest consists of a light-weight plastic frame with a central bracket with the advantage of height-adjustment within the range of up to 7 cm. The chair is disassembled – easily assembled using 3 screws. The warranty for this product is five years.

Figure 7: RIM Flexi FX

(Source Rim.cz)

Price per piece is 5 587 CZK including VAT**.**

10 employees x 5 587 =   **55 870 CZK** including VAT

4.2. Communication and Conflicts in the Workplace

Identified issue

According to the results of the questionnaire survey, the second identified problem was communication between employees and often emerging conflicts in the workplace.

Stressful type of work, variable remuneration, the necessity to meet set business goals and mutual competition among most of the branch employees all together form an ideal environment for rivalry. Under the circumstances, these situations can be just very hardly avoided. On the contrary, it is advisable to support the branch's employees in developing communication and self-control skills in order to enable them to handle such situations better.

„If there is any one secret of success, it lies in the ability to get the other person's point of view and see things from that person's angle as well as from your own."

Henry Ford

 Improvement proposal

The proposed measure is to organise a science-based workshop Effective Communication led by experienced lecturer Věra Kapsová, directress of GrowJob Institute. This workshop will be held in the meeting room of the regional branch during working hours and will take something in between 3 - 6 hours. It will be intended for all branch employees, especially managing clerks who get into conflict situations most often.

The main topics of the workshop are:

- Why misunderstandings occur and how to remove so-called communication barriers?

- How do emotions obscure human perception?
- How to learn to listen actively to understand the other side?
- How to react proactively or say unpleasant things?
- How to learn to cope with negative feedback and criticism?
- How to react constructively during conflicts?

The main aim of this workshop will be the development of effective communication between branch employees, improvement of workplace relationships and as a result, an increase in employee satisfaction.

The organisation of such a workshop is financially demanding and therefore, careful planning, and the highest possible participation of employees is needed. The branch manager can cover the costs of organising this workshop by applying for employee education support. The cost of organising this workshop, assuming that all 10 employees will attend is **CZK 20,000** VAT included.

4.3. Usage of the company car

Identified issue

Another identified issue based on the interview with the branch manager and the results of the open question in the second section of the questionnaire survey is the non-systematic and therefore, inefficient lending of a company car.

Currently, the regional branch has only two cars available and seven employees who need a car at least sometimes to do their job. One of the cars is used exclusively by the branch manager, who needs to use the car every day. The second car is used by six managing clerks, who take turns using it and also to some extent need it to do their job properly. At the moment, neither the regional branch nor the company as a whole has clearly defined rules for creating a company car usage schedule.

Currently, the usage schedule is only agreed between all managing clerks verbally, which sometimes leads to inefficient usage of the car or, conversely, to situations where more employees need the car at the same time. This inefficiency or misunderstanding may result in unnecessary conflict and reduction of work performance.

Improvement proposal

Such situations can be easily avoided by creating a very simple schedule system. Based on employee preference, it will be possible to choose either google docs (accessible from anywhere) or an excel file which will be stored on a corporate shared disc. The scheduling system will consist of creating a simple weekly schedule. Every weekday will be divided into 3 three-hour blocks (from 9 am to 12 pm, from 12 pm to 3 pm and from 3 pm to 6 pm). Each managing clerk will be entitled to 6 hours (2 blocks) of car usage per week. During the ongoing week, managing clerks will need to plan the following week, and they will reserve 2 three-hour blocks for themselves. Three blocks that will remain unoccupied after Monday meeting will be reserved for operational needs. The branch manager will check the correctness of completion of car usage schedule at the beginning of every week, and it will be included in agenda of the usual Monday meeting.

The result of the implementation of this proposal should lead to more efficient use of a company car. It should also motivate employees to plan their time more accurately and prevent possible conflicts between employees.

Implementation of this proposal is very simple and does not entail any costs.

4.4. Guidance System

Identified issue

One of many functions of a regional branch is a point of sale. The customer can come there personally to inquire about the desired product, order it immediately and pay for it directly. The salesperson at the counter takes his/her part in the fulfilment of the set business goal as well as others. Therefore, it is important that customers are well informed about the location of the branch. Clients of the insurance companies are visiting the selling points irregularly according to their current needs (i.e. holiday, new car, insured event, etc.). Whereas the regional branch moved two years ago to new one location, there are still situations when some customers are still coming to the old location to which they were used to. Or, despite a very good location in the city centre, they simply cannot find the new spot.

Improvement proposal

Therefore, another suggestion is the installation of a guidance system on street light pole near busy transport interchange. The guidance system will be double-sided, marked with the company logo, an arrow indicating the direction and a description of the distance of the branch from the transport hub. The size of the advertising space is 80 x 120 cm - 1 square meter and will be placed 3.5 meters above the ground.

Cost calculation includes a 365-day rental, location service fee, background surface, assembly, graphic design processing and graphics implementation.

Rental	365 x 38,9	= 14 198,5
Location service fee		= 600
Background surface		= 800
Assembly		= 1 200
Processing of graphic design		= 1 500
Graphics implementation		= 1 500
TOTAL costs per year		**= 19 799 CZK** Exclusive of tax
TOTAL costs per month	19 799 / 12	**= 1 650 CZK** Exclusive of tax

5. CONCLUSION

This thesis dealt with the organisational culture of the regional branch of the insurance company XYZ. The main objective was to propose improvement measures based on an analysis of the current state of organizational culture.

The first part of the thesis was devoted to an explanation of the theoretical framework of organizational culture and methods of its diagnostics.

In the practical part, the company was introduced. The analysis of the company's documents was carried out. Furthermore, a semi-structured interview with the branch manager was conducted.

A questionnaire, based on the information obtained from previous research, was prepared and distributed among employees of the regional branch of XYZ insurance company. The questionnaire was divided into 4 sections (Employee satisfaction, Communication, Workplace Relationships and Rewarding system) and revealed certain shortcoming of organisational culture.

The first proposal concerned the risks of the working environment and the elimination of its negative impacts.

Another suggestion is creation of simple schedule system. The result of the implementation of this proposal should lead to more efficient use of a company car.

In the questionnaire section, which was focused on workplace relations, major problems in communication were discovered and appropriate measures proposed.

The organizational culture of the regional branch has some weak spots, but these have been analyzed and possible solutions were suggested.

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