Using the competing values framework (CVF) to investigate organisational culture in a major private security company

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Abstract

The proliferation of crime, especially in the South African context, has placed considerable emphasis on the private security industry. This has also increased fierce competition in the private security domain with both national and international private security companies infiltrating the South African market. Like public policing private security has an important role to play in combating crime and other transgressions, with the exception that private security owes its existence to paying customers. By using the Competing Values Framework (CVF) as conceptual guide, the researchers are able to provide the managers of the company under investigation with insight on how their cultural orientation affects their functioning and ultimately their competitive advantage.

Keywords: Organisational culture, Competing Values Framework (CVF), private security

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1
Introduction

Understanding the prevailing organisational culture is crucial for organisations operating in a global environment. Organisations must keep up with consumer demands in a constantly changing political and economic climate and therefore need to create and sustain an internal culture that enables them to be competitive (Hansson & Klefsjö: 2003:71; Taylor in Barker & Coy, 2004:4). Attaining a competitive advantage is crucial, especially if organisations are seeking to expand and/or launch new projects (De Brentani & Kleinschmidt, 2004:309). The cultural orientation of an organisation could aid in attaining a competitive advantage, as it provides guidelines that direct the behaviour of individual members. These behavioural guidelines affect and influence aspects such as quality and service delivery to customers.

Organisational culture is a well researched topic and the Competing Values Framework (CVF) has been applied to numerous other studies on organisational culture (see Al-Khalifa & Aspinwall, 2001:417; Howard, 1998:231; Kriel, 2001; Le Grange, 1994; Van der Post, 1997; Van Muijen, Koopman, De Witte et al., 1999:551; Dellana & Hauser, 1999, 2000). It has however not been applied to private security companies. This paper reports the findings of an investigation into a leading South African security company, using the CVF to determine the dominant culture of the organisation. It also reports the implications of the dominant organisational culture on the overall functioning of the organisation.

2
Private security in South Africa

The South African Police Service (SAPS) like its counterparts worldwide, has struggled to come to terms with not only acts of terrorism, but also high levels of crime in general, as well as the changing patterns of crime (Minnaar, 2005:85). Finding solutions to these problems has influenced and shaped the domain of private security in the sense that the role of private security companies has expanded and the value of security personnel has increased in many sectors of the organisation (Pillay, 2003:21). Private security has its roots in public policing and could be defined as "the protection of individuals, their property (assets) and related interests against multiple risks such as crime, fire, accidents, etc. by means of utilising people and equipment" (Steenkamp & Potgieter, 2004:71). Bosch (1999:4) refers to private security as "the attempts of individuals and organisations to protect their assets from loss, harm or reduction in value, due to criminality". This is precisely the focus of the company under investigation.

The rationale for an investigation into private security is mainly due to an absence of research in this important sector of the economy. National and international crime has increased since the 1990s and it is an established fact that crime currently poses a serious problem for South Africa (Burger, 2006:105). With increased levels of criminal activity and the public's lack of faith in public policing, the South African private security industry has grown at breakneck speed over the past 10-15 years. It has an annual growth rate of between 10-15 per cent and has an annual turnover of R50 billion (Olivier, 2009: 20). These figures show the seriousness of crime prevention for South Africans and emphasise the prominence of the industry. Within this context and based on the authors' research, the CVF will be discussed and the findings presented.

3
The competing values framework (CVF)

In an attempt to understand organisational effectiveness, Quinn and Rohrbaugh (1983) and Rohrbaugh (1981) empirically constructed the competing values framework. With the aid of academic experts they were able to assess similarities across various measures of effectiveness, using multidimensional scaling. The framework integrates the different perspectives on organisational effectiveness and is mainly based on shared values in organisational context (Scott, Mannion, Davies & Marshall, 2003:928). It furthermore connects the strategic, political and institutional aspects of organisational life by organising patterns of shared values, together with the assumptions and interpretations that define organisational culture (Denison & Spreitzer, 1991:3). This makes the CVF one of the few cultural models to allow comparison across different organisational cultures. It has been acclaimed as one of the forty most important models in the history of business and has been used in more than one thousand organisations to predict organisational performance (Cameron & Quinn, 2006:23).

The performance indicators used in the analysis of organisational effectiveness are based upon the underlying values prevailing in a certain organisation. The key assumption underlying the competing values approach is that no single goal exists in an organisation, but that a number of competing values are held by the various stakeholders, which could lead to different goals and objectives. Cameron and Quinn (2006:46) found that after applying the competing values framework to thousands of organisations, most organisations developed a dominant culture, and in more than 80 per cent of organisations one or more dominant cultural types can be distinguished. If an organisation does not have a dominant cultural type or if the four cultural types are equally emphasised, organisations tend to be unclear about their culture.
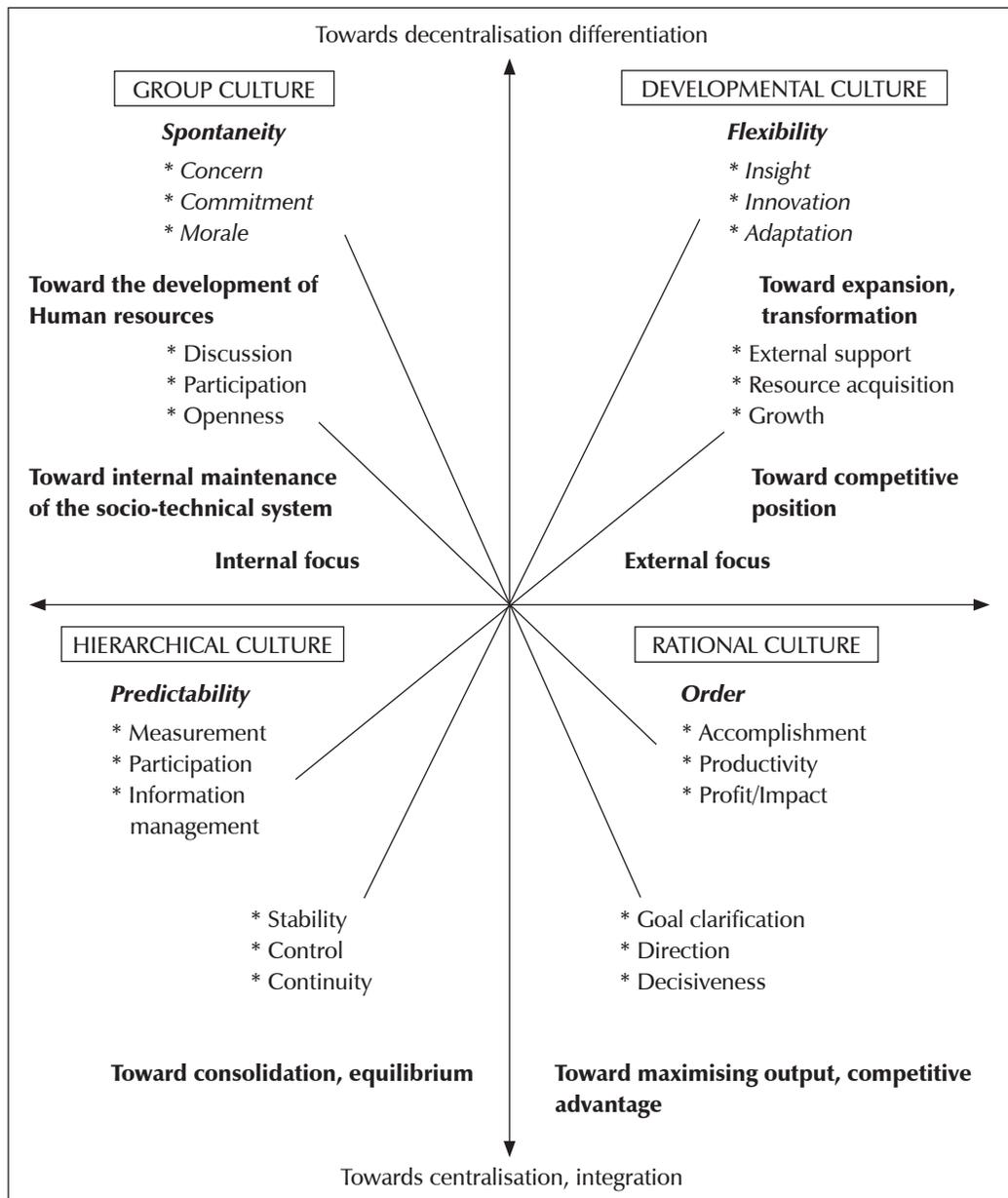
The CVF identifies three critical factors in analysing organisational culture, namely 1) it offers a descriptive content of organisational culture, 2) it identifies dimensions aimed at assessing similarities and differences across organisational cultures, and 3) it suggests tools and techniques for analysing culture in organisations. Figure 1 illustrates the CVF.

Figure 1 further distinguishes two primary dimensions that reflect preferences for structural

control or flexibility, possessing either internal or external constituents (Howard, 1998:234). Crossing these two dimensions at their centres produces four distinct organisational types. Each of the quadrants is characterised by certain objectives and/or preferred processes, i.e. the means-end dimension. Each of the four quadrants has a conceptual polar opposite and each implies mutually exclusive values (Al-Khalifa & Aspinwall, 2001:420; Øgaard & Marnburg, 2005:23). The four types include the hierarchical, the rational, group and developmental cultures.

Figure 1
Competing Values Framework (CVF) of organisational culture

Towards decentralisation differentiation

GROUP CULTURE

Spontaneity

* Concern
* Commitment
* Morale

Toward the development of Human resources

* Discussion
* Participation
* Openness

Toward internal maintenance of the socio-technical system

Internal focus

DEVELOPMENTAL CULTURE

Flexibility

* Insight
* Innovation
* Adaptation

Toward expansion, transformation

* External support
* Resource acquisition
* Growth

Toward competitive position

External focus

HIERARCHICAL CULTURE

Predictability

* Measurement
* Participation
* Information management

* Stability
* Control
* Continuity

Toward consolidation, equilibrium

RATIONAL CULTURE

Order

* Accomplishment
* Productivity
* Profit/Impact

* Goal clarification
* Direction
* Decisiveness

Toward maximising output, competitive advantage

Towards centralisation, integration

Source: Quinn (1988)

The four major culture types:

Hierarchical culture

The hierarchical culture represents the earliest approach to organising in the modern era and relates back to the work of German sociologist Max Weber, who studied government organisations in Europe in the early 1900s (Boggs, 2004; Cameron & Quinn, 2006:38). The major challenge for organisations at that stage was to efficiently produce goods and services for an increasingly complex society. Weber subsequently introduced the seven classical attributes of a bureaucracy, i.e. rules, hierarchy, specialisation, meritocracy, separate ownership, impersonality and accountability (Deshpandé & Farley, 2003:5). These characteristics were highly effective in accomplishing their purpose and were adopted widely until the 1960s. The classical attributes were regarded as ideal, because the environment was stable and tasks and functions could be integrated and coordinated while uniform products and services were maintained. This structure was mostly adopted by major conglomerates like the Ford Motor Company, as well as many government agencies (Cameron & Quinn, 2006:38). The hierarchical culture thus regards control and internal focus as prominent. Information management and communication serve as mechanisms for achieving stability, control and order (Øgaard & Marnburg, 2005:23).

Rational culture

During the late 1960s another form of organising became popular mainly because organisations were faced with new challenges. It is based on the work of Oliver Williamson, Bill Ouchi and their colleagues (Boggs, 2004; Cameron & Quinn, 2006:39). This orientation promotes a focus on the external environment rather than the internal environment, and interaction with outside constituencies such as suppliers, customers, contractors, unions is emphasised. The major focus falls on conducting economic transactions. The core values characterising this type of culture are competitiveness and productivity, which should be achieved through strong external positioning. Planning and goal setting are essential for productivity and efficiency (Deshpandé & Farley, 2003:5; Øgaard & Marnburg, 2005:23).

Group culture

The group or clan culture represents the family-type business and was developed following a study of Japanese firms in the 1960s and 1970s. This contrasted with the hierarchical and market cultures of American companies (Ouchi, 1981). In this culture type, flexible values and internal focus are prominent (Deshpandé & Farley, 2003:5). Shared values and goals, cohesion, participativeness and individuality underlie this orientation, and organisations with such a dominant culture are more like extended families than economic entities (Boggs, 2004; Cameron & Quinn, 2006:41). This culture emphasises the flexibility of human differences and provides an internal view of the organisation. It furthermore stresses cohesion and morale amongst members, which includes aspects such as teamwork and employee development (Øgaard & Marnburg, 2005:23).

Developmental (adhocracy) culture

As the developed world shifted from the Industrial Age to the Information Age and ultimately to the Knowledge Age, technology organisations need to be more sensitive and adaptive to an ever-changing business environment (Boggs, 2004; Cameron & Quinn, 2006:43). Organisations need to consider the impact of globalisation and adopt innovative and pioneering activities to stay ahead of competitors (Kinicki & Williams, 2006:102). It is for this reason that the term *'ad hoc'* was chosen for this cultural type. The term implies temporariness and emphasises the fact that reconfiguration is often necessary when new situations arise (Deshpandé & Farley, 2003:5). Flexibility, adaptability and creativity are thus needed in an environment where uncertainty, ambiguity and information overload are rampant. This type of culture emphasises readiness for change as a means of growth, resource acquisition and external support (Øgaard & Marnburg, 2005:23). This type of cultural orientation is often found in aerospace, software development, and filmmaking.

To summarise, each cultural type aims to meet the demands of the particular constituent,

and depending on the organisation some values will be considered more dominant than others. In this regard Quinn (1988) proposes a balance among the competing values, while pursuing apparently contradictory objectives and structural imperatives. However, he discourages over- or under-emphasis of any of the approaches. This model does not propose that organisations should be alike, and recognises that the organisational profile could be influenced by the industry in which an organisation operates its public or private mandate, and the stage of the lifecycle of the organisation (Howard, 1998:235).

4
The organisational culture of a leading private security company

Methodology

The company under investigation is one of the main role players in the South African private security industry. A survey was launched that included the distribution of a structured questionnaire to individuals in the following geographical areas: Johannesburg, Pretoria, Mpumalanga, the Free State/Northern Cape/ Lesotho, Western Cape/Boland, Eastern Cape, and Kwa-Zulu Natal.
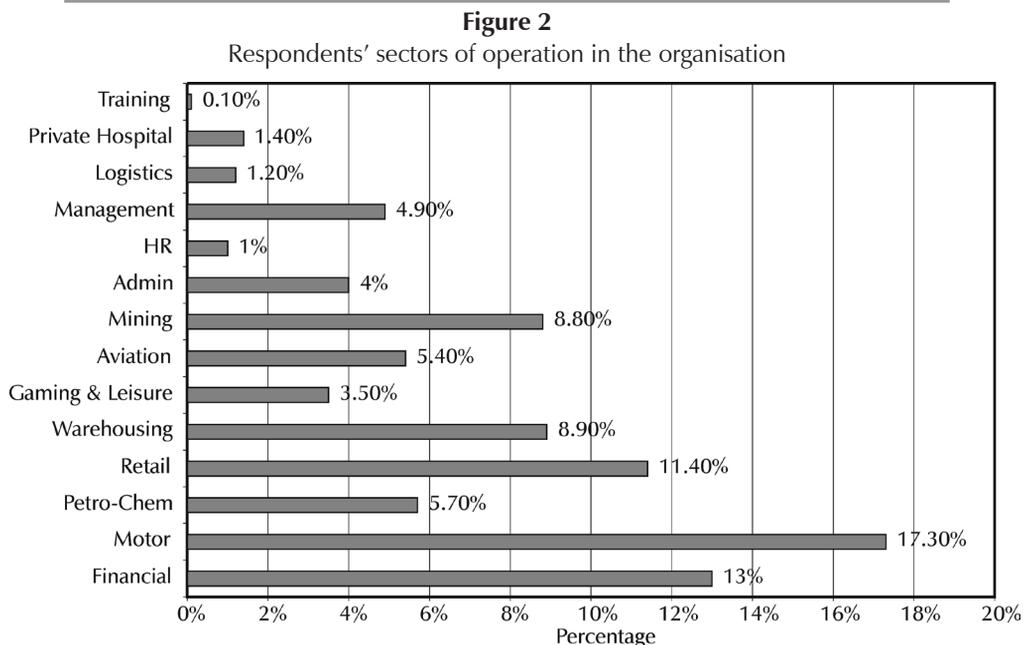
The questionnaire was based on the four constituents of the CVF, structured in Likert-scale options. As individuals in the population were not equal in terms of operational level, stratified random sampling was applied. This sampling method ensured that the strata or layers of the organisation were represented in the sample (Salkind, 2006:91; Saunders, Lewis & Thornhill, 2007: 221; Welman, Kruger & Mitchell., 2005:61, Leedy & Ormrod, 2005:202). The three strata or layers in the organisation under investigation were managers, administration staff, and security staff. From a population of 15,844 a sample of 20 per cent (3,172 individuals) was drawn. The usable responses yielded an overall response rate of 21 per cent (n=676).
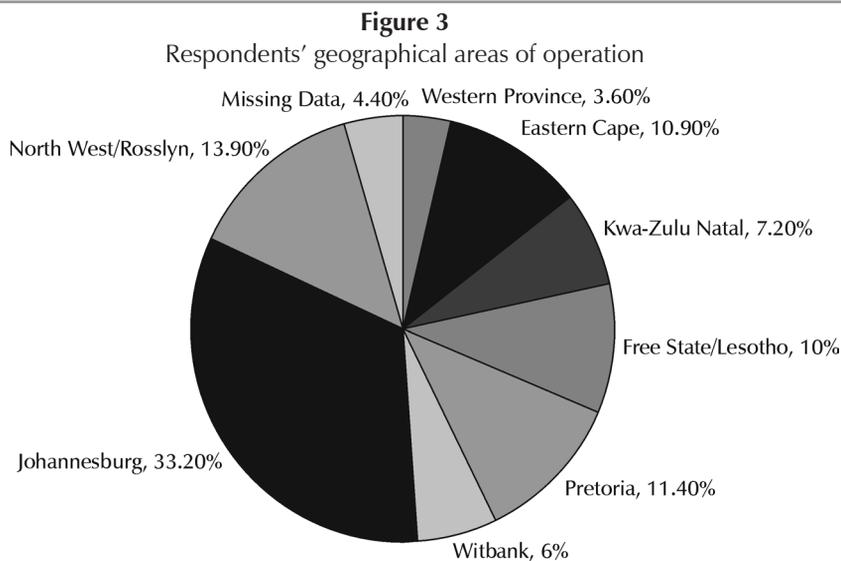
Descriptive and Statistical Findings

This section provides tables and/or graphs that illustrate the demographic composition of the respondents.

Demographics

The organisation serves various sectors of operation, as illustrated below.

Figure 2
Respondents' sectors of operation in the organisation

The organisation also operates in various geographical areas.

Figure 3
Respondents' geographical areas of operation

Missing Data, 4.40% Western Province, 3.60%
North West/Rosslyn, 13.90%
Eastern Cape, 10.90%
Kwa-Zulu Natal, 7.20%
Free State/Lesotho, 10%
Johannesburg, 33.20%
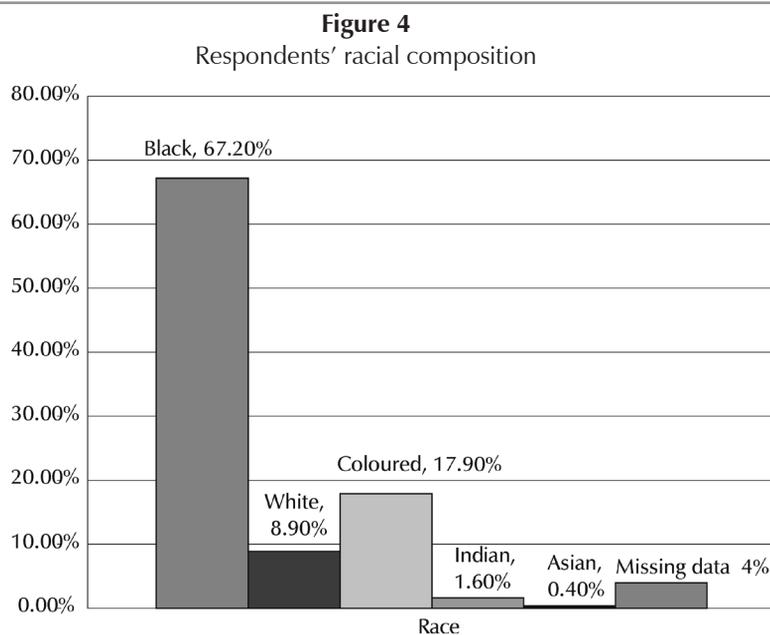Pretoria, 11.40%
Witbank, 6%

Occupational Levels

Respondents occupy the following positions in the organisation: 3,8 per cent administrative staff, 81,6 per cent security staff and 10 per cent management staff.

Gender

Seventy seven per cent of the respondents were males and 18,7 per cent females.

Race

In the South African context race is an important aspect. The racial composition of respondents is illustrated below.

Figure 4
Respondents' racial composition

Black, 67.20%
Coloured, 17.90%
White, 8.90%
Indian, 1.60%
Asian, 0.40%
Missing data 4%
Race

5
Determining the dominant culture

The average score of each respondent was obtained regarding each question in the four cultural group categories, respectively. The means indicated in the graph below are actually means of means i.e. means were calculated over the specific questions, where the number of questions differed per cultural group and averaged over the respondents.

The most prominent cultural orientation of each respondent was then ascertained by considering the highest mean score for each individual per cultural group. The organisational culture profile of the organisation under investigation is indicated below.

Graph1
Organisational culture profile of the organisation
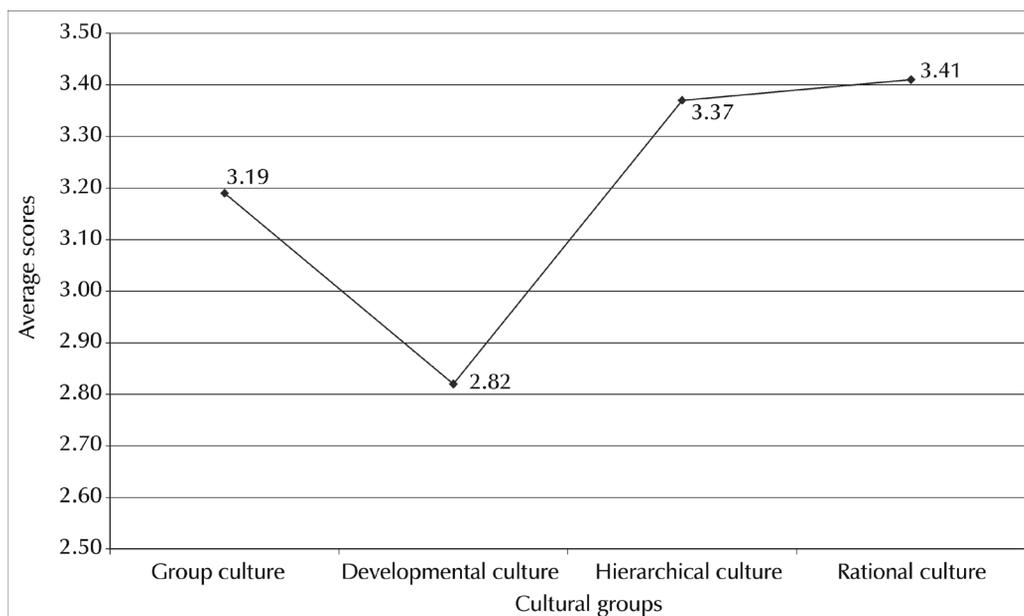
Graph 1 indicates a mean score of 3.19 for the Group Culture, 2.82 for the Developmental Culture, 3.37 for the Hierarchical and 3.41 for the Rational Culture.

A multivariate technique is used, that accounts for the fact that the average scores per culture group, as four variates, are not independent. They were measured on the same respondents, like 'repeated measures'. The Hotelling T^2 statistical test (see Rencher, 2002:140) was used, with C matrix applied

$$= \begin{bmatrix} 1 & -1 & 0 & 0 \\ 0 & 1 & -1 & 0 \\ 0 & 0 & 1 & -1 \end{bmatrix}$$

The test statistic is calculated as $T^2 = 929.3805$, which yields a p-value of 0,0000. We conclude that there is a highly significant (more than 99 per cent) difference in the mean culture scores at the organisation under investigation.

As a subsequent procedure, the groups were compared in pairs. These paired comparisons also yielded significant mean differences (at level 0,05 per cent) for each pair of cultural groups. A smaller difference (still significant, at level 0,05 per cent) between the mean scores of the Rational and Hierarchical Culture groups was found, which implies a close resemblance of the company's organisational culture for both these groups.

6
Conclusions

The statistical analysis of the data in this investigation provides a new diagnostic tool for applying the CVF in a specific organisational setting, in this case a major private security company. Being able to perform a quantitative analysis of organisational culture is an issue that is debated in organisational culture literature. Some authors (like Ashkanasy, Wilderom & Peterson, 2000:132; Chang, 2005:416; Martin, 1992) feel organisational culture should be observed systematically and interpreted through the application of quantitative methods. Traditionally organisational culture research relied on qualitative methods, like in-depth, open-ended interviews and ethnographic observations (Sriramesh, Grunig & Dozier, 1996:242). This investigation thus proves that it is possible for organisational culture to be statistically analysed and interpreted. Although the conclusions in this section apply specifically to the company under investigation, the statistical methods could be applied to research of similar companies within the industry.

The statistical analysis shows that the company under investigation displays a prominent Rational Culture. The second dominant cultural orientation is the Hierarchical Culture. This is an important conclusion as it supports the literature section on the CVF (paragraph 3) that most organisations display more than one dominant organisational culture. The Rational Culture is externally and the Hierarchical Culture is internally oriented which means that although the organisation is geared for maximum output and competitive advantage it also values consolidation and equilibrium in its internal organisational structuring.

Consistent with the characteristics of a Rational Culture (which involves a strong external orientation, competitiveness, productivity, and prominent external positioning), the management of the company under investigation has clear goals and direction and it is a decisive decision maker. Given the fierce competition of the private security environment, the company projects a culture of maximum output and a strong competitive advantage. The focus of

the Rational Culture orientation as 'order' is reflected in the external positioning of the organisation. The company is part of an international organisation and its operational base covers all geographical areas of South Africa. Continuous expansion is one of its key strategies and new clients are continually being added to their operational list. The company has, for example also recently expanded its operations into Cash Management Services. It thus has an aggressive strategy in securing new business and also in managing sites in a productive and profitable way. These actions typify the dominant Rational Culture.

The Hierarchical Culture is the second dominant culture type and has a predominantly internal focus, with stability, control and continuity giving the workplace a predictable character. This is reflected in the way the company manages its sites. An important aspect to remember in private security is that security personnel usually operate on the premises of a client, with a site manager or site supervisor overseeing the operations. Depending on the size of a site a site manager or a supervisor could be appointed. To further oversee sites in a particular geographical area, area managers are appointed. The site manager/supervisor plays an important role in conveying the acceptable procedures to be followed on site. All sites have site instructions, which are negotiated with the client beforehand. The company under investigation allows for a site evaluation by the client on a monthly basis, where expectations and problems can be addressed. The site manager/supervisor also handles all site-related problems; this includes work-related and personal issues that security personnel might experience. Occurrences (like burglaries, armed robberies, and so forth) are documented in an Occurrence Book on a daily basis. The Occurrence Book is checked and signed by the site manager (as well as the area manager) and communicated to the client and public police, if required. This demonstrates that security personnel and site managers/supervisors have clear procedures to follow on each site, indicating a Hierarchical Culture. To summarise, the company under investigation displays a clear Rational / Hierarchical culture orientation. The

combination of these two cultural orientations provides a strong external positioning and order and predictability in the organisation.

In attaining a competitive advantage, however, organisations have to consider service delivery and a people-oriented approach, the so-called 'softer' aspects. These 'softer' aspects are accounted for in the Group and Developmental Cultural orientations of the CVF and received the lowest scores from the respondents in the survey. The company therefore needs to consider the implications of its cultural orientation. If not, even its strong external positioning could be compromised by its failure to expand and transform the organisation in attaining a sustained competitive advantage in the future. This means the principles of the Group and Developmental Cultures should be incorporated into the organisation. This could be done by implementing the following recommendations:

- Participation and open discussion should characterise the organisation. This should apply to management, administrative and security staff. As security staff do not operate on the premises of the employer it is critical that communication reach all employees on all sites. It is crucial for the area manager to visit the sites on a daily basis to discuss problems and concerns with site managers/supervisors and security personnel. The site manager/supervisor should also conduct weekly meetings to assist security personnel with their duties. Site managers/supervisors should also be open to discuss work and personal problems with employees. A monthly or even weekly newsletter is a good way of communicating not only work-related issues, but also the personal achievements of employees.

- The role of the Human Resources Department is key in ensuring that employees are continuously trained and developed and that their wage-related and other administrative queries are adequately addressed.

By implementing these 'softer' aspects into the organisation's culture, the company under investigation could add to security personnel not only feeling valued, but also that their contributions make a difference in the organisation. This is an inclusive way of managing a security company and will result in better service delivery to clients, impacting positively on the competitive advantage of the organisation, as a whole.

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