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## CAMERON AND QUINN'S MODEL OF ORGANIZATIONAL CULTURE: A CASE STUDY IN CAC BANK

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### ABSTRACT

The main purpose of this study is to reveal the cultural profile of CAC (Corporate Agriculture Credit Bank). the cultural dimensions of an organization can be important for a number of reasons. a strong cultural structure can guide behavior and performance, and can help organizations achieve their desired outcomes. Understanding the cultural profile of an organization can also provide insight into the business environment and can be useful for improving the overall performance of the organization. This methodology is a deep interview with managers and employees and secondary data. It is designed to diagnose the cultural dimensions according to the Organizational Culture model of Cameron and Quinn. It is one of the businesses in which a mixture of organizational cultures (hierarchy, clan, adhocracy, and market cultures) serves its objectives. It went through various stages in changing the organizational culture and orientation of the bank. It has become one of the most important organizations targeted by employees. The results indicate that CAC-Bank Culture is dominated by firms with a mixture of clan and adhocracy cultures. The nature of organizational culture based on the competing values influence the performance of the employees and the corporate. It is very difficult to collect data from companies. A strong cultural structure is perceived to guide to behavior and performance desired by organizations. The framework provides the perspective for improving an understanding of organizational culture and business environment also outcome variables such as performance.

**Keywords:** Organizational culture, Cameron-Quinn model, Hierarchy, Clan, Adhocracy.

### INTRODUCTION

Organizational culture emerged in the late seventies of the last century and its use flourished widely in the mid-eighties. Each organization has its own organizational culture. Organizational culture contains the values, beliefs, and practices established by the organization to control the conduct of business and employees within the organization. In addition to its reflection on the external environment of the organization to enhance its competitive position in the market. Organizational culture enhances the competitive advantage of the organization as it becomes more attractive to the talents available in the labor market. Organizational culture is the key to the success of the organization. The culture of the individual is related to the culture of the organization, and therefore it achieves the goals of both individuals and the organization. This research discussed the importance and concepts of organizational culture and its impact on the process of change and improving performance. CAC Bank has been taken as a practical

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model for organizational culture. Where we discussed the strategies adopted by the Bank in the process of change and the consolidation of the organizational culture. The research also discussed the bank's organizational culture, its diversity, and its impact on improving performance and enhancing the bank's competitive position.

### *Literature Review*

#### *Organizational Culture*

Culture is the knowledge and characteristics of a group of people that include social customs, traditions, language, music, arts, food, religion...etc. It is also what people believe in how true and false things are in their society (Zagaria *et al.*, 2021).

An organization is a group of people working in a specific place, activity to target goals. It contains a set of human and practical relationships that regulate the workflow within the organization to achieve the objectives of employees and the organization together (Mithani & O'Brien, 2021)

Organizational culture is a set of values and beliefs in the organization that affects the behavior of individuals, work, and the relationship of individuals within the organization. The organizational values, industrial demand and methods of doing business are guiding the newcomers (Schein, 1992). It is a collective programming of the mind, as the sharing of values among the members of the organization becomes the force in building the organized culture within clear goals that everyone seeks to achieve (Gorzelany *et al.*, 2021).

The importance of organizational culture in an organization lies in attracting talented employees. Where practical management represents an incentive for employees to work hard, creativity, excellence, and loyalty. These are following the principles, values, and ideologies established by the organization to control the employees. Thus, this culture is reflected in the external environment of the organization. It also achieves a competitive advantage among the employees within the organization and in the external environment with competitors (Schein, 2009).

#### *Types of Culture*

Organizational cultures vary in organizations according to their size and nature of work. However, the framework of competitive values is the most famous classification of organizational culture. Cameron and Quinn identified four organizational cultures:

Adhocracy culture focuses on innovation and continuous improvement. They are flexible and do not adhere to bureaucratic policies and procedures. It is usually used by emerging companies in the field of technology such as Google, Facebook, and Apple. This culture provides flexibility and innovation so that they become successful and competitive in the market. It is a difficult culture to develop as it requires a high-risk strategy. However, rewarding successful ideas helps drive performance through employee participation in big ideas, brainstorming sessions, and more. This will contribute to enhancing the competitive position of the organization in the market (Cameron & Quinn, 2011).

A clan is an interdependent group of people or families with a common interest. Family businesses and small businesses are usually common and are not hierarchical. Staff levels and their supportive environments are not considered during the evaluation. This culture aims at



cooperative work and equality between employees. It focuses on vocational training and guidance to allow the exchange of experiences and the transfer of values and competencies from one generation to another. One of its most important shortcomings is that it cannot maintain its level when the organization grows. One of the most important points of developing this culture is to keep in touch with employees to get their new ideas and then put these ideas into practice (Zhang, 2019).

Hierarchical culture is defined by the organization's structure, procedures, and levels of authority. They are clear in terms of chain of command, rules, tasks, and duties. This type of culture is famous in the United States. It is used by large companies such as gas and oil companies, financial institutions, insurance...etc. This type of culture achieves stability, good risk management, and operational effectiveness. But on the other hand, this culture does not respond to sudden changes and they do not have innovations. There is a lack of flexibility in today's and future markets. The development of this culture depends on the chain of command and setting short and long-term goals for each unit to be controlled (Cameron & Quinn, 2011).

Market culture is concerned with profitability and staying competitive. It focuses on results and customer satisfaction. Also, firstborn is more important in this culture to keep pace with the market with new and improved products to stay in the competitive market and business continuity. But this culture does not serve employee satisfaction effectively. This culture can be developed by evaluating positions and calculating the return on investment, in addition to getting rewards for the best performers (Marín *et al.*, 2016).

#### *Company Performance*

Performance is the process of organizing and evaluating performance between employees and managers, determined by specific performance criteria for evaluation (KPIs). Performance appraisal uses different sources and receives its data and observations from various sources. It has an impact on the relationship between the employee and the manager. It is often used by multinational companies to manage employees in the same culture (Yahiaoui *et al.*, 2021).

#### *Culture Change*

Technological development plays an important role in the economic field and the change of organizations. It is thus reflected in the recruitment policies in organizations, as organizations assign competencies and train their employees on digital jobs so that they are ready to keep pace with everything new. The digitization of the economy will generate new jobs that did not exist before and others will disappear. Therefore, business owners must maintain sustainable employment through education, training, etc., where a humanistic vision is required to sustain jobs. Thus, all this change in digitization has a strong impact on the culture of organizations (Dmitrievna & Valerievna, 2021). It is possible to build a strong and effective organizational culture by stimulating creativity and innovation and the development of ideas, policies, products ... etc. in the organization (Romanovich *et al.*, 2021).

#### *Corporative Agriculture Credit Bank (CAC Bank)*

The Cooperative Agricultural Credit Bank was established in 1982 under the government Law No. 9. It was a result of a merger between Agricultural Credit Bank, that established in 1975, and National Cooperative Development Bank, that established in 1979. CACBANK has embarked



on financing both economic and productive sectors in their entirety. Furthermore, the Bank has kept abreast of international developments and adopted policies and strategies enabling it to provide the best banking services, guaranteeing it the top rank in the local banking arena. The Bank has also kept abreast of international banking developments related to financial institutions. It has offered nonbank services and diversified employment activities concerning fund resources as well as insurance, enabling it to enter the global banking competitiveness with merit, and it continues to be in the top rank among its competitors in the local banking and financial market during the last several consecutive years. This fact has been reinforced by the Bank's wide geographic reach and its owning the widest local banking network as well as being connected by an excellent banking partnership with a network of correspondent banks all over the world (CAC Bank, 2017).

### *VISION, Mission, and Values*

Vision: The Pioneering Financial Institution

Mission: Offering high-quality diverse banking and financial services by using the best management and technology systems with a high level of professionalism through a wide business network catering to all types of customers (individuals, companies, institutions) thus contributing to the development of the national economy.

### *Values*

- The Customer is the Focus of our Attention.
- Constant Pursuit of Distinction and Excellence.
- Community Development.
- Work with one Team Spirit.
- Focusing on Human Resources and Developing their Capacity (CAC Bank, 2017).

### *Strategies*

The Bank developed several strategies for the change that occurred, including the following:

**Restructuring the Bank:** This strategy has radically changed the general structure of the Bank. Jobs were also created following the expansion that took place and following the new vision of the bank.

**Human Resources Strategy:** Attracting and training the human cadre and appointing the best leaders.

**Business strategy:** It defines the direction of the bank's work by setting goals and purposes for its development. Create a strategic plan and determined how to apply it.

**Expansion and spread strategy:** The bank opened branches and offices in all governorates of the Republic of Yemen, which amounted to 85 branches and offices to serve all segments of society, unlike agents regarding remittances (CAC, 2017).

**Innovation strategy:** The bank's management provided the opportunity for all employees to present their ideas for development and improvement in various jobs. In addition, there is an ideal system that allows employees to share their ideas then, then be evaluated for implantation. Where the owner of the idea can take a reward for her/his idea.



International relationships strategy: The bank built a wide network of external relations. It was able to implement international operations and gained the confidence of international banks in the commitment to implement international banking operations following international laws and covenants.

In the statements of CAC Bank the policies and procedures are developed according to Corporate Governance Guide, Code of Ethics and Conduct, Conflict of interest policy. It assures to sustain the corporate image and reputation. The reports of bank's non-compliance risks are prepared to avoid regulatory or administrative penalties, financial loses, and bank's reputation defacement as a result of its failure to comply with regulatory rules and controls or the failure to conduct professional behavior norms and sound practices. Together, these three documents help ensure that a company is run in an ethical and transparent manner, and that the interests of all stakeholders are considered (CAC Bank, 2022).

The consolidated financial statements are a comprehensive set of financial statements that present the financial position and performance of Cooperative and Agricultural Credit Bank (Yemeni Joint Stock Company) and its subsidiary unit (together referred to as the "Group"). In preparing the consolidated financial statements, the CAC Bank follow generally accepted accounting principles (GAAP) and other relevant accounting standards and conducted our audit in accordance with International Standards on Auditing (CAC Bank, 2022).

#### *CAC Bank Culture*

The bank includes a mix of cultures, a hierarchical culture, the bank includes about 2500 employees and proceeds according to policies, procedures, and authority, However, there is a stimulus to creativity, innovation, and development, which is act adhocracy culture. In addition, it is a cooperative (clan) culture among the bank's employees in terms of work teams and each team feels such as a family. Humanity and social relations represent an important aspect too. For example, they create the bank's employees' fund, in which a small amount is deposited monthly to help employees in times of crisis. Finally, in Market culture, the bank is interring a fierce competition and providing services to the customer. It has commutative advantages in the banking industry. In summary, we can say that the bank contains mixed cultures in one framework and works with them according to its objectives.

These results suggest that a culture of innovation and the ability to generate radical innovations can help organizations achieve institutionalization and sustainable competition. Institutionalization refers to the extent to which an organization's practices, policies, and procedures become accepted and widely followed within the industry. Sustainable competition is the ability of an organization to maintain its competitive advantage over time.

The findings of this study indicate that a culture of innovation and the ability to generate radical innovations can lead to institutionalization, which in turn can support sustainable competition. This suggests that organizations should focus on fostering a culture of innovation and encouraging radical innovation in order to achieve institutionalization and sustainable competition.

Furthermore, the data support the mediation effect of institutionalization in predicting sustainable competition. This means that institutionalization plays a critical role in the relationship between innovation culture and radical innovation, and sustainable competition.



Organizations should therefore focus on achieving institutionalization in order to support sustainable competition (Adiguzel *et al.*, 2022)

### *Leadership in the Bank*

The leadership had a strong influence on changing the bank's orientation and organizational culture. Where It had a clear vision, core values, and goals that were implanted among the employees.

Since the turning point of change in 2004, the bank had attracted talents and competencies in the labor market. Supporting creativity and innovation, developing its policies and procedures, facilitating many complex tasks in banks. In addition, spreading the banking culture in the country such as introducing banking services to all government employees at the lowest costs and some time for free. Moreover, it had the lead in providing electronic VIP services to its customers (Business men) to serve their trade (E-banking). The service carried out all the bank transactions such as documentary credits, guarantees, external transfers...etc. from his office. In addition to other services available to all customers, including loans, bill payments, internal and external transfers, and currency exchange.

The bank offered many benefits to its employees such as rewarding salaries, health insurance, social insurance, school aid (for employees' kids), life insurance, and support for a deceased family. Study aids for those who want to complete their higher studies, in addition to continuous training and learning. The work environment is governed and organized by regulations and laws. Moreover, the opportunity for creativity and advancement in positions is available to every innovator who can improve. The developmental and creative ideas are accepted. they are evaluated by the idea system. Also, there are exceptions and complete comfort for programmers and developers in IT systems in terms of financial return, working hours, and method of work, which made it a suitable and targeted environment for many to work in. The organizational culture is clear and convenient for potential employees to target.

Functional empowerment of leadership played an important role in the change process and organizational culture of the bank. In addition to the financial and moral incentives that enhanced the efforts made in the success of the bank and its prominent position in the Yemeni banking industry.

### **CONCLUSION**

Organizational culture directly contributes to the success of the organization in terms of creating a healthy environment for work encourage employees which are reflected in the external environment of the organization. Each organization has its own organizational culture that reflects its values and principles to achieve its goals. Organizational culture has an important role in attracting talent ,including the activity and effectiveness of the organization. CAC Bank is considered one of the largest banks in the Yemeni banking industry, as it is considered the first bank in terms of the spread of branches and number of customers. It is one of the businesses in which a mixture of organizational cultures (hierarchy, clan, adhocracy, and market cultures) serves its objectives. It went through various stages in changing the organizational culture and orientation of the bank .It has become one of the most important



organizations targeted by employees .Provides many traditional and electronic services. It also contributed to spreading the banking culture in the country.

In the last, Organizational culture has a vital role in innovation and performance improvement in organizations, which leads to continued success. Also, Leadership has an important role in changing and adhering to the organizational culture and creating a healthy work environment. Today, organizations that take the opportunity to blend the change in business processes with new generation automation create more value. Successful businesses are adopting technologies that have transformed their business processes and enable them to focus on their core business in their business models.

The culture of enterprises adopting new technologies accelerates the transformation and increases their competitive advantages. Cultural strategic and learning capabilities are important for organizations to cope with changes in the market.

Innovation capability impact export performance. organizational capabilities and learning capabilities have a crucial role on export performance (Başar & Hassani, 2020).

Dimensions influence product quality, efficiency in decision making in enterprises, work quality and job security of employees, product production and delivery in enterprises, the efficiency of the enterprise, the competitiveness of the enterprise, image of the company in the market and energy efficiency in enterprises (Abdulle & Başar, 2021).

Ultimately, culture performance is an important aspect of overall business performance, and organizations should strive to create and maintain a culture that aligns with their business goals and supports their success. A strong and positive culture can drive performance by creating a cohesive and engaged workforce, fostering collaboration and innovation, and promoting a positive customer experience. Therefore, it is important for organizations to focus on creating and maintaining a culture that aligns with their business goals and supports their success.



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