



UNIVERSITÉ DE MONCTON
CAMPUS DE MONCTON

Faculté d'administration

Chaire des caisses populaires acadiennes
en gestion des coopératives

**Culture Gap in Co-operatives:
An Exploratory Case Study**

Claire Gagnon

Chaire des caisses populaires acadiennes en gestion des coopératives

Faculté d'administration
Université de Moncton
165, boulevard Hébert
Edmundston (Nouveau-Brunswick)
E3V 2S8
téléphone : (506)737-5193
télécopieur : (506)737-5373
andre.leclerc@umce.ca

January 2008

Abstract

A culture profiling methodology was applied in a case study of two co-operative stores. A qualitative approach, comprised of in-depth interviews, observation and document review, was followed by a quantitative approach involving management, employees and current and past directors. The survey included the competitive values framework (Cameron & Quinn, 2006) and supplemental questions relating to market and quality orientations, and member/customer satisfaction and loyalty. Respondents from both subject co-operatives indicated that predominant clan attributes were preferred. The co-operative with higher self-reported ratings in member orientation reported no gap between current and preferred culture. The operationalization of member orientation and co-operative culture or identity as a competitive advantage were considered.

Résumé

Dans cette étude de cas de deux magasins coopératifs, une méthode établissant leur profil culturel a été appliquée. Une approche qualitative comportant des entrevues approfondies, des observations et des revues documentaires a été suivie d'une approche quantitative visant la direction, le personnel, les administrateurs actuels ainsi que d'anciens administrateurs. Le cadre des valeurs concurrentes (Cameron & Quinn, 2006) a été inclus dans un sondage ainsi que des questions sur les orientations par rapport au marché et à la qualité, et la satisfaction et la loyauté des membres/clients. Les répondants des deux coopératives ont indiqué qu'ils préféreraient la prédominance des attributs du clan. La coopérative ayant obtenu le résultat le plus élevé dans l'auto-évaluation de son orientation quant à la de primauté des membres a aussi rapporté qu'il n'y avait pas d'écart entre sa culture actuelle et sa culture préférée. Les orientations misant sur la primauté des membres et la culture ou l'identité coopérative comme avantage concurrentiel ont été considérés.

Table of Contents

Abstract - Résumé	i
Table of Contents	ii
Table of Figures	iv
Introduction.....	1
Definitions	2
Research on Organizational Culture	3
Methodology.....	4
Interviews	5
Survey Instrument	7
Member Orientation	10
Closing the Culture Gap	12
Two Subject Co-ops.....	14
Qualitative Approach for Co-op A.....	15
Symbolic Aspects.....	15
<i>Language</i>	15
<i>Heroes</i>	16
<i>Stories</i>	16
<i>Rituals</i>	17
Critical Incidents	19
<i>Crises</i>	19
<i>Worries</i>	20
<i>Mistakes</i>	20
<i>Fitting In</i>	21
<i>Helping Out</i>	21
Human Resource Development	22
Evaluation Criteria	22
Paper Work.....	23

Decisions.....	24
Rules.....	24
Member Service.....	25
What Co-op A Stands For or Should Stand For.....	27
Culture Profile.....	28
Quantitative Approach for Co-op A.....	29
Qualitative Approach for Co-op B.....	35
Symbolic Aspects.....	35
<i>Language</i>	35
<i>Heroes</i>	36
<i>Rituals</i>	36
<i>Stories</i>	38
Critical Incidents.....	40
<i>Crises</i>	40
<i>Mistakes</i>	42
<i>Helping Out</i>	42
<i>Worries</i>	43
<i>Fitting In</i>	44
Human Resource Development.....	44
Evaluation Criteria.....	45
Paper Work.....	46
Decisions.....	47
Rules.....	48
Member Service.....	50
What Co-op B Stands For or Should Stand For.....	53
Culture Profile.....	55
Quantitative Approach for Co-op B.....	56
Conclusions.....	62

Limitations	63
Future Research.....	64
Bibliography	65
Appendix A: Survey: Organizational Culture Assessment Instrument (OCAI) and Supplemental Questions	68
 Table of Figures	
Figure 1. Average Culture Plot for Co-op A	31
Figure 2. Co-op A Average Profile of Each Item on the OCAI	32
Figure 3. Member Orientation Questionnaire Answers - Frequencies by Stalked Bars .	33
Figure 4. Member Orientation Rating	34
Figure 5. Average Culture Plot for Co-op B.....	58
Figure 6. Co-op B Average Profile of Each Item on the OCAI.....	59
Figure 7. Member Orientation Questionnaire Answers - Frequencies by Stalked Bars .	60
Figure 8. Member Orientation Rating	61

Introduction¹

This case study reports on an organizational culture profiling methodology applied to two consumer co-operatives. The type of organizational culture is identified together with the gap or lack thereof between ideal culture and operational culture.

This case study is the first known investigation to apply a culture profiling methodology together with interview method to explore organizational culture in co-operatives. The findings of the research provide a base for relevant managerial and theoretical implications.

The manifestations of organizational values are components of a culture profile. Though co-operatives are to embody certain stated values such as equality, equity and solidarity, as identified in the International Co-operative Alliance Statement on Co-operative Identity, the methodology that is applied does not address those values specifically. The intention is to provide a general outlook on the problem of culture gap in the language proper to the instrument that is used.

Organizational culture is cited as the reason for failure of many organizational innovations or changes such as reengineering, total quality management, strategic planning, downsizing efforts, mergers, and restructuring (Cameron & Quinn, 2006). Business literature that discusses unique organizational cultures is also of interest. Barney (1986) states that those that argue that culture is not readily manipulatable (and therefore a resource difficult to imitate) uphold the possibility that culture can be a source of sustained superior financial performance for some firms. Barney (1997) explains that unique, costly-to-imitate resources are developed over long periods of time, and that managers can make efforts to discover them in their organization to exploit them further. Fiol (1991) states that it is rather organizational identity that is a source of sustainable competitive advantage. Her position is that “the presence of a larger rule system, which serves as a central referent for multiples identities, leads to imperfectly imitable links between discrete behaviors and the beliefs that guide them.” She reframes the culture concept by placing identities as the interface between culture as deep meanings and

¹ This text is a thesis accepted in January 2008 by the Dean of Graduate Studies of the University of New Brunswick as a partial fulfillment of the requirements for the degree of Master of Business Administration. The supervisor was E. Stephen Grant, professor of marketing and entrepreneurship at the UNB Faculty of Business Administration. Funding for this research was received from the Social Economy Centre of the University of Toronto and the Social Sciences and Humanities Research Council of Canada. A scholarship was also received from the Canadian Association for Studies in Co-operation.

culture as observable manifestations, in an effort to produce other conclusions than Barney's (1986), which are that the first is unmanageable and the latter, imitable.

In regard to co-operatives in particular, the neglect of the defining values' integration in operational terms - closing of the culture gap - has been identified as a missed opportunity for differentiation that would ensure long-term survival (Davis, 1999). Fairbain (2004) predicts that the future of co-operatives is in competing by being different. Lafleur (2003) has actually explored the concept of co-operative identity as a resource for competitive advantage and suggests that further research be done on how values held by directors and managers translate into management principles for the arbitration of economic and social objectives.

Definitions

Organizational culture is defined as “the pattern of shared values and beliefs that help individuals understand organizational functioning and thus provide them with the norms for behavior in the organization” (Deshpandé, Farley & Webster, 1999, p. 82). The importance of culture in organizations is well defended by Cameron & Quinn (2006, p. 5) as follows:

Although strategy, market presence, and technology are clearly important, highly successful firms have capitalized on the power that resides in developing and managing a unique corporate culture. This power abides in the ability of a strong, unique culture, to reduce collective uncertainties (that is to facilitate a common interpretation system for members), create social order (make clear to members what is expected), create continuity (perpetuate key values and norms across generations of members), create a collective identity and commitment (bind members together), and elucidate a vision of the future (energize forward movement).

The ideal culture, as expressed by organizational participants, is the preferred or desired culture, what it should be so the organization is “spectacularly successful”. The operational culture is the current culture. The espoused culture refers to the value system promoted through official communications such as a mission statement or defining values provided in the Statement on Co-operative Identity of the International Co-operative Alliance.

Research on Organizational Culture

Three strategies are available to analyze organizational culture: (1) a holistic approach in which the investigator becomes immersed in the culture and engages in in-depth participant observation; (2) metaphorical or language approaches, in which the investigator uses language patterns in documents, reports, stories and conversations to uncover cultural patterns; and (3) quantitative approaches in which the investigator uses surveys to assess particular dimensions of culture (Cameron & Quinn, 2006, p. 148).

Glasser & Brecher (2002) and Parker (2000) provide examples of the holistic approach in co-operatives: the case of Cooperative Home Care Associates and the case of the Moortown Permanent Building Society, respectively. Hind (1997) provides an example of the language approach in the case of agricultural co-operatives and their corporate as opposed to member orientation.

Several controversies characterize the concept of organizational culture. Culture defined as an attribute possessed by an organization assumes that researchers and managers can identify differences among organizational cultures, can change cultures, and can empirically measure cultures. Cameron & Quinn (2006, p. 147) report that culture can be a potential predictor of other organizational outcomes (such as effectiveness). According to an opposite perspective (Parker, 2000, p. 220), culture cannot be managed:

Culture – however defined – is unlikely to be a very manageable property of organizations, and there is little evidence to suggest that agreement on “core values” (whatever they are) will necessarily result in better organizational performance. I suggested that the rise of this formulation of culture had a great deal to do with the celebration of the manager-hero within neo-liberal capitalism and the perception of a necessity to understand and copy successful economies such as Japan.

Culture as related to an all-pervading unity or commonality may be viewed as too naive. Culture as related to an all-pervading discord and fragmentation, in which the shared elements merely serve the personal ends of the powerful, may be viewed as too cynical. Neuijen (1992, p. 91) takes a balanced view of this debate. He proposes that as culture relates to symbolic action, it is a source of ambiguity and open to several interpretations.

Neuijen (1992) proceeds with both qualitative and quantitative approaches. In the first, inductive approach, his research distinguishes three patterns of organizational culture: internalization, conformation and innovation. These patterns represent the relationship

between employees and their organization. In organizations with internalization patterns, unwritten rules are more important than written rules and they are experienced as a way of life and a way of working. In organizations with conformation patterns, members are expected to behave according to written rules but they do not necessarily adopt the goals or underlying values.

Neuijen reviews theoretical antecedents to the patterns that he identifies. He relates his classification of internalization and conformation patterns to what sociologists such as Tönnies (1959) and Durkheim (1947) theorize when discussing changes in modern society from internalization of values (characterized by the church) towards a conformation to values (characterized by the state), from mechanistic solidarity to organic solidarity.

Neuijen also reviews organizational theory proper, referring to Burns & Stalker (1961). These authors discuss mechanistic and organic systems. In a mechanistic system, departments work separately both organizationally and spatially. The mechanistic system looks upon the market as a sink, a means to dispose of the products. The organic system is characterized by a sense of interdependence and joint purpose. The market is looked upon as a source of inspiration for the company regarding the customers' wants and needs and the opportunities for the company to meet these needs. Regarding organizations that manifest patterns of innovation, Neuijen indicates that unwritten rules are much more important than the written, results are more important than process, and being able to tackle one's job as one sees fit is valued. This is reminiscent of organic management pointed out by Burns & Stalker.

This classification of internalization, conformation and innovation culture types is suggestive of the clan, hierarchy and adhocracy types of culture, respectively. This later classification is used in the Organizational Culture Assessment Instrument (OCAI) developed by Cameron & Quinn (2006), which will be discussed further on.

Methodology

The research for this case study followed a triangulation strategy as recommended by Hofstede (2001, p. 393): a combination of a qualitative approach for depth and empathy with a quantitative approach for confirmation. Other research was considered where organizational culture was measured quantitatively with data on patterns of behavior, values and beliefs. Culture disconnect was indicated in this other research by a contrast between survey scoring of what the organizational culture should be and survey scoring of what the organizational culture is, as expressed by organizational participants. In

addition to the survey obtained from the literature review, this research drew on interviews, documentation and observation. The methodology was also adapted to include such features as market and quality orientation questions and dimensions that relate to member/customer satisfaction and loyalty. The consumer focus nature of the subject organizations was therefore explored.

Interviews

The interviews were intended to collect qualitative data to be confirmed by a follow up survey. Site visits were also organized to allow for observation and to collect documentation readily available. The interview and visit approach was anthropological or phenomenological in nature for the most part.

A phenomenological approach does not ask directly about culture or its underlying assumptions. Through open-ended questions relating to how key decisions are made, how crises are managed, and other subjects important to the organization, the approach offers the subjects the opportunity to present a story, or life history of the organization relative to the issues covered (Palladi, 1996, p. 59).

Culture or shared values find expression in the day-to-day routines and are handed on by stories and legends. Symbols, heroes and rituals are manifestations of culture, which, like the skins of an onion, can be removed in turn in order to gain ultimately an insight into the collectively espoused or collectively experienced values and principles of an organization (Neuijen, 1992, p. 100).

An interview model and qualitative work format can be found in Hofstede *et al.* (1990) and Neuijen (1992). Their interview checklist contains questions to identify organizational symbols, heroes, rituals, and values with a view to develop a description of the culture in case studies. The interview model in this research has retained some of the questions in the checklist. In addition, some questions were also taken from Rasmussen's PhD thesis (1997): *The Organizational Integrity Model: Identification of Factors Which Enable and Hinder Companies to Act in Congruence with their Values*.

Examples of those questions are as follows: "What are special terms here that only insiders understand?" (to identify organizational symbols); "Whom do you consider as particularly meaningful for this organization?" (to identify organizational heroes); "In what periodic meetings do you participate?" (to identify organizational rituals); "What stories of former times are still frequently told in the organization?" (to identify organizational myths); "Can you mention an important crisis the organization has been

involved in and how the organization resolved it? What is the biggest mistake one can make? Which work problem can keep you awake at night? What is expected of a director/employee to fit in the organization?" (critical incidents to identify organizational values).

The critical incidents questions enabled people to be grounded in actual events and behaviors rather than speculation, while other additional questions were more direct or actually asked respondents to hypothesize and speculate:

Are you familiar with the organization's stated goals, values, objectives and philosophy?

Do you experience that in practice the organization exhibits those goals, values, objectives and philosophy?

What are the most important things that help the organization stay true to its values?

What are the biggest challenges or obstacles for the organization in staying true to its values?

Finally other questions explore customer, result, people and control orientations, as applicable:

Can certain rules of the organization be broken if someone thinks this would be of the greatest importance to the organization?

What is done by the organization so its directors/employees can develop further?

How does the organization deal with employees or members that are facing difficulties in their lives?

How are important decisions taken?

To what degree do employees need to fill out forms, reports and time records?

On what criteria is your work evaluated?

Do you have regular contact with employees that do other types of work?

Do you think the organization knows what the members need and expect?

What are the policies to deal with service to members?

What is the procedure to deal with member complaints?

What does the organization do to prevent complaints?

Do you think the organization provides quality in everything it does?

Survey Instrument

To understand organizational culture, we can look at three different levels as followed by Ashkanasy, Broadfoot & Falkus (2000, p.132):

In Schein's view (1985), culture derives from an underlying pattern of assumptions that members of an organization come to share as a result of common experiences in their working life. These assumptions, in turn, are reflected in and give meaning to expressed values and observable artifacts and patterns of behavior.

Quantitative measures limit analyses to the observable and measurable manifestations of culture represented by the shallower levels of Schein's typology. These are artifacts and patterns of behavior (1st shallower level) and beliefs and values (2nd less shallow level). Ashkanasy, Broadfoot & Falkus (2000) have inventoried 18 survey instruments that are either used for typing or profiling of organizational culture. Profiling instruments were further divided into subgroups: descriptive values, effectiveness values and value fit. A descriptive value profile identifies the intensity with which each value is held by organizational members. Effectiveness profiling instruments focus on the values that organizations need to be effective. The fit profiling instrument focuses on the congruence between values held by organizational members and management as a determinant of organizational effectiveness.

The Organizational Culture Inventory or OCI (Cooke & Lafferty, 1987) is one of the instruments in the study previously mentioned. This instrument addresses patterned behaviors or norms for these patterns and can be used either for typing or profiling. The authors identified three types of organizational cultures: Constructive, Passive/Defensive and Aggressive/Defensive. This instrument is copyrighted by Human Synergistics, a consulting firm with international affiliates.

Though the OCI has been in use for some twenty years and fully tested, it is burdensome to proceed with it because of the copyright costs, the required provision of all data to the firm and related consent of potential subject organizations, which may not come forth (because of data sharing). Some of the other survey instruments mentioned in the inventory are difficult to find and have not been tested fully for reliability and validity.

For all these reasons, this research based itself on another well-developed and tested instrument: the Organizational Culture Assessment Instrument, which is presented in detail in the 2006 book entitled *Diagnosing and Changing Organizational Culture* by Cameron & Quinn (see Appendix A).

The Organizational Culture Assessment Instrument (OCAI) is a self-scoring survey. The survey contains six dimensions: 1) dominant characteristics of the organization, or what the overall organization is like; 2) leadership style and approach that permeate the organization; 3) management of employees or the style that characterizes how employees are treated and what the working environment is like; 4) organizational glue or bonding mechanisms that hold the organization together; 5) strategic emphases that define what areas of emphasis drive the organization's strategy; 6) criteria of success that determine how victory is defined and what gets rewarded and celebrated. These dimensions apply to the four "competing" types of culture which are represented as quadrants divided by two axes. The horizontal axe opposes internal to external focus. The vertical axe opposes organic focus to control focus. The four culture types are: clan (internal, organic focus); market (external, control focus); adhocracy (external, organic focus); hierarchy (internal, control focus). Organic focus is utilized here in the sense of adaptability and flexibility.

Cameron & Quinn (2006, p. 222) describe each of the culture type as follows:

The clan culture: A very friendly place to work where people share a lot of themselves. It is like an extended family. The leaders, or head of the organization, are considered to be mentors and, maybe even, parent figures. The organization is held together by loyalty or tradition. Commitment is high. The organization emphasizes the long-term benefit of human resource development and attaches great importance to cohesion and morale. Success is defined in terms of sensitivity to customers and concern for people. The organization places a premium on teamwork, participation and consensus.

The adhocracy culture: A dynamic, entrepreneurial, and creative place to work. People stick their necks out and take risks. The leaders are considered to be innovators and risk takers. The glue that holds the organization together is commitment to experimentation and innovation. The emphasis is on being on the leading edge. The organization's long-term emphasis is on growth and acquiring new resources. Success means gaining unique and new products or services. Being a product or service leader is important. The organization encourages individual initiative and freedom.

The market culture: A results-oriented organization. The major concern is getting the job done. People are competitive and goal-oriented. The leaders are hard drivers, producers, and competitors. They are tough and demanding. The glue that holds the organization together is an emphasis on winning. Reputation and success are common concerns. The long-term focus is on competitive actions and achievement of measurable goals and targets. Success is defined in terms of market share and penetration. Competitive pricing and market leadership are important. The organizational style is hard-driving competitiveness.

The hierarchy culture: A very formalized and structured place to work. Procedures govern what people do. The leaders pride themselves on being good co-ordinators and organizers, who are efficiency-minded. Maintaining a smooth-running organization is most critical. Formal rules and policies hold the organization together. The long-term concern is on stability and performance with efficient, smooth operations. Success is defined in terms of dependable delivery, smooth scheduling, and low cost. The management of employees is concerned with secure employment and predictability.

The respondents are asked to rate their organization as it is currently in each of the six dimensions. Each dimension has four items - one for each of the four culture types - which are rated so each dimension adds up to 100. The scores for each culture type item are then totalled and averaged. Respondents are then asked to respond as they think their organization should be in five years in order to be spectacularly successful. The difference in scoring between current or operational culture and preferred or ideal culture represents the culture gap.

The competing values framework suggests that the values and beliefs that are shared by organizational participants (and that represent the organization's culture) can be interpreted in terms of classical Jungian psychological archetypes. Cameron & Quinn (2006, p. 151) explain further.

Psychological theorists have pointed out that most individuals have a similar kind of framework for making sense of the world around them. This framework is called a psychological archetype, and it refers to the categories people form in their minds to organize the information they encounter...The core structure of the competing values model is consistent with the dominant psychological archetype, and respondents are able to use a structure that is familiar to them to reflect their cultural ratings.

All four culture types are valuable and necessary. None is better or worse than the others. Most firms have elements of several types of culture, however one type of culture may emerge as the dominant one.

Cameron & Quinn urge users of the OCAI to have participants reach a consensus on their rating of their organization. This is more appropriate in the context of consulting work in organizational change. In the present research study, an aggregate of the individual ratings is used. Other profiling methods such as the OCI use this approach. Palladi (1996, p. 51) reports that Sackmann (1991) suggests that: “the study of the cognition of culture should begin with the individual and then be aggregated to a group level.”

Member Orientation

If there is an entity that should be “customer” oriented it is a consumer co-operative – in the sense of satisfying its members. This topic of customer orientation or market orientation receives enormous attention in present-day business literature. Market orientation is defined as the implementation of the marketing concept. The later is said to be a philosophy of business where an organization aims all of its efforts at satisfying its customers – usually at a profit in the general business context. Market orientation can be understood when contrasted with the production orientation. A firm has a production orientation if it makes whatever products are easy to produce and then tries to sell them. A firm has a market orientation when it tries to produce what customers need. As such, the marketing function is not only selling and advertising, but also identifying customer needs and in general implementing the marketing mix of product (features), price, place (distribution) and promotion.

Kohli & Jaworski (1999) refer to market orientation as the organization-wide generation of, dissemination of and responsiveness to market intelligence. Markets include needs and preferences verbalized by the customers and anticipated future needs and preferences, together with consideration of forces affecting these, such as governmental regulation, technology, competitors, etc. Dissemination and responsiveness refer to the concerted actions of various departments to target market segments and design new products and programs or modifying ones to meet customer needs. Customers include end-users and distributors.

In addition to items on market orientation, others on quality orientation, and customer satisfaction and loyalty have been included in the survey as part of this research. The questions retained for this research were taken or adapted from the work of various authors. The intention was to enrich the culture profile generated in the methodology with

elements that the researcher expected to be a natural fit with a co-operative (see Appendix A).

Deshpandé & Farley (1999) have developed a ten-item survey that summarizes other instruments measuring the degree of market orientation. The following five statements have been retained and adapted from that survey:

I believe this organization exists primarily to serve members.

Member satisfaction is measured systematically and frequently.

Data on member satisfaction are communicated at all levels in the organization.

Information about our successful and unsuccessful member service experiences circulates freely across all functions of the organization.

The organization focuses on understanding members' needs.

Gebhardt, Carpenter & Sherry Jr. (Oct 2006) have found that market-orientation requires a culture transformation, including the implementation of six key cultural values: 1) market as the *raison d'être*; 2) collaboration; 3) respect/empathy/perspective taking; 4) keeping promises; 5) openness; 6) trust. Based on the work of those authors, the following four statements have been developed for the purposes of this research:

Employees from different departments are in regular contact with members.

Employees in the organization work collaboratively.

When reacting to each other, employees, management or directors are considerate of others' perspectives, needs, training and experiences.

People trust that fellow employees, management or directors are telling the truth and will follow through on commitments.

Authors that have developed instruments to measure quality efforts as reported by staff include Raju & Lonial (2001). Based on the work of those authors, the following two statements have been developed for this research:

Employees get adequate support from the organization to do their jobs well.

Our organization responds quickly to needed changes in products/services/processes.

Questions on business practices as they relate to customer satisfaction/loyalty can be found in Bhote (1996) as referred by Côté (2005). The latter has applied a customer loyalty framework as a bridge to reinforce both competitiveness and co-operative identity. Based on the work of those authors, the following five statements have been developed for this research:

Our suppliers provide us with quality products and services.

The organization empowers its member-contact employees to better service the members.

The organization regularly analyzes the reason for members' ceasing to shop at the Co-op and makes efforts to win them back.

The causes of member complaints are identified and the appropriate corrective actions are taken.

Employees are not afraid to speak out, generate ideas, and even constructively criticize management.

In his PhD research, Yarbrough (1996, p. 133-134) found that clan values such as participation, cohesiveness, openness, loyalty, teamwork and a sense of family are the values most closely related to market orientation. This was an unanticipated result since it was assumed that an externally oriented culture type would be more market oriented. His insight was that where the customer becomes a part of the clan, that customer is considered 'family' and efforts to provide added value are "brought forth unselfishly".

In a co-operative, since customers are members, they should be "family" members even more so. Foreman & Whetten (2002, p. 631) have discussed that members hold competing identity expectations for their co-operative, wanting their co-operative to be more business oriented and yet expecting the co-operative as an organizational form to be more "family" focused, in the sense of a normative system. A normative system refers to the emphasis on traditions and symbols, internationalization of ideology, and altruism, such as church and family.

Closing the Culture Gap

A congruent culture has been defined as one where the strategy, leadership style, reward system, approach to managing employees, and dominant characteristics all tend to

emphasize the same set of culture values (Cameron & Quinn, 2006, p. 73). Such a state of congruence is said to be more typical to higher levels of performance than mismatches.

The significance of determining the inconsistencies between an organization's perceived culture and the actual culture owes to Argyris and Schön's (1978, p. 11) learning theory perspective for organizational change, as quoted in Palladi (1996, p. 9):

When someone is asked how he would behave under certain circumstances, the answer he usually gives is his espoused theory of action for that situation... However, the theory that actually governs his actions is his theory-in-use, which may or may not be compatible with his espoused theory; furthermore, the individual may or may not be aware of the incompatibility of the two theories.

Cooke & Szumal (2000) explain that operating culture disconnect with the ideal culture or espoused values should be addressed not only by clarification of visions and values but also identification of the consequences of changes in technologies, structures and systems. In the authors' theoretical model, these factors, with the addition of the skills/quality factor, directly influence norms and expectations that make up the operational culture. A culture disconnect often occurs when causal factors are influenced more by current resources (such as financial reserves, members' technical expertise, patents, and copyrights) and external demands (such as pressures for performance, efficiency, and adaptation) than by ideal or espoused values. Participants in an organizational change exercise can discuss how these factors can be modified to enable the organization to attain their cultural targets. Structure relates to organizational design (centralization, formalization, specialization), distribution of influence, involvement and empowerment. Systems refer to human resources management (selection, training, appraisal, reinforcement, goal setting), and other processes such as information, accounting, etc. Technology aspects that impact on operating culture are job design, job complexity, and degree of interdependence among employees. Skills/qualities of employees can shape operating culture as they related to the type of communication favoured, type of leadership exercised, sources of power and influence, and methods of conflict resolution.

Cameron & Quinn (2006), in their self-help style, provide recipes to move organizations toward their desired future culture. For example:

- To increase clan culture: 360 degree evaluation system of senior managers.

- To increase adhocracy culture: move from orientation of giving customers what they need to giving customer what they would like, to surprising and delighting customers with products and services that solve problems that they don't expect to be solved.
- To increase market culture: develop a customer education system to help customers make informed choices in services and products of the type you provide.
- To increase hierarchy culture: institute an internal communications program that more effectively informs people of events, activities, and programs. Use the latest technology for such a system.

Bager (1994) discussed the isomorphic processes that transform co-operatives into other organization forms. The transformation can be partial and disguised or complete and formal. The concept of culture gap is another way to describe a situation where a co-operative "hides" behind its name but behaves in a fashion that is different from the ideal co-operative as a result of isomorphism.

The sources of isomorphism are many. Some are formal and power-based such as the pressures flowing from state bodies, competitors and pressure groups. Others are informal and relate to the social life, learning processes and everyday practices of organizations.

Normative isomorphism in co-operatives can be mediated by employees and members, or as in the past, in shared roots with social movements, political parties, interest groups or between co-operatives. Congruent isomorphism homogenizes population of co-operatives. Non-congruent isomorphism homogenizes co-operatives with non-co-operatives.

Coping successfully with isomorphic pressure seems to rely on whether co-operatives are autonomous and member oriented, according to Bager. He proposes the following solution (p.54):

In order to reproduce their co-operative identity they have to operate satisfactorily in both worlds (competitive – technological and economic factors; institutional – socio-political factors), combining internal processes of reproduction with the ability to cope with environmental, isomorphic processes.

Two Subject Co-ops

The board of directors of two of the six Co-op stores contacted agreed to the present research. Both participating Co-op stores are situated in a village setting within ninety

minutes from a major city. The villages have basic services such as hospital, pharmacy, banking, post office, gas station, schools, community hall, and bed & breakfast. Both stores are about the same size with the difference that Co-op A sells hardware and animal feed. Both co-ops have management agreements with Co-op Atlantic, which is the wholesaler and service provider for Co-op stores in Atlantic Canada. Both co-ops have three checkouts each. They have both undergone recent renovations to their interior and provide clean and well-lighted spaces with updated presentation cases and decor. Both co-ops were created around 1940.

For each subject co-op, the results of the qualitative approach will be presented followed by the results of the quantitative approach. The qualitative approach includes data compiled from interviews with some of the directors, past directors who were on the board in the last three years, or employees. The respondents were persons who for the most part were contacted randomly by telephone and thought they were knowledgeable of “how things are at the Co-op.” After an initial contact, an appointment was made. All interviews were taped and transcribed. There were ten interviews for Co-op A and nine for Co-op B. Interviews lasted from thirty minutes to three hours. Additionally, on-site observation and document review supplemented this qualitative segment of the research. The same people listed as potential interviewees plus the area manager and zone director were provided surveys with self-addressed prepaid envelopes. The quantitative approach includes data compiled from the returned surveys.

Qualitative Approach for Co-op A

Symbolic Aspects

Language

At the front of the store on the outside there are four signs that have the following messages: “our profit stays in the community”, “co-op stands for honesty, integrity and quality... that’s just how it is”, “this co-op has been owned by people in this community since 1938”, “nothing says community like shopping in a community store”. These are indicative of the “stated” values of the organization. In-depth interviews investigate the actual values and the preferred values that may not be the same with each other and with stated values.

Interviewees had difficulty in answering the questions relating to the symbolic aspects of the organization’s culture such as special terms, heroes, stories and myths. These are mechanisms for the transmission of values; they can provide an understanding to

organizational members without explaining everything such as in formal and written procedures. It was mentioned that it is not so much special terms that prevail but knowledge of individuals, of their idiosyncrasies, that is not “as much co-op as it is small town.” Interviewees also referred to technical terms such as the emergency code (code 99), “plannograms”, “facing”, “back stock”, and “making margins”. Employees particularly pointed out the many nicknames they call each other, usually not in front of customers. “One mistake I made apparently was I called one of the girls by her last name in front of a customer... I apologized to her (the customer)... (then) I called her (the employee) Mrs. ... and then she got upset with me.”

Heroes

Staff had difficulty in identifying a meaningful person for the organization. Most of the directors and past directors interviewed referred to a past chairman. This person also played a prominent role in the co-op system and has received an award for his involvement.

He really believed in co-op... From the board level, his M.O., he was a good listener, he would listen to the board. I heard this about him at various meetings, he was not loud and standing up all the time speaking. But he would wait at the end... he could sum up the whole meeting in one sentence sort of thing. People respected him. He was very smart. He gained respect not by being boisterous but making what he said count...

The current manager and current president are said to be recognizable figures of the Co-op. The president is said to go above and beyond, playing a major role in the renovations: “... it fell on the shoulders of X, he picked up a lot of that slack... moving pallets, and stuff, doing whatever.” The president is appreciated because he gets involved, asks questions and lends a hand:

... Monday morning he called the store to make sure we would be open at eight o'clock... ‘How did you make out during the power outage? or ‘Did we lose a lot of product?’...

...the light bulb needed to be changed... he will not even ask, he’ll just do it...

Stories

The creation story of the Co-op is very sketchy, “how a group of guys got together, had problem with prices” and “how it all got started on a back road in Xville, and then it got

moved, and then it got moved again and then they built a piece on, it's got a lot of history in the store because it still has the old foundation." A few photos have been kept of the "old stores" but many don't know "how it all happened".

There are stories that exemplify how it would be impossible to do things as in the past:

When my mother was younger, she used to go there, they had a kill plant in the basement of that store... local farmers brought their turkeys and chickens there and they had a kill line going on there before Christmas... We used to have a plumber on site, the Co-op had a plumber that actually traveled and did plumbing...there's been quite a few changes, you just can't do that stuff now, you can't send somebody to fix somebody's water line now unless he's got a plumber's certificate... and you certainly couldn't start killing chickens in there with a crooked knife or what ever they used.

...when I was president for a while... signed cheques for them to pay all the bills... when I first was doing it ...used to get you to sign a whole bunch ahead but that changed over the years, now you need to have them made out to who they're going to before you sign...

There is the story of the manager and a customer who was not paying his bills and came in and got some feed (bags) on his truck, and the manager started dragging them off before he (the customer) could get out the yard.

Other stories mentioned related to the decision to do renovations, the wasted food caused by the storm White Juan, the prank played on an employee who was leaving, and warnings about the ramp between the old and the newer parts of the store where you have to go backward otherwise everything "just flies right off the cart."

Rituals

Periodic meetings or events are rituals that can also be telling of values in an organization.

At every board meeting, the manager provides us with the manager's report and it is basically a quick and dirty summary of what transpired in the last thirty days. ... pretty much all financial... correspondence... the bulk of that are requests for sponsorship...

In addition to ordinary board meetings, the following rituals were mentioned: the annual general membership meeting, board special meeting, board emergency meeting, board

committee meeting, Co-op Atlantic's zone meeting for directors, Co-op Atlantic's annual general meeting for co-op representatives, Management Advisory Council meeting with Co-op Atlantic, "farm meetings", member appreciation summer barbecue, Co-op Week breakfast cooked by directors, summer parade float manned by staff, the grand opening after renovations, staff decorating the store for Christmas, Co-op Week, and Halloween, staff dressing up for Halloween, cake served in the store by the directors at Christmas time, and local organizations' fundraisers.

Like Girl Guide cookies we sold them at the store, or the Girl Guides have, the high school grade 12 trying to raise money for their grad trip, we're involved in that too.

Employees attend the occasional staff meeting. And there are memories of past events:

We used to have a summer picnic but we don't anymore and we would have a meal around Christmas. The store bought us KFC... they can be fun... We are all getting older, slow down after a while...

There are few occasions it seems for staff to step out of their hierarchical functions.

The board and the manager do that (the members' breakfast). That has nothing to do with the staff... (the board) there the ones that have to make more their appearance, we (the staff) are there all the time.

"We should have very little to do with staff directly" is a director's statement that probably stems from the boundaries to board interference with management responsibilities towards employees. This division may prevent cross-functional exchange of information between volunteer and paid human resources. Such exchanges, unique to co-operatives, would benefit market intelligence gathering and dissemination, especially considering that directors are sought out members of the community in relation to co-op member complaints and needs.

Division between board or management and employees is linked to conformation patterns explained by Neuijen (1992), where there is a "we vs. they" culture and where people behave in accordance with rules without adopting the goal or picking up the underlying values. Conformation patterns are reminiscent of the hierarchical culture type or even market culture type where differentiation is stronger.

The symbolic aspects of culture of Co-op A demonstrate a pull between informal and formal requirements, the latter being an attribute of hierarchy culture. The relation to tradition is not clear in Co-op A as it would be in a clan culture. Neuijen describes

patterns of internalization, reminiscent of clan culture, where the past would be emphatically present, physically as well as mentally. The mention though of a wise elder as a hero is related to a clan culture, where leaders may be parent figures.

Critical Incidents

Crises

Questions on resolving or dealing with critical incidents such as crises, problems, mistakes, fitting in and personal difficulties are intended to reveal organizational values. Crises in the past have included decisions on major investments and payments. Expansions and renovations have gone ahead through consensus at the board level, support from people who had the respect of the community and the fact that the board has a lot of weight. Persons identified as meaningful have been instrumental in major capital projects. Restrictions on member capital payouts have been handled by a one to one meeting with the requesting member and a director, thus the saying that “a lot of the issues we can deal with at the kitchen table.”

More recent crises have involved staff issues and confrontation with a special interests segment of the membership. Management including the board had to arbitrate between producer and consumer interests in a situation where some members who were also milk producers objected to the Co-op’s starting to sell a brand of milk that was not theirs; it was left to the manager to decide in favour of greater choice for the consumer at the risk of losing large feed accounts. “... they left it there, so people have choice of what to buy... which was fair for everybody.”

Regarding staff issues, managers in general are seen by some as a source of mediation to resolve problems between workers. Frictions between employees and management though had to be resolved by “clearing the air” with the help of human resource specialists. A consultant has also been hired to “see if we can mould them (key staff) together so they’re more of a team.” The Co-op has been plagued in the last decade by rapid turnover in staff and general managers in addition to absenteeism and reliability issues. These problems have been compounded by perceived lack of training opportunities, poor wages, and recruitment problems.

...we can’t get anybody to run that department, like nobody wants to work at the Co-op, the Co-op gets labeled they don’t pay good wages, it’s not a very good place to work, they don’t look after their staff...

In the section on crises, the value of “local” (milk produced locally) competes with other values. Clan attributes, where problems are resolved “at the kitchen table”, compete with market culture attributes, such as the predominance of bottom-line objectives and fragmentation as opposed to cohesion. Fairbain (2004) discusses the importance of cohesion in co-operatives:

To many people, the quality of relations among employees *is* the co-op difference. And together with this go the training and development opportunities, the growth from within that is so important for fostering a distinct and cohesive co-operative culture.

Worries

The manager had to deal with two break-ins during the night in the past and some power outages; those experiences turned out to be lonely hours waiting for repair people and cleaning the spoilage. Additional problems that interviewees identified related to “getting the business, keeping the business”, the future of the hardware department, making deadlines, looking out for cash, equipment failure, waste due to negligence, changes in work process, and shoplifting incidents, while for some interviewees no problem would keep them awake unless the store burnt down.

The section on worries is telling of some stability and control issues which relate to hierarchy culture. Those issues deal with keeping an efficient and smooth-running organization.

Mistakes

Stealing and consuming drugs on the job are not tolerated at the Co-op. Other behaviors thought reprehensible are spreading confidential information in the community, “not keeping cool when dealing with an irate customer” and mistreating a customer. Employees have been put to the test in the cases of a customer throwing groceries at them and a customer coming in drunk. Mistakes on cash, wrong ordering quantities, neglect (e.g., not locking the front door), members not paying their bills, all put the Co-op at risk.

Sensitivity to customers is a predominant characteristic of clan culture. In this section on mistakes, there is a pull between clan and hierarchy culture attributes, where customer issues and process issues compete.

Fitting In

To fit in, employees are expected to mostly demonstrate qualities that lend themselves to greater cohesion such as getting along, mingling, not getting caught up in the gossip, being pleasant, outgoing, a team player, and loyal. Though doing your job was always a mentioned requirement, the emphasis was on these other qualities.

To fit in, directors are expected to identify and converse with members, accept home calls and visits from members with complaints, accept complaints where ever they are. You have to have a passion for your community and “you need to talk up the Co-op everywhere you go”. A director should have business sense, be a team player, take part, be ready to “learn as you go along”, and understand the co-op philosophy.

I had phone calls, complaints about this or other things, nothing serious ...you'd rather not have it happen, but if it does well you deal with it, and go on to the next. Other than that, doing chores, helping around the store if there is light maintenance to do, mow the grass sometimes, and things like that, that's about what it amounted to in the last few years...

The emphasis on sociable qualities is particular to the clan culture and the Co-op is making great efforts to rein in those values as demonstrated by the hiring of a consultant to work with employees. As for directors, the chores they volunteer to do are reminiscent of chores that one would do around one's home and this relates to a clan culture.

Helping Out

Employees facing difficulties in their lives such as a death in their immediate family are given time off or leave of absence until they are ready to come back to work. Members facing special circumstances such as financial difficulties will be considered for repayment of share capital otherwise repayment is not policy. The manager would send fruit or meat trays to families of certain people who have passed away – “not sure it's a regular thing”. Another example of the Co-op helping out is when the Co-op donated housecleaning items for smoke damage at an employee's house. At the members' breakfast, donations were accepted for the food bank and at Christmas if people want to leave donations of money or something, they are passed on to the food bank: “Sometimes customers will come in and buy a turkey... so we'll keep it in our freezer and then somebody from the food bank will come and collect that turkey.”

Where the involvement of an organization does not extend to employees beyond working hours, conformation patterns are said to occur, as proposed by Neuijen (1992). In this

research, the question included members to be considered together with employees. The boundary between the Co-op and private life does not seem to be completely impervious. The less the separation is complete the more the culture type is reminiscent of a clan.

Human Resource Development

The Co-op is dependent on Co-op Atlantic to provide training for employees and directors. Most directors tend to take the approach “throw them in the pot, sink or swim” and not respond to director training offered. Attendance at Co-op Atlantic’s meetings though is viewed as a good learning opportunity. The employees are trained on the spot by department managers and “people come down from Moncton”. Many employees are trained to do jobs in several departments and in some instances some employees attend courses on such things as food safety and hazardous material handling. The recurring theme though in development is to learn as you go:

...everything that I’ve learned from working at the Co-op is because I’ve been thrown into it, the biggest part of my job is putting fires out every day but a lot of times I’m in the fire because there’s no choice. I had a meat person quit at lunch time one day... nobody else could work in the meat room... I found myself standing in the meat room saying oh my Gosh what am I going to do... do the best that you can and you’ll figure it out.

Experience is acceptable as the main teacher at Co-op A, as a tradition perhaps continued from the time when staff used to be there “since the flood”. Tradition is a typical feature of clan culture. It is notable that cross-training in the Co-op and regular contact between employees of different occupations should facilitate dissemination of market information though other problems such as trust would defeat that benefit.

Evaluation Criteria

Employees had vague responses regarding evaluation, remembering being asked if they are happy with their job but it does not seem that evaluation occurs regularly. In the past there might have been evaluation criteria such as “keeping the margins up”, “getting rid of items that don’t sell”, “how you are with customers”, “what you’re going to do to make the job better for yourself”. The other responses related either to customer responsiveness or to cost containment:

The important thing is if a member comes and says if you don’t have such and such on the shelves, find out if more people want that stuff all the time... there is a closeness between the member and the store.

It would be the results of the store, the bottom line, the margins... salary, and expenses because in order to be successful you have to have those three things under control.

Without any indication or inspiration to the contrary, cost control may be seen as the predominant objective and therefore hierarchy attributes are drawn in. Where there are no systematic measurements mentioned regarding other objectives, their importance may be lost and performance may be lacking.

Paper Work

Paper work in the Co-op gets mixed reviews. The board requires a monthly financial report from the manager. There is an attempt to inform membership on a quarterly basis. At the operational level, paper work increases: ordering papers, invoices, credit forms for wrong or outdated items, reclamation form for damaged items, log for shoveling and salting steps, work schedules, punch cards, leaving a paper trail for cash... most of these controls are seen as necessary for running the store. The extent of some paper work is questioned though.

...at cash there is paperwork for everything, like why you opened the till, why you logged on, all kind of reasons, logged on a certain amount of times, why you opened your till and you didn't have to, paperwork comes up if something is not in the computer that is a new item or something... and there are other people waiting.

The amount of paper use and e-mails has increased. The usefulness of some paper work is questioned also.

...it comes from Co-op Atlantic that every department is supposed to have this sheet and if you sweep the floor... (you're) supposed to write it down... somebody comes in once and while, 'Can I see your sweep log?' Ah ya, well, we don't have those. 'You know you're going to get in trouble.' Ya ok we know, we'll start doing them again. And then you start doing them again for awhile, and then the same thing happens.

This shift towards process control is typical of a hierarchy culture and is opposite to a result-oriented culture, either innovative or market type. From observation, the Co-op store is spotless regardless of the sweep log, in addition, the products are lined up neatly on shelves as books in a library and there is a sweet smell of bread baking and barbecued chicken.

Decisions

Important decisions for the organization are taken by the board of directors. Sunday shopping is said to be the only decision in the past decade or so that did not pass unanimously. Some changes are the result not so much of a decision but “being told by Co-op Atlantic”. Some decisions are taken to the membership “if there is a lot of money involved”. The manager makes decisions relating to staff and within spending limits. There has been no reference to consulting employees as such. As described here, decision making is compartmentalized by hierarchical levels and relates to the hierarchy culture.

Rules

Interviewees wavered regarding rules. You have to change the rule not break it or you only break rules with permission from the manager or the board. Some don't think that there are any rules that would prevent an employee from providing a better service if he or she saw an opportunity.

We don't do carry out and all that but we have a whole bunch of seniors, so today I said, Pearl, I am going to take your groceries out dear. And just do that. It's not part of our duties anymore... I would hope to God that some day somebody would do the same thing for me... I don't think we have a rule on anything like that. If we see somebody needing help we're just suppose to get out there...

Still others understand that every rule is meant to be broken a little bit if it is “best for the company” but one would have to answer for it. The plannograms provided by Co-op Atlantic “tell you what to have on the shelves” but some items are still brought in though there are not on the plannogram, because a few customers like those items.

Unwritten rules that are a way of life indicate the internalization patterns discussed by Neuijen (1992), which are evocative of the clan culture. The examples of caring behavior are closely related to unwritten rules. Unwritten rules are also important to an innovation culture where employees have the flexibility to innovate and to make errors without the risk of sanctions. Employee empowerment through greater decision making and flexibility has been identified as an attribute of quality orientation (Foster, 2007). Employee empowerment though is also fueled by human resources development, which as discussed earlier has not been fast-tracked in the Co-op.

Member Service

“We just do what we see needs to be done.” There is an employee handbook with a section on “customer” service. The handbook emphasizes the delivery of guarantees and courteous service “including handling customer complaints or informing a customer that he or she is in the wrong”. Staff may deal with complaints but will defer to the manager if it is “above their head”. Respondents are all too aware of the volume and variety limitations of the store, all the while they point out basics for preventing complaints as “keeping the store in good shape” and “customers’ being able to travel around the store without hindrance”, and mostly staff “just talk to people”. Several respondents raised the issue of the anticipation of needs that could be pushed further, for example, seasonal items: “...maple syrup time, you need the taps and buckets... time for the baby chicks, you need ...feed”.

We had letters come to our board meetings complaining about everything, you don’t have this, you don’t have that in your hardware department. Well, we can’t have every thing in our hardware department like the Home Depot, I know in this case they responded to that member and said if there are particular things that you need us to carry, supply us with that list and we’ll make sure that those things are there. The member’s response is that we shouldn’t have to tell you, you should know... we tell them all the time verbally when they’re in there, in the newsletter... if you’re looking for something and we don’t have it, we can get it, go see the manager... but still, it’s like they want to complain...

... (in the past there were many) small farms, big families, today... (few farms) left, small families... That whole era of people coming to the store, and saying I’m milking twelve cows so I need twelve bags of ... whatever, being in close communication with the store, those days are gone, now people just come in and expect this, expect that, expect everything that the Superstore has in the grocery department, expect everything that the Home Depot has in this little hardware department and that is impossible... but the small community factor is that rather than making suggestions they complain... you have to follow the change in the rural community with what?... We certainly aren’t what we were thirty years ago...you probably didn’t order anything unless somebody asked for it... we try to coax people to make sure to let us know what it is they buy regularly and can’t find... it’s hard to figure how to follow, we just get caught up and it’ll change again... I say make a list of things you can’t get and give it to us... and we will try and get it for you, that’s what the co-ops are supposed to do, try to please their members and we never get the list. And I mentioned one time to another member... that it was important that we at the Co-op trained our membership, well not train

but explain to our membership how to use the Co-op and he took offense to that... if you don't know the needs, how can you meet them... I speak for our little Co-op... I go to lots of zone meetings and meetings at Co-op Atlantic and I find that all the stores are talking the same way. How do we follow? How do we change with the community? (There are no answers?) I don't think. Just keep trying.

The approach is to have the members “help” the Co-op either ordering in advance or ordering and waiting. Some employees are attentive to some members' preferences, keeping a stash of favorite things or ordering items that eventually sell after feedback from a few members. These approaches seem “opportunistic” as this story illustrates:

... sometimes we just don't have the things people are looking for, and we are always going to have that problem, I don't know how to fix that, you're not going to make everybody 100% happy... if you don't let us know what you're looking for, we're not going to have it, also we can let you know if it's not something we can physically (do), some things we can't do but we need to know to let you know... last year during canning season, this one member came and was looking for this seasoning. Co-op Atlantic didn't carry it... 'I know they make it, I've seen it here...' I said I see what I can do. I ended up going to Walmart and buying the three packages they were looking for, and brought it back to the store and sold it through the store to this one member, they were so happy... the board knows, sometimes they think I'm a nut for doing it. I think in the long run it pays off for you, like some thing I can't justify going to get... you gotta do what you gotta do to look after your members, and that's why you're running the place, ya, you're looking after the needs of the members, you might not always be making the margins that you should make on something, at least you got one more customer leaving not complaining that they couldn't get it at the Co-op...

Though closeness to consumers seems a thing of the past for some, or wishful thinking for others, this idea of members “working” with the Co-op and “training them” is actually a very futuristic concept. Prahalad & Ramaswamy (2004) discussing the concept of co-creation experiences state that firms are being challenged not by new competitors but by “communities of connected, informed, empowered and active consumers.” By pooling consumer needs and their networking in federative structures, co-ops have already accomplished much in making their own rules in the retailing game, such as “being one of the first food retailers to establish their own private label brand” (in Co-op pamphlet). There is even a hint of some possibilities for co-operatives to be precursors of the “intention economy” where the buyer notifies the market of the intent to buy, and sellers compete for the buyer's purchase (Searls, 2006) because co-

operatives have the “crowd clout”, that is the membership gives them the strength in numbers necessary for aggregate intentions (trendwatching.com).

What Co-op A Stands For or Should Stand For

Local service, local jobs, local sponsorships, reasonable prices:

We are not Sobeys, Superstore, Canadian Tire... We will never be and we never planned to be that. It means that we don't have other stores to support us. If this is an Esso gas station and that is a Shell and Esso wants to drop their prices for two three weeks and put you all out of business on that site they can pick up revenues from other stores to support that store while it is doing it. We can't do that. The other thing is there is not a dollar value attached to the community based style so if our cheese is two dollars more than the Superstore cheese it does not matter all the society and all of those sorts of fluffy value things ...are gone... I can't afford be Mr. Nice Guy and buy in my community if it is going to cost me more money. That is not how we started, we actually started because we were cheaper... we are still trying to operate on that premise. I don't see us with a great future to be quite honest... my plus is that we employ local people, I love that... I think it is great that there is a local community revenue source for sponsorships for the ball team and all that sort of stuff... If we can do that ...without charging and arm and leg for a part that should be half the price that's great.

Customer service: “...is where we should be different from Sobeys and Loblaws”

Local suppliers: “At this time of year when we have lots of local cranberries there were cranberries in from the US being sold in the Co-op. Well that's to me against the Co-op principles.” On another note, the Co-op is considering opening a seasonal farmers' market behind the store.

Community:

...cause all the village tries to run it... some of the customers that come in they would not go to Sobeys and Superstore and get away with what they would over here. It is a community based co-op but it is a grocery store too... like everybody tries to have a say in it... ‘You should do this, you should do that.’ Well, you can only do so much. Some thing is good, some thing is bad... Some people still think old fashion ways as to when they could just go in there and just do what ever they wanted.... everybody has an opinion but just some try to rule the roost...

Country:

... we know all the people coming though... they sass... we're just a country store.

...it takes an hour to buy a loaf of bread. I never go to the Co-op without having at least three conversations... they're not nosy, they're interested, concerned.

Ours is a small little community (store) cozy little one and we like that and that's what we need.... the new Co-op store in Dieppe you can't tell when you're in that store that you're in a co-op... I almost thought I was walking into that Superstore in Bedford cause it's almost the same layout, it's big, it's spacious, there's lots of variety...

Involvement: "The Co-op needs to get more involved in the community... some co-ops do something every month for their members, but it has to be something they (the board) come up with and they organize."

Making money: "Today the Co-op is more interested in making money which was not the original idea."

Loss of local autonomy:

In the old days it was much more our little community which dictated how our Co-op was run, our board of directors were directing. We are still directing but probably don't have as much influence as their (Co-op Atlantic) board of directors.

Survival: "Some of the time we are all about survival which makes pushing the co-op values pretty hard... so all this other stuff if you don't survive it won't count."

Culture Profile

The following stories are telling of the clan culture, in the first instance it is not only symbolic but literally relating to a clan/family:

...my mother's people were the first settlers in this area... have you met the president, he is my cousin, and X (another director), we're fourth cousins... my uncle was the Co-op first manager I guess you would call him, I don't know how it worked back then... he believed in the co-op movement...

You would never think of writing a letter to the manager of Sobeys and say I don't agree with this product line on your shelf. It just doesn't happen. But for some reason because the director is your neighbor or the manager lives down the road...

There's another fellow who actually came in home and he had been at the store and the policy is back in the feed area employees only so he comes and he gets his feed there, he goes in the store, walks out back, goes in the feed room, checks the bag of feed on his shoulder and walks out through the store with it. And ...you can't do this. He come in to my place, and 'Why can't I? I'm a part owner of that store, why can't I?' The rule's you can't... He wrote a big letter to the store. They answered the letter, just stated the store policy and this is how it is.

The interviews also revealed that hierarchy attributes have a strong contribution in the Co-op make out, which relates to the running of a modern store with a multitude of products and transactions that have to be accounted for, staff turnover preventing internalization of ideal values, and the outsourcing of management. There is little reference to adhocracy features and some features of market type culture are indicated by the approaches to customer service to match the competition as "the little store that could" (title in newspaper article describing Co-op A after renovations). Co-op A has modernized so it can hold its own competitively. Co-op A is transitioning but the challenges remain; symbolically you can see that, at the heart of the Co-op there is an intact barn structure and to transition in the new part you have to go forward by backing up onto a ramp.

Quantitative Approach for Co-op A

Ten surveys were returned on a total of 34 that were distributed, of which 19 were provided to the manager to distribute to staff. It was left to her discretion whether to provide the survey to employees who were minors. Two surveys were returned from management or employees. One returned survey was not usable in part A. Figure 1 plots the culture of Co-op A as the averaged responses to category statements A, B, C and D respectively of the OCAI (23, 18, 26, 33). The attributes that dominate in Co-op A according to averaged ratings of respondents relate to the hierarchy type (D), then to lesser degrees market (C), clan (A), and adhocracy (B). The diagram indicates a gap between the current and preferred culture. The ideal is a marked increase in clan culture attributes coupled with a marginal increase in adhocracy attributes and retreat in hierarchy and market attributes. It should be noted that the retail and wholesale average provided in Cameron & Quinn (2006) is an opposite image to the preferred culture for Co-op A in that the respondents rate clan attributes as the ideal rather than market ones.

Figure 2 provides the average profile for each averaged item on the OCAI. The battle between clan and hierarchy seems to be defined along a line between organizational characteristics and criteria for success/strategic emphasis.

The additional questionnaire to the OCAI provides information about member/customer orientation of Co-op A. Figure 3 presents the frequencies of the responses. The “strongly agree” and “agree” blocks indicate the degree to which Co-op A has a positive stance according to the ten respondents. The questions were formulated in a positive manner and as such it is possible to calculate an overall rating. Since three questions were not answered the total “points” that could be accumulated is 785. Respondents’ total ratings amounted to 487, or 62 per cent. Figure 4 indicates the ratings for each item in percentage points. The items that were rated worse were lack of measures and communication regarding satisfaction.

As the Co-op looks into the future to improve on member orientation, the members should be less antagonistic, less like customers to serve, and more true collaborators. Côté (2005) discusses these outcomes as the result of the implementation of loyalty tools which make membership meaningful.

The predominance of clan culture references in interviews reveals itself more as an ideal in the quantitative approach, inspired perhaps by the past of the Co-op. The shift to the preferred clan culture should occur around efforts that are already unfolding such as help from a consultant to develop a team spirit. Other suggestions are found in Cameron & Quinn (2006) such as: survey and meet employee needs, express more concern for people, hold regular meetings with cross-sectional groups of employees to surface suggestion for better cross-functional co-ordination.

Figure 1. Average Culture Plot for Co-op A

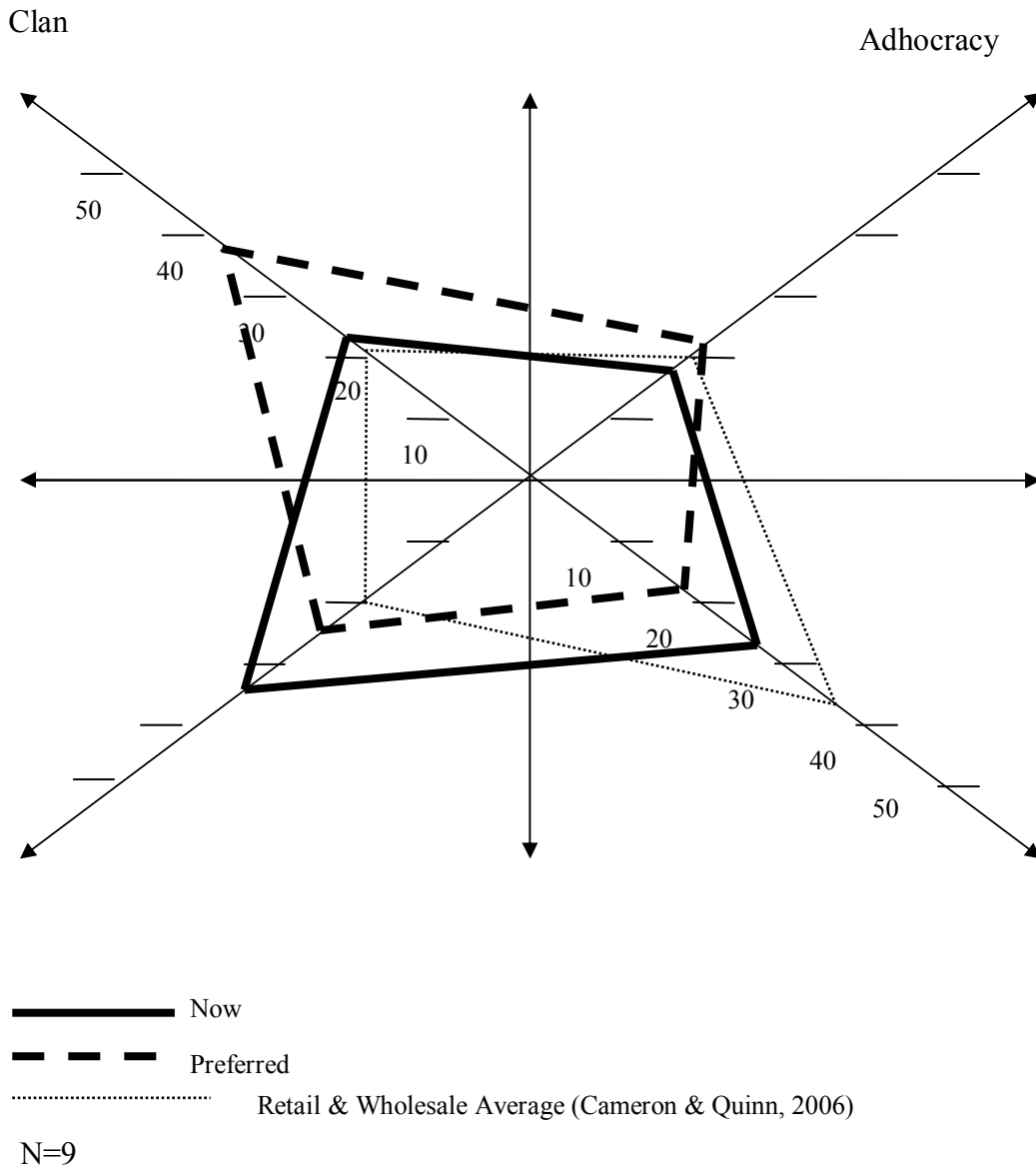


Figure 2. Co-op A Average Profile of Each Item on the OCAI

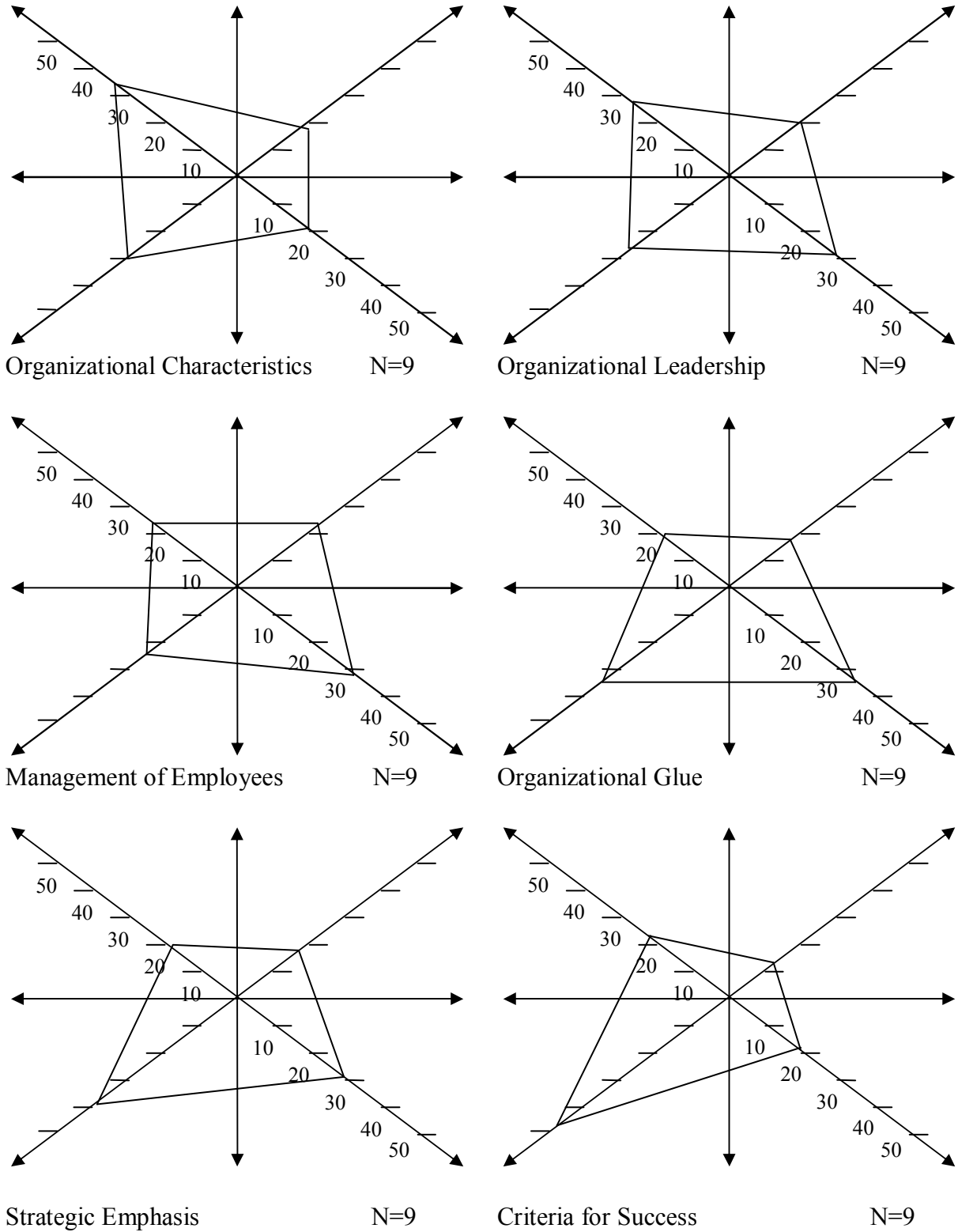


Figure 3. Member Orientation Questionnaire Answers - Frequencies by Stalked Bars

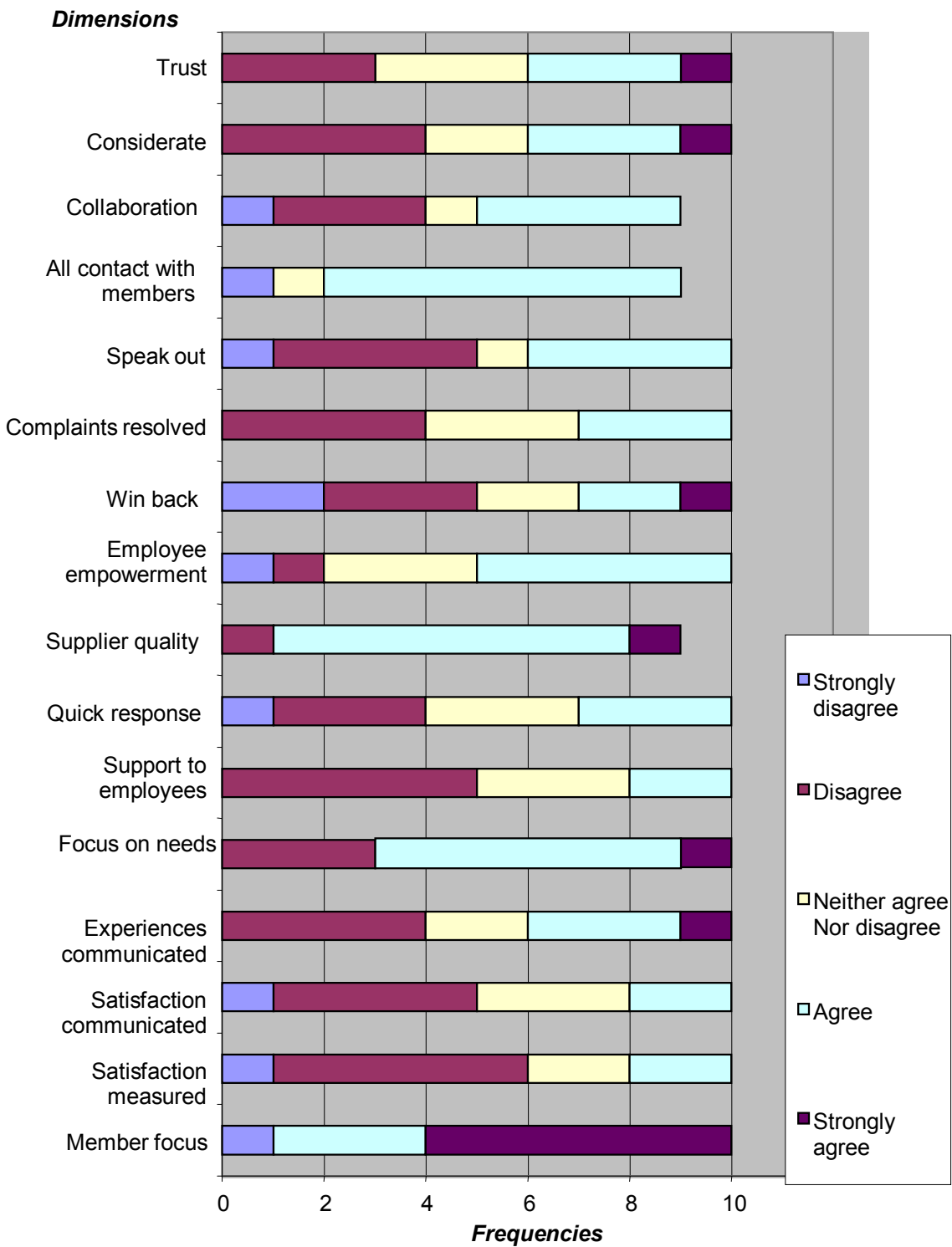
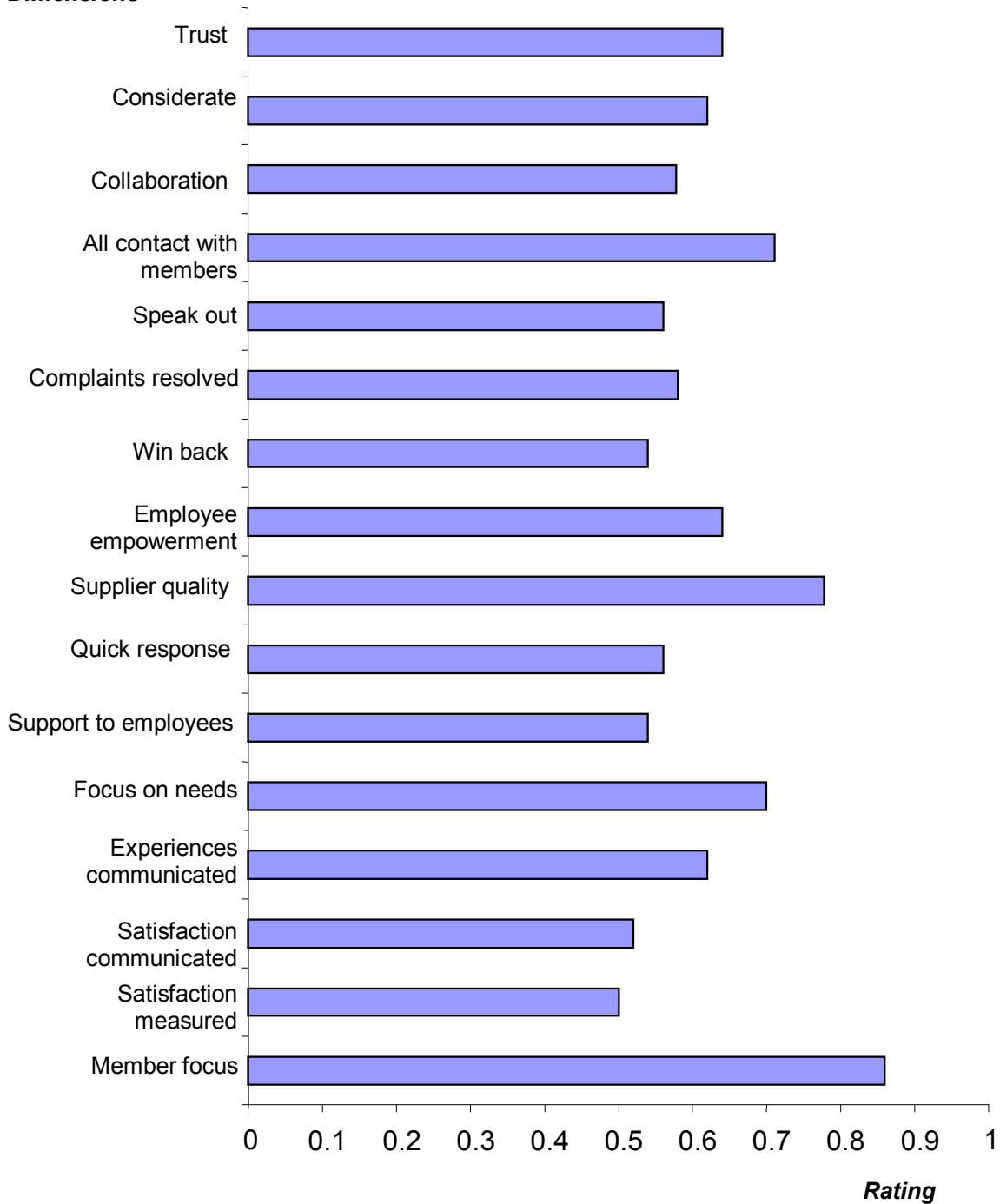


Figure 4. Member Orientation Rating**Dimensions**

Qualitative Approach for Co-op B

Symbolic Aspects

Language

The street sign says: “Your Community Store Everyone Welcome”. Below, there is the old familiar pentagon Co-op logo and on the store there is the new Co-op logo with the waving nuclear family silhouette. At the entrance there is free coffee, beside the Co-operators Insurance office. Symbols such as language, heroes, rituals and stories are reported in this section from interviews to provide an anthropological overview of the culture of Co-op B.

There are many terms particular to the co-operative model, the retail co-operative system and financial reports that are new to novice directors. “It takes you a year or two to get into the swing of things with the financial statements.” Terms like CCC’s (Consumers Community Co-operative local stores - many were closed in recent years) “which are dragging the whole shooting match down” and management agreement are “certain funny things that are a little unusual... It’s a little strange, for instance Co-op Atlantic basically controls the manager to some certain extent, yet we (the board) do at the same time...”

Co-op Atlantic plays a role in articulating and instituting certain special themes:

They talk about co-op values, shopping locally and supporting the community... most of the people on the local board do it naturally, but it’s Co-op Atlantic when you go to AGM’s and so on that are pushing co-op values, why it’s so important to support local farmers, and so on... on the local board it’s seen more as your own little store, and you’re just trying to make things more attractive to your customers, that they’re given good value for their money, your supporting some events in the community...

Some special abbreviations are used in relation to operations and technology:

I could be talking to a department head and ask him if he did his EOL, events on line, it’s the buying of your promotions, your flyer items. EOS, electronic ordering system, it’s how we put the order in the departments (on line with Co-op Atlantic)...We are all hooked up, all our prices, items, automatically down loaded, we have a system that’s probably two years old, it’s called CAO, Computer Assisted Ordering, basically what that will do, when you order, it gathers all that information, it sends it back to Co-op Atlantic, the next time you do an order and you scan a certain product, it will tell you ... since your last order

you sold x number, you have this many on the shelf, you really don't need to order more, you've got enough to last you until the next order. It gives you the opportunity to avoid a lot of overstock. If you use it right it's a great tool, if you don't it can back fire. (All department heads) they use it all the time. I have not heard anybody say they haven't (found it helpful), they all seem to follow it, they understand that we don't have a lot of room and storing inventory in the warehouse costs money. You're paying everyday it's sitting out there.

Heroes

While some respondents could not identify a particularly meaningful person for the organization, others referred "to people that kept the Co-op going up to this point". One past director stands out; he was asked to speak to the board to "enlighten us on a situation where we're at". A past director also stands out because he was involved for a very long time and he is related to the Co-op's moving to the current new building. There is also a "core membership" who have been shopping at the Co-op for "years and years", who understand the co-op movement, who have been involved, who support the store and attend annual meetings.

The manager was mentioned as the one who makes the image of the Co-op. "...they do this all the time, (the manager) and his wife... come in and they'll call one or two staff members, and they will make sandwiches for the fire department free of charge in the middle of the night." The manager is appreciated because he carries a lot of responsibilities, "he's been there for a long time, he's very dedicated ...he's always there, he's very consistent, he's visible at the store, he's hands on, he's very active in the store operationally." Other staff members are also appreciated because they are "very helpful" and "nice". The head cashier is significant among staff. "She's the one everybody turns to in times of problems... strong will and out-spoken... they look to her for a straight forward answer... she gets the ball going on whatever needs to be done..."

Rituals

Rituals such as periodic meetings mentioned by directors include board meetings, zone meetings and committee meetings such as finance and building being the main ones, and marketing or public relations. What is particular about the latter is that two staff members have volunteered to be on this committee.

The manager attends Co-op Atlantic's Management Advisory Council meetings twice a year. The meetings allow managers from a district to discuss how their stores are doing, how Co-op Atlantic is doing and to learn about loss prevention, or new programs.

There is an annual supper and meeting at the high school cafeteria; the first hundred members who sign up attend the supper. Staff also get together to attend the annual membership meeting. During Co-op Week, some directors served cake in the store, and there was a barbecue and unveiling of the design changes to the store. The Co-op has a high profile and is involved in "all" the events in the village - "we stick locally" - as evidenced by sponsorships and some staff or directors being on site cooking at barbecues or pitching in at the sandwich stand at festivals. "It's almost like the community expects us to do something because we are one of the bigger businesses." The Co-op is also involved in the Terry Fox walk and supports high school activities. The Co-op also collects donation for the local library: "for every cloth bag, box or plastic bag reused you will have a choice to donate 2 cents per bag" says the member bulletin.

...they're trying to build a new fire hall in town here so we are trying to help them, the Legion, we are a big supporter of the Legion, without money they'll close the door, so we help them out a little bit, not with actual money but we will help them with their fundraisers.

The Co-op has received awards such as the Royal Canadian Legion Outstanding Corporate Citizen Award and the Fire Marshall Partnership Award, which are mentioned in the member bulletin. Some awards are showcased in the store and actually belong to the 4H Club. Also showcased is an inventory of "Support our Troops" merchandise. One may also purchase a calendar with Co-op B's name in support of the children's hospital telethon to which the co-op retail system has contributed for the past 20 years.

The Co-op also runs a 50/50 lotto whose proceeds are split between members and community organizations. The head cashier actually started another activity, Toy Bingo, in support of the local food bank. Toys are collected during the summer and they are used as prizes at a bingo held in the fall. There are also in-store special events that staff organize like Midnight Madness, Pyjama Day, and Christmas by the sea.

It's a one day thing, every thing is going on (in the village). Last year we started sponsoring the baking contest, so people come enter, they can bake cookies, squares, Christmas treats ...and we get some judges together, we taste everything, last year we had 40, 45 entries, that was the first year, it was very good, for us to be sponsoring...

Co-op staff is involved in the Christmas parade and the July 1st parade.

...on July 1st we usually put a float in the parade... this year the younger bunch of the Co-op did it, like the students, they wanted to do it, we said we've been doing it long enough, you guys go right ahead. They had a blast, they did all on their own... I think they had Santa Claus down there. We always have a flyer in July, Christmas in July, cause a lot of people celebrate and get together in July instead of December... they (young staff) made a sign saying Santa shops at the Co-op all year round.

The staff also organizes a flea market by bringing in items from Co-op Atlantic's warehouses that have not sold. "...the fire hall reciprocates, if we need the fire hall for a flea market or something, they'll let us use the fire hall, they'll take out the truck for a Saturday..."

Staff get together to decorate the store, for Christmas for example, and the manager will bring in pizza.

...some times it's hard to get everybody you have to have a special meeting, to have everybody come, it's sometimes difficult with the students, so a lot of times we would have a senior staff meeting, then they pass it on to their cashiers or grocery boys or whatever, or post it, like our Christmas staff party is coming, usually we would go out to eat at a restaurant, so the younger kids they wanted to go bowling, so we're all going bowling and to eat...

There are occasional all staff meetings and department meetings dealing with other issues than the organization of events.

Some of them are quite interesting, cause one department won't agree with the other department and you gotta hash that all out with them... by the end of the meeting, things are usually resolved, because if not then it's just going to stew into a bigger problem the next day and nobody can work with each other...

Stories

"There used to be two or three grocery stores in the village when the Co-op first started but they gradually kept closing and the Co-op was able to hang on, it never made a lot of money, and you hear that, well is the Co-op making any money..." The 1945 certificate of incorporation of the Co-op hangs in the store in addition to the pictures of the old store and of the first manager. X was his name says the member recruitment brochure: "His

sole employee was X whose family had owned the store that the Co-op took over.” There is a “then and now” picture of the Co-op building in the Co-op Week member bulletin.

I said to my wife when I looked at it (the bulletin) it (the old Co-op) was right across from the old bank, on what we call the front street, the water street, that’s where I first saw my wife, one day, I was working at the bank and I looked out the window, and my wife’s father was delivering strawberries, he grew strawberries for the Co-op, and I saw her helping her father carrying in strawberries, and I said I must try ask that girl out, and here we are 45 years later... the Co-op buys local if it can possibly can...

For most directors and staff interviewed, there are no stories that go with those pictures or stories of former times. Most directors are not from the community originally and have retired there after having a career somewhere else. Their experiences on the board has been “...serious, the concern of keeping the Co-op going, keeping it above water” or “one volunteer committee, one of three or four that I’m on, I’m not close to the grass roots.”

The story with most directors is about figuring out the co-operative model because as an ordinary member they did not learn much about it:

...the more you spend at the Co-op the more kickback (patronage return) you get, that was one thing I could never understand is how that worked...To me it’s more of an insurance policy, you never have enough money at the store to pay dividends, but when you die your beneficiaries can ask to have that money back, like a free gift that your parents paid for for the kids... that’s the explanation I give when people ask...

Some staff members have been working at the Co-op for ten years or more. “We always have something to talk about. This parade or that parade, this fundraiser or that fundraiser”. There are also stories about members that are significant:

We had former customers that every year would bring us a box of candy or something like that at Christmas time, a couple now every once and a while they’ll bring us fudge, brings us in a treat... on Wednesdays we do Seniors delivery, and there’s one lady she doesn’t get out to shop at all, she really appreciates all of our help so at Christmas time she gives us each a Christmas card with \$5 in it and she doesn’t have to...elderly people don’t have a lot of money and we tell her that, but no, no, she wanted to say thank you, she gives us all that are involved, usually the delivery boy, plus three or four of us girls at

the store, five dollars or so... this is a big seniors place and a lot don't get out shopping, and we have one lady who lives about four miles out and doesn't get out very often and she really appreciates the delivery... they call you Monday or Tuesday and we deliver Wednesday mornings... we have a guy that does it for us and we pay him... but she has written letters to the newspapers thanking us... we say we don't want that... 'Oh yes I want people to know that you are so good to me.'... it is for the seniors, we don't charge them, it's just an expense that we do, and it's been going on for years... there might be some (other co-ops) that do it, but I suppose not in the cities because they don't have that personalized one to one as much as we do... and even if a person not necessarily a senior, if a person has fallen and broken their leg, we'll deliver to them if they're not able to get out... we had one lady she just moved one street over from the Co-op and she called up and said I broke my foot... I said ya sure, we'll deliver for you, cause she normally walks, she didn't drive at all, so she was really not able to get her groceries... it just takes a few minutes (for us)... if a senior calls up on a Friday and says I'm out of milk, can you bring me some milk... we do it, pop it over on our lunch hour or when the girls are going to the bank... we just do it ourselves. They appreciate it, you don't want them to go without something, especially milk or water...

Many symbolic aspects of culture that the interviews revealed relate to patterns of internalization which are telling of the clan culture. This appeal to employees' conscience, where control is implicit, is evidenced by the "we just do it ourselves" comment. There are many heroes in Co-op B, which also relates to internalization patterns whereby achievements are seldom attributed to one individual. Another feature of internalization patterns identified by Neuijen (1992) is the socialization process that extends over a long period of time. The interviews reveal that most of the directors have not yet understood how everything works in the co-operative model. In a clan culture, understanding takes time. Many employees have been there for a very long time and are key to passing on this understanding through their actions.

Critical Incidents

Crises

One item that was "sort of a crisis", "just a situation really", was dealing with the liquor commission, which is a tenant in the Co-op building. The Co-op did not negotiate a new lease and is basically waiting for the mortgage to be paid off. "We seem to be more concerned about the community where the community would get that service... because we are a co-operative we're thinking about the community and meeting its needs rather

than our own...” An item that does cause concern is the question of expansion. “You try to keep things on an even keel rather than getting yourselves into debt.” It was decided to go ahead with renovations and put any expansion on hold. The renovations were supposed to be ready by summer which is the Co-op’s busiest period, but it actually took the whole summer. “It was hard for the staff, especially the manager.” Now there is the question of buying the fire department property next door. All the while there are worries about the Co-op “that is always kind of struggling, keep(s) expanding” and of co-op closures in other communities and how Co-op Atlantic is doing. Windmill developments in the region have caused the board to voice their opposition to government because of the Co-op’s dependency on tourism.

There are other incidents that are telling of how things are at the Co-op. There is the story of a neighbor finding an old bomb while doing ground work. The staff was allowed to stay in the store while the bomb squad was taking out the bomb. Still, the younger staff members were all sent home so there would be no adverse reactions from parents. Freezer break downs, power outages, and vacancies are other incidents involving staff that are telling.

Today we had some sort of crisis, the freezer broke down and we lost meat. We had to get together to take care of that. If the electricity goes out, we know we are on call to pack cardboard around the freezer so we don’t lose food. It can keep frozen that way for eight hours. After that we would have to call in a refrigerated truck and move everything in there. We know that, and that we have to come in and help if that happens. Also, once, we ran the store six months without a manager. We are a working co-op.

Another story involves a customer who “passed out cold” while at the checkout. First aid was administered, the person was kept comfortable, an ambulance was called, and family was eventually contacted as the person was not from around. The accident log was followed and the surveillance tapes were reviewed to make sure things were done properly, “people are so quick to sue.”

This section on crisis demonstrates clan attributes – people give a lot of themselves – but also certain attributes of the hierarchy culture where procedures and a structured approach are preferred to ensure a positive outcome.

Mistakes

Respondents pointed out various situations that are unacceptable such as theft, bad customer service, “not having our pricing right and not realizing it and then you find out your margins are off, your bottom line is out of whack”. Getting into debt, wasting fresh products, and taking things for granted are also to be avoided. On the human relations side, “if you have a beef with somebody you have to talk it out or get over it...”. Not getting along and talking about other staff “behind somebody’s back” or to customers is not tolerated. “It usually ends up in an argument about a week later, then there is usually a staff meeting to say, this is no longer allowed...”

Additional hierarchy attributes are manifested in this section where long-term stability and smooth running operations are most important. These values compete with clan culture attributes where what is most important is cohesion and teamwork. Neuijen (1992) includes the latter as a pattern of internalization where mutual contacts and relationships are aimed at long-term perpetuation, and maintaining relationships is at least as important as the job itself. When employees are primarily judged on dedication and not primarily censured on account of their mistakes, Neuijen qualifies those instances manifestations of patterns of innovation, which can be related to the adhocracy culture. In the following sections, dedication is a reoccurring theme.

Helping Out

At the Co-op “anybody has a problem, then everybody shares that same problem, a birth, a death, a marriage...” At the Co-op not only is it like a family, it is literally a family. Many employees are related. When one employee’s husband died unexpectedly at a young age, the Co-op rallied around the family.

They brought in extra people to cover our shifts, people that didn’t even do those jobs were brought over from other departments to work in other departments just to cover and be the shoulder there that everybody needed... and then we had a drowning, down here at the wharf, three or four years ago, and the gentleman was related to four or five of us on staff, and it was just... there’s something going on at the wharf, lunch was sent to the rescuers, the Co-op went in on their day off...

When employees face difficulties in their lives the Co-op gives them all the support possible, either raising funds, giving them time off or work it so they receive some salary like working part-time. Employees with health problems are accommodated in that their duties would not include lifting for example. In addition, staff decide on the distribution

of a special fund they have set up for each other. “The staff contribute to a staff automatic payroll deduction, they’ve all agreed to it ...if someone has to go to hospital or if there is a crisis, this person may need a couple hundred dollars for gas and incidentals...” The Co-op is “super good like that” and one respondent says it would be hard to image leaving “these guys”. After a difficult day at work there are good memories that can keep one going, like when some staff surprised one member who was celebrating her 90th birthday:

I was off that day, but I came in, and there were four of us... we got her flowers from the staff, and we took them over to her birthday party, and when we walked in with them it was like we were giving her a million dollars, ‘Oh my God, I didn’t expect you people here.’ We just do it, it’s fun. I think it’s great. That’s what I like about the Co-op, getting so involved in the community.

When it is a member who is facing difficulties, it is more the community as a whole that would “pitch in” and the Co-op “helps everywhere”.

We have a lot of elderly people in this town... they often a couple times a year make a post roast dinner and deliver it to them, different things like that...

Internalization patterns emerge again in the above testimonies, where work and private life overlap. For example, the organization cares for its employees beyond working hours and employees give back by being dependable and dedicated: “we know that we have to come in and help.” Neuijen (1992) states that in internalization patterns, it is difficult for employees to leave their organization and to imagine other values and assumptions.

Worries

Situations that are worrisome for staff vary: balancing cash; “a problem a co-worker would have with me”; supervising teenage workers and “telling them if you don’t do your job you’re going home”; deadlines.

“If I had to find a new manager”, for a director, that would be stressful. Making a decision that would turn out to put the future of the store in jeopardy, that would also be worrisome for a director. “I think we’re a conservative lot, we’re not going to do that.” Another worry is about sales: “If they are down, why? What are we not doing? What can be changed? What can we do?”

In this section which lists problems that would keep one awake, there is an overlap with responses about mistakes. Both sections relate to both hierarchy and clan culture. It is

notable that responsibilities of directors are disproportionate to their personal stake and the clan culture with its patterns of internalization may draw “on their conscience” as it does for employees and keep them involved.

Fitting In

To fit in, directors have to be able to work with people, have strength in a certain area, attend board and committee meetings, participate, show an interest in what’s going on in the store, be willing to contribute to the Co-op, support the manager, and promote the Co-op.

To fit in, employees have to be friendly, enthusiastic, do what is asked, co-operate, “put others before yourself”, go the extra mile, get along, try to be flexible, put in the extra time if you’re asked, be honest, be a team player, have an interest in your job and a positive attitude, be dedicated, most of all “don’t walk around with your hands in your pockets when there’s work to be done”. If something is missing from a shelf or someone is looking for something, take an interest. “Most of the staff have been there for a while, they are pretty dependable, they understand that in order for the store to work they have to provide good service and be on the ball.” Not only should an employee interact well with customers but an employee must also be respectful of other staff. One employee had the attitude “women should do as they are told by a man”; he did not “last long.”

In an internalization type of organization, sanctions relate to the exclusion from the group. This maintains cohesion, an important value in the clan culture, which is especially strong among staff.

Human Resource Development

Directors take advantage of training sessions when they attend Co-op Atlantic meetings. The board sees training as a necessity for staff. “Employees are the ones that bring people back into the store.” Co-op Atlantic is expected to provide training but there is some dissatisfaction in that regard. Staff attend some courses like food safety and customer service. “...when a customer asks where a certain product is, you don’t just point, you have to go to the shelf and show the person... you have to learn these things.”

The Co-op has won Leadership Awards from 2001 to 2004 for staff training through a Co-op Atlantic program. Each department has a manual. Each employee has to take the three-level exam for their own department and the loss prevention exam. Employees may also take exams for other departments. There are three employees that are certified for all

departments. Exams are open-book type and Co-op Atlantic pays \$25 to successful individuals and the Co-op matches that amount.

There's all kinds (of training), that's the same thing as with part-timers, we get them involved in a lot of things, just in our store level. If we're decorating for Christmas we'll get them involved, if we have those special sales (events), pajama day... we'll get them involved... we did the Terry Fox walk, the young people got involved this year more, I've walked for the last two years, the kids actually got out and walked, like they're involved with the Co-op, it's not just a part-time job. One of our part-timers she is in grade twelve in high school, we give away to the high school every month a student of the month, senior and junior, if their good students, they're voted, they get a t-shirt that says Co-op and they get \$15 cash I think it is, they get a Co-op bag with something in it and Dare sponsors it too... our part-timer gives that away every month at the assembly... I think it develops them... some of them are really shy and it draws them out, some you can't but some you can...

Some staff are cross-trained and trained on the spot by supervisors or department heads. "...Being a supervisor, you have to learn how to control your temper so that you can show the younger ones how to deal (with an irate customer) if they ever have to..."

Human resource development is an attribute of the clan culture. Emphasis on training is also an important precedent to quality services and member/customer orientation. Policies, protocols, scripts and training reduces inconsistencies in service delivery. Daft (2001, p. 83) states that these employees (technical core in service organizations) "need enough knowledge and awareness to handle customer problems rather than just enough to perform a single, mechanical task."

Evaluation Criteria

Evaluations are supposed to be done yearly. Interviewees referred to criteria for staff evaluation as follows: customer service, personal hygiene, accuracy on cash, their manners, their efficiency, their punctuality, "all the classic things that all employees need to exhibit." There is actually an evaluation template provided by Co-op Atlantic that covers five items such as quality of work and quantity of work.

There's a job description that goes with each job, they're based on that when you have your evaluation, there's different questions on the evaluation that the manager would answer, you're scored on those... getting the work done on time for the bookkeeping and for the file maintenance, it would be that the prices are accurate... we have to have the whole store completely scanned once a month, every item has to

be checked... if you scan any ten items there shouldn't be any errors... we've got this scanning code practice now that if a item is scanned wrong to the customer, like if it's scanned higher, then you've got to give the item to the customer, so it's a loss to the store if you've got too many wrong items and the customer notices it...

The board evaluates the manager in co-operation with Co-op Atlantic. The following was mentioned as evaluation criteria in that regard: handling pressure, handling employees, handling finances, keeping inventory under control.

There are also exercises and controls in loss prevention. Staff are told by experts from Co-op Atlantic "more ...about how to steel stuff than what I would ever think of" and paper work is verified to ensure that proper procedures are followed:

...we were doing a refund and we had to have two signatures on it, she would find one that only had one signature so she'd write it up, so we'd get a page on that... I think they're a bit anal over it... well go over twenty and average over twenty instead of one...

The evaluation criteria relate to task orientation and hierarchy culture as will be commented in the following section.

Paper Work

The Co-op has to implement controls in certain areas as following:

Health and safety:

Co-op Atlantic now they've taken the bull by the horn, they've got a department set up now, health & safety... there's a lot of different forms to fill out, it's going to be checked on regular basis... it's for our own protection... (if we don't have any documentation we don't have a leg to stand on... all the standards were there, we're just putting some tighter controls, the controls were there, but they were all over the place, now it's more focused... it was being done but there was no uniform procedure, things were being cleaned properly, things were being stored properly, handled properly... it was just second nature... nine different logs in regard to food safety and health & safety (sanitizing chemicals, cooking temperature log, stock holding temperature log, meat department sanitation schedule, food safety record template, refrigeration temperature log, storage display temperature log, thermometer calibration log...) ...this is just going to compound (the amount of paper work), it has to be filled out, it has to be filed, somebody is going to have to be on top of it to make sure it is filled out and filed... it's just part of the business, with

the amount of recall lately, tainted food, there is more of these food borne illness coming all the time... this is going to be precarious...

Theft protection:

You have to paper trail everything, and you have to have more signatures, on more papers, and more initials. I can understand Co-op Atlantic tells you you're saving your own ass, by having all this paper work, but when you're standing there and it's taking you fifteen minutes to deal with one customer, over this paper work, the customer don't like that... we had problems like... the debit card went through for a customer, but it come up that it didn't go through...the customer happened to have been my mother... We finally ended up clearing it up and it was the debit card company's fault, it wasn't ours, but the paper work is all still there, there's a whole file folder, it says X's mother's debit...

Human rights:

...when an employee is first hired, now you've got your harassment policy, your privacy policy, they have to read and sign those...

The sections on evaluation criteria and paper work relate to task orientation and hierarchy culture resulting from centralization via Co-op Atlantic but also from government regulations and other environmental pressures. According to Kohli & Jaworski (1999, p. 29), research suggests that market orientation, referred to in this research as member/customer orientation, may be viewed as innovative behavior and that departmentalization, formalization, and centralization (typical of hierarchy) may be inversely related to intelligence generation, dissemination and response design but positively related to response implementation. Also, revised rewards and measurements based on customer satisfaction and loyalty would encourage market orientation.

Decisions

When a decision involves a lot of money, a general membership meeting is called. Beforehand, the board looks at projects from all angles, "whether it's going to improve sales or not." The planning committee will look at costs, make inquiries and meet with the finance committee; the banker is brought in and Co-op Atlantic provides the costing information. "...so we come to the board meeting, here's our figures, this is how we can finance it, this is how long it's going to take to pay it, what's the rest of you think..." Regarding the most recent capital project, Co-op Atlantic "were sort of pushing it a bit to get us updated because (another co-op) apparently they did a lot of renovations and their

sales went way up...” The board is “pretty efficient” and said to generally come to a consensus. Expenditures up to a certain amount and emergency expenditures can be made by the manager. Employees have a say: “Important decisions are made by the board or manager, depending. Sometimes I don’t agree with what they want us to do, it doesn’t make sense, so I tell the manager, and then we are asked to at least try it. So we discuss things.” Special events at the Co-op are approached in the following way:

If it’s a decision regarding the operation of the store sales wise, membership drive, what not, that’s when we have our department head meeting ...put our heads together, try to come up with different things... let’s say we want to increase the sales, and we want to put on the event, I might come up with the idea or the seed for the idea, but the rest of them expand on it... there are some that are Co-op Atlantic but a lot of times we do our own.

Though decisions are compartmentalized in Co-op B, there are indications that there is an opening to consensus being extended to all stakeholders of the organization, including staff. Consensus is an attribute of clan culture.

Rules

If you ask if a rule could be broken if it were important to the organization, then you have an explanation about the chain of command, about how employees are to go through supervisors to do things, how an individual director cannot speak on behalf of the board, how the manager represents employees to the board and the board to employees, how directors do not get involved with staff, how the manager answers to the board and Co-op Atlantic. Then you may get an answer that it depends on the issue.

Well about a year ago there was an elderly little lady, it was this time of year, she was looking at pumpkins, and the pumpkins were a fairly big size, and she couldn’t pick one up, so I picked one up and I put it in the trunk of her car, and I say that’s fine don’t worry about it, I’ll take care of it, it’s yours. Well she was astounded. I went into the store, told (the manager) I just gave away a pumpkin. He says that’s perfectly fine. So theoretically I stole a pumpkin, but we chalked it up to some political relations, so is that breaking a rule or policy? Every time she sees me now she is thrilled, over I gave her a pumpkin.

Then there is the situation where experience counts:

...the senior staff that are there have been there a long time, so they would have the Co-op's best interest at heart, so they would not say no or say yes without knowing it would be alright, they probably would not break a major rule...

Then there are rules in relation to Co-op Atlantic:

I think some of these rules don't go with a rural store. They want all the stores to be the same. Like this person lives ten miles away and they forgot their wallet, you see them every day, you know their phone number, you know their whole family, you do it, we've never had anybody yet who hasn't come back and paid in full, and if they didn't well that's a loss for us and we would know better not to do it the next time... very little (rules) are broken...

...you're supposed to say, please and thank you, ask for their member number, and say 'Oh the weather's nice today isn't it?', that's it, you're not allowed to make public chit chat and gossip at the Co-op per say from Co-op Atlantic, that is frowned upon, but when you work in a rural business and you know everybody and you're all family, the customers would think you were being rude if you didn't ask them how they were...

...don't try tell us we're doing something wrong, when we're not doing it wrong, we're just not doing it to their specifications but the end result is all the same. You may not have it all down here, but over here it all balances. We do it an easier way, or we do it a way we find more convenient for us, whether it's stocking shelves or counting money, it's done our way, which is the way I feel it should be done because it's still being done right...

...now they (Co-op Atlantic gave us plans for the shelves) but once they go back to Moncton if you didn't like the way it was done you changed it anyway just because it's more convenient for the worker, and it looks the same, it's just not the same, same items are still there but just in a different display. They'll come down and they'll look and say 'No that's not the way we had it in the plannogram...' but we sell more of this than we do this and you had a case of this kind of apples, and we only sell six of these a week, where as we sell a whole case of these and there is only a spot for six, 'Well oh ok, now I understand why you changed it', and they listen to you... it depends on the situation, they're more so rule book when it comes to money and paper trail... but when it comes to products on the shelves they're more content when you can show that sales have increased because of what you've done, that means the customers were made happy and that's the ultimate goal in your business is

to make your customer happy, cause if you have a cranky customer they're not coming back.

In the testimonies given, results and process orientations are competing. Where rules contradict the priority of member service, respondents indicate that they will favor the latter and make reasonable exceptions. There is some flexibility in that regard, and flexibility is an attribute of both the clan culture and the adhocracy culture. Flexibility in the way of empowerment of employees is a clan value of quality management. Though member/customer satisfaction is a standard, there are no rules describing all circumstances, so it may be said that unwritten rules are important, which is an internalization pattern related to clan culture. Flexibility in the way of initiative is particularly enabled by an adhocracy culture. Flexibility can also be seen as risk aversion that is low. It is a prerequisite to market orientation according to Kohli & Jaworski (1999).

Member Service

Interviewees state that their Co-op knows what their members need and expect. They base their response on staff openness, the use of suggestion boxes and responses to surveys. Department managers “are always willing to listen if you have a concern or something that you would like see brought in the store... They are listening because you can see the new products that are coming in.” The Co-op did a customer satisfaction survey a few years ago and again one year ago. This last survey was distributed to the whole community and over 85% of the 144 respondents indicated they were satisfied in the level of selection, cleanliness, product availability, pricing and staff. Friendliness of the staff was the source of greatest satisfaction. Dissatisfaction was greater in the area relating to produce and bakery. Interviews were telling of remediation efforts in those areas. The new cases for produce contain less on display and more is kept in the large refrigeration unit out back where it can be kept fresher. “If it’s getting a little bit wilted, it’s gone”. As for the bread, communication with the supplier resolved that problem: “...the bread driver said that we were the last stop... his reply is that he didn’t have enough room on the truck... (the manager) took it up with his (the driver’s) boss and it’s been since solved.”

Another point that can be retained of the recent survey is that only 76% of the respondents agreed with the statement that “My Co-op helps keep retail prices fair”. For non-patrons prices and selection are the reasons most mentioned for not shopping more at

the Co-op. The patrons have much of the same reasons for doing most of their shopping at the Co-op (selection, staff and prices).

The manager is said to pay attention to consumer trends, talk to other stores, watch sales, consider member feedback, “though somebody dissatisfied doesn’t always tell you”, know the less price sensitive market in the summer, and in general understand the needs because he lives in the community. Directors are also part of the answer to market intelligence gathering:

...people tell me, they say they want this or that, they have this problem or that problem, we’ll address it at the store... it’s a small community and you’re running into the same people all the time, so most people know I’m a director of the Co-op, cause my name is up there on the board, and so they won’t hesitate to say, everybody is virtually on a first name basis, so there’s no problem communicating, it’s not like you’re in a big organization where nobody knows your name...

The intention is to resist being used as a convenience store, especially by young people, and being “cherry picked” to death. “We always say if you can’t find it at the Co-op you don’t need it, and if you really need it, we’ll get it for you.” The Co-op sells organic produce grown locally, and also has a “Mexican Food” section, trying to cater to a diverse population. “...sometimes I like to have my Newfoundland fix, salt beef and cabbage, so I’ve asked (the manager) to get certain things in.”

...this is not a big store, yes, you’ll have a greater variety at Sobeys and Superstore, but I guess for the size of this place we do have the variety.... It’s not just milk and bread let’s put it that way. If you want to make a special dish with a kind of Chinese sauce chances are we’re going to have it... that’s what we’ve been told, by members and people that come up for the summer... they can’t believe that we do have it because we are a small store... I cook a lot, if there’s something in a recipe that I want I’ll try to get it in here first, I don’t have the time to drive... I think it’s the silliest thing... if I can get most of the items here, that’s great... I’m sure other people will think of that too...

The employee handbook indicates store cleanliness, attitude, quality products, service (enthusiasm, courtesy and professionalism) and image (always be positive) as the essentials of customer service. There were mixed responses as to the existence of an actual member service policy though some had their own take on the matter: “keep communication lines open”, “treat people as you want to be treated”. Some respondents referred to the basics like cheque cashing and refund guarantees. As for the saying that

“the customer is always right”, there are some indications that is only true “to a point”. Stories were told of the irate customer ready to swing a fist and a teenage customer whose parents had apologize for his alleging food poisoning.

The employee handbook has the following guidelines for handling customer complaints:

- maintain a cheerful attitude at all times
- try to determine the nature of the problem
- take immediate corrective action
- remember the customer ...keeps us here
- thank the member for their concern in expressing the problem

The following illustrates how this is put in practice:

...to fix the complaint, they're refunded their money back or they're given something else for an alternative product... whatever makes the customer happy... we have a customer who only likes one certain kind of French vanilla ice cream... we are always running out of it, we can't get enough in because the more we buy the more the customers buy, and so we said why don't you try this ice cream, it's new, it's French vanilla, why don't you try it, so she bought it, she come back and she said never again will I buy that ice cream, I didn't like it... I said since we offered you to try it, go get what you like and you can take it, we'll just refund you yours, but 'I ate it', but I said that doesn't matter, you didn't like it, we're fixing that problem, we don't want to have something that you are not satisfied with especially where we promoted it to her, you make whatever makes the customer happy... no (I don't have to call in somebody) even the girls if they can resolve the problem then resolve it, the boys if they can resolve a problem, you resolve it yourself, if you can... cause Saturdays and Sundays, or in the evenings, like tonight there's only a supervisor and kids on working. You just learn to resolve them, if a customer looks at one of the boys, and says well you're out of this kind of soup that's on sale, can I get this kind, yea, as long as it is price comparable...

Staff will refer certain complaints to their supervisor or directly to the manager:

...a disgruntle customer, member comes up and starts tearing a strip off this particular cashier, which has happened before, they were told before, just smile and get away, come get one of us, don't get into this verbal back and forth, walk away, let one of us handle it...

If the manager cannot handle a complaint, it would go to the board. There is the story of the neighbor who blamed to Co-op for the water in his basement; though there was a slope on the neighbor's property running towards the house, the board still had the highway department change the Co-op's drain to cut water running over the road.

All employees have regular contact with each other, whether in the lunch room, "we all intermingle, we go on break together", or staff helping each other between departments, or at staff meetings where they "touch base on customer complaints." These experiences allow staff to understand the challenges particular to each occupation, but also create channels for cross-function dissemination of market intelligence, which is one attribute of market orientation. Board meetings are occasions for directors to share member feedback with the manager, and there are opportunities to share information between directors and employees though they are limited. The marketing committee, which involves both directors and employees, is a step in that direction. There have been a few social occasions involving directors and staff, but they are not a regular occurrence.

Respondents have provided overlapping responses to the questions of preventing complaints and providing quality:

We run a quality grocery store, it's clean, it's quality brands, it's presented well, it's fresh, the staff are well trained and friendly, it's well lit, it's a nice store, it serves the population base very well, it has served a purpose for very long time...

Fifty percent of staff are full-time and "have been there for ever". It is believed that quality comes through because of the staff, that customer service cannot be jeopardize for the sake of a few dollars, that you cannot run with a "half crew ship cause the ship will soon start to list". Those people are needed

to make sure that when the customer's in, there's somebody to go to in the meat department, if they want something special to cut...somebody up front here just controlling the girls and looking after the front end....in the grocery department to make sure the shelves are filled, the orders are done on time...

What Co-op B Stands For or Should Stand For

According to interviewees, to stay true the Co-op has to stay profitable, expand to provide more variety, depend on a good manager, board, and staff, pay patronage returns, seek input from the community, and continue to support local organizations.

The following themes tell what the Co-op stands for or what it should stand for according to respondents:

It's a business, it's just a grocery store, it's a good corporate citizen: "Our niche is we are trying to provide quality groceries at competitive price, trying to do it for our community."

Serving the people, member/customer oriented: "As long as Co-op Atlantic stays true to member orientation, and not so much as looking at the big dollar, like it seems the other bigger stores do, the bigger organizations, they seem to be out just for the money..."

The "boo hoo" factor:

...the complaints or any comments that we get here you would never hear that person go into one of those other stores and give that same spiel, co-ops are different, the mentality of the customers that come in here, the members, maybe it's because they are members, maybe it's because they're the owners, but the piddly little things that we get yelled at about would never happen in one of those bigger stores, they wouldn't say boo.

The "I think they're more commercial, I think we're more relaxed" factor:

I had bad days with customers, but the next day you say to the customer 'I'm sorry I was cranky yesterday', cause it happens, you got to be more personable with these people, which amazes me because these people you have to see them, at eight o'clock in the morning, I only open at eight thirty, they'll come along and they'll push the gate open, come in and do their shopping ...you'll hear noise in the building and you'll say what's that? who's here? 'Oh I just had to go for blood work I thought I'd pick up my milk and bread', now can you image going to (the city) and doing that? But they do (at the Co-op). How can anybody be that comfortable coming into a Co-op, when the lights are off, the gate is closed and push it open, and go in and shop... these people would not do it if it wasn't they knew the staff would put up with it, most places if you tried that at Zellers or Walmart, they'd probably put the cuffs on you and (you would) be escorted out...

Local products, differentiated products:

It's funny how it's worked out with Co-op Atlantic, I can remember, being a farmer, Sobeys bragged Alberta beef...Co-op Atlantic was very brave and said it was Maritime, it was a major step, and now there's this big drive on this past year 'buy local', you don't hear Sobeys saying they're only serving Alberta beef anymore... you'll see those flyers

coming from the Co-op, you'll see a picture of man and his wife in the corner, 'onions are on, we supply these'... and now the rest are all getting on the bandwagon...

The price perception challenge:

It's not the organization itself, it's the mindset of people, everything is price driven, they don't care, they want these big 60000 feet super centers. People's mindset and people's perception (are challenges)... we have this perception of being high priced... we've done price checks and we're on line, there's not a lot of difference, for the time and money it takes to drive to (the city) you would actually save money to shop here, other than the variety, that's what we have to try to convey to people, no our prices are not out of whack... we hear every fall as soon as the summer people go back home, we get 'well the prices will go up now', they think we lower the prices in the summer and raise them in the fall, that's always been the perception here... you did a little bit of renovations and you get 'we're going to pay for that', 'the prices will go up now', you watch Sobeys or Superstore put an addition on their building or tear apart their bakery, not a word said...

The human resources challenge:

The Employee Handbook explains the co-operative model, encourages employees to look for opportunities to offer professional assistance to members and declares that being part of such an extensive organization, employees all have an unlimited opportunity to develop. Though employees are key to member satisfaction and staff training is intensive at the Co-op, there were comments in interviews to the effect that salaries do not reflect the level of responsibilities – “some people on welfare make more money than I do”.

Culture Profile

Some respondents were quick to point out that at the Co-op “we're like a family” and “we don't quote the (policy) book all the time”, while other respondents were saying with scepticism that “it's just a store” or “the only culture it has is in its yogurt”. The strong clan culture that shows through the interviews is a testament that the store is a “very social place” and that it is more than a place to buy groceries. The special attention that younger staff receive from long-time employees is also reminiscent of a family or clan, like a family, the Co-op has “kids”.

To compete on price alone is difficult if not impossible as pointed out by a respondent, referring to the recent failure of many co-ops that were discounters. Another respondent blames the co-op model for those failures. The secret to the survival of Co-op B has been

described as its involvement in the community. But this attribute may not be such a unique feature as good corporate citizenship may be copied by other corporations. For Côté (2005) it is rather the nurturing of local leadership that is valuable because it creates cohesion among members who will be able to better guide their co-op.

What may be difficult to imitate and thus represent a competitive advantage is the organizational culture of Co-op B. It is difficult to imitate by competitors because it is the result of the organization's history and heritage that has been transmitted to employees and now to new directors. The clan is a strong component of the Co-op culture profile but hierarchy features are also evident. The Co-op's competing identities, the store versus the "family", may also be a source of competitive advantage as it is difficult to imitate because of resulting complexity and ambiguity (Fiol, 1991). Since the competitors of Co-op B are in distant larger centers, this assumption of culture as a competitive resource has not been put to the test.

Some interviewees were quick to say "I love working at the Co-op", "the Co-op is my life". The Co-op is depending on clan attributes to retain employees but it remains to be seen to what extent this can be sustained. The Co-op is not only competing for customers or members, it is also competing for employees.

Cameron & Quinn (2006, p. 57) stress that an organization must develop the capability to shift emphases when the demands of the competitive environment require it. For Co-op B, the shift to adhocracy seems facilitated by existing features such as flexibility and a degree of human resource empowerment and an aptitude to surprising and delighting members. The anniversary and pumpkin stories are telling of this aptitude. Adhocracy is also important for responsiveness as an attribute of member/customer orientation. The offering of differentiated products in Co-op B is a trait of adhocracy and responsiveness to a more traveled membership.

Quantitative Approach for Co-op B

Ten surveys were returned on a total of 34 that were distributed, of which 21 were provided to the manager to distribute to employees. It was left to his discretion whether to provide the survey to employees who were minors. Four surveys were returned from management or employees. One returned survey was not usable for part A and B. Figure 5 plots the culture of Co-op B as the averaged responses to category statements A, B, C and D respectively of the OCAI (45, 15, 16, 24). The attributes that dominate in Co-op B according to averaged ratings of respondents relate to a very definite clan type of culture

(A), then hierarchy (D) and to a much lesser and equal degree market (C) and adhocracy (B). The diagram does not indicate a large gap between the current and preferred culture though there is a slight preference shift for the adhocracy culture type. The retail and wholesale average provided in Cameron & Quinn (2006) is an opposite image of the current and preferred culture for Co-op B in that the respondents rate the clan attributes as the ideal rather than the market ones. The industry average is also less hierarchy driven to the benefit of innovation or adhocracy.

Figure 6 provides the average profile for each item on the OCAI. The pull toward hierarchy is strongest in the area of organizational leadership while in the areas of management of employees, strategic emphasis and criteria for success the influence of hierarchy is less dramatic but still cuts into the clan effect.

Figure 7 presents the frequencies of the responses to the additional questionnaire on member/customer orientation. The “strongly agree” and “agree” bars predominate on all statements except “Information about our successful and unsuccessful member service experiences circulates freely across all functions of the organization”. Of a total of 720 points that could be accumulated, respondent ratings amounted to 547, or 75%. Figure 8 indicates the ratings for each item in percentage points.

Figure 5. Average Culture Plot for Co-op B

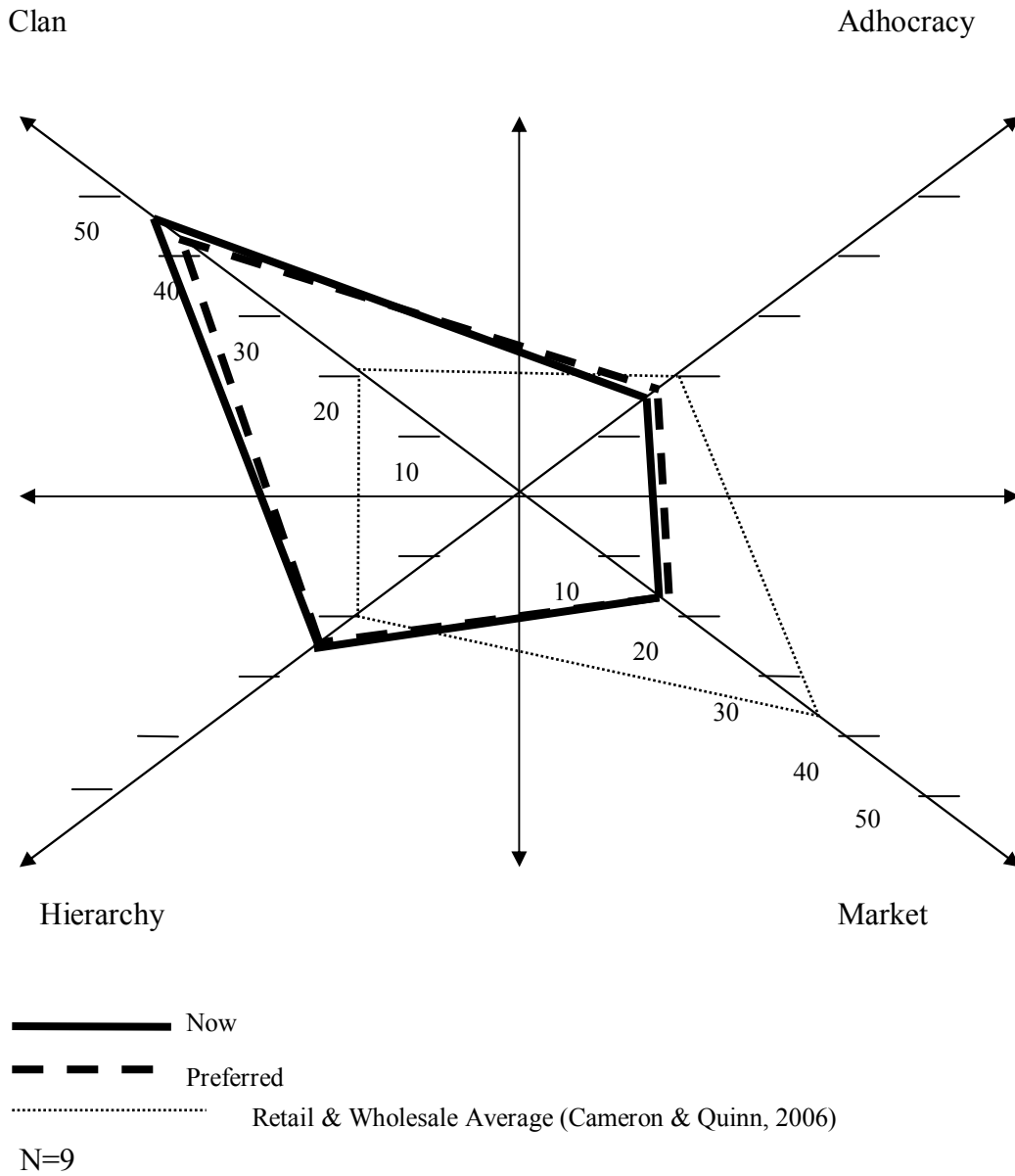
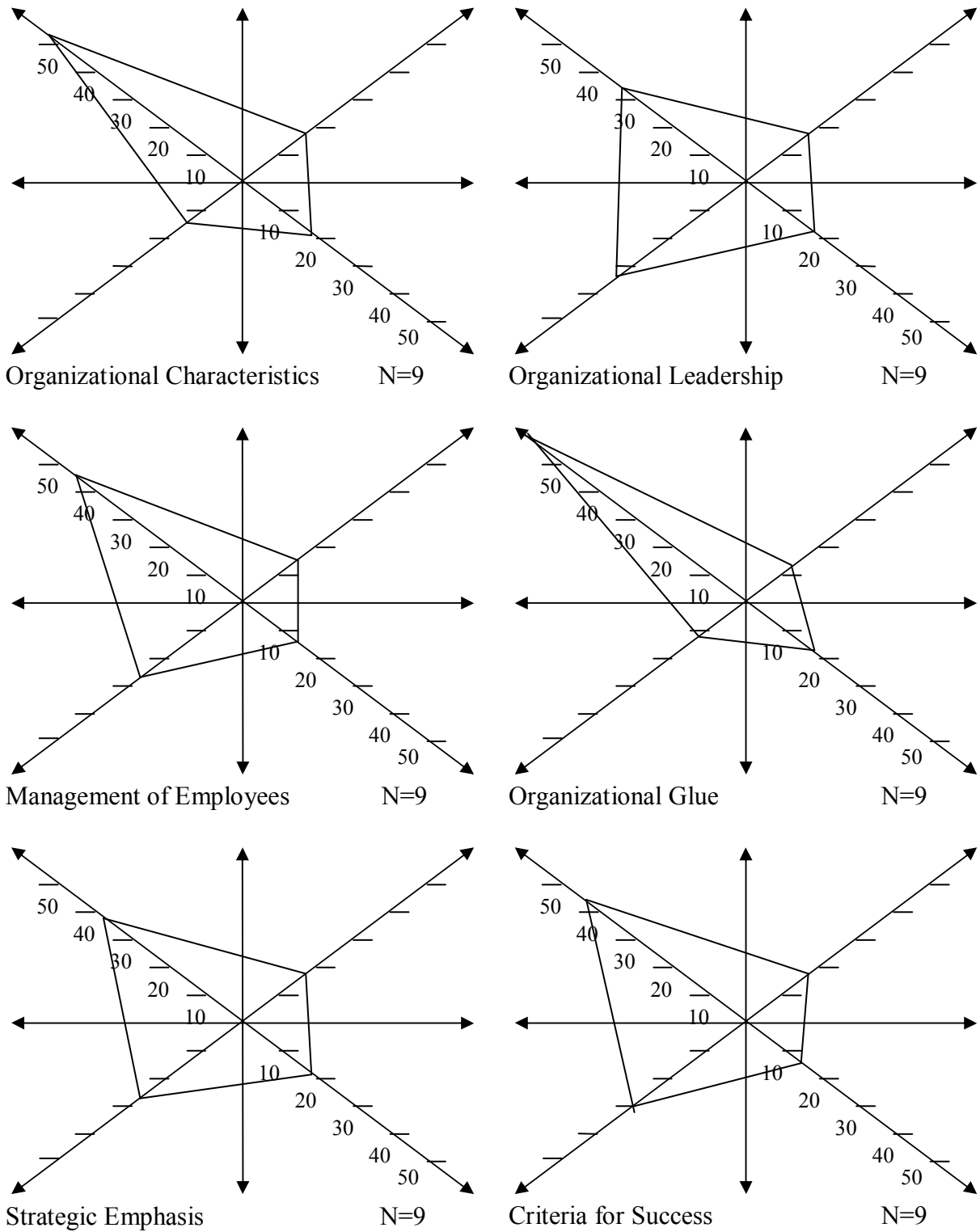


Figure 6. Co-op B Average Profile of Each Item on the OCAI



**Figure 7. Member Orientation Questionnaire Answers
- Frequencies by Stacked Bars**

Dimensions

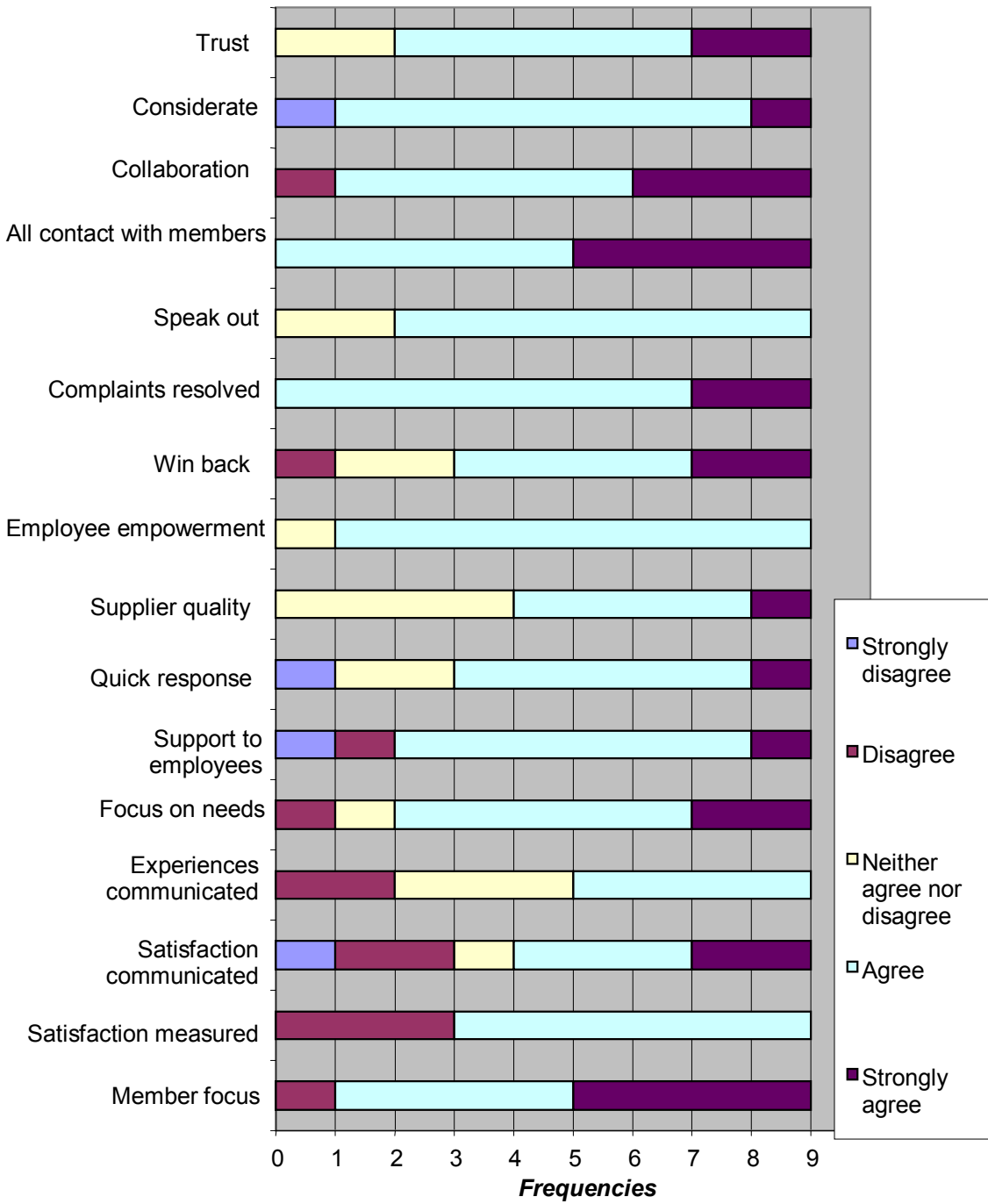
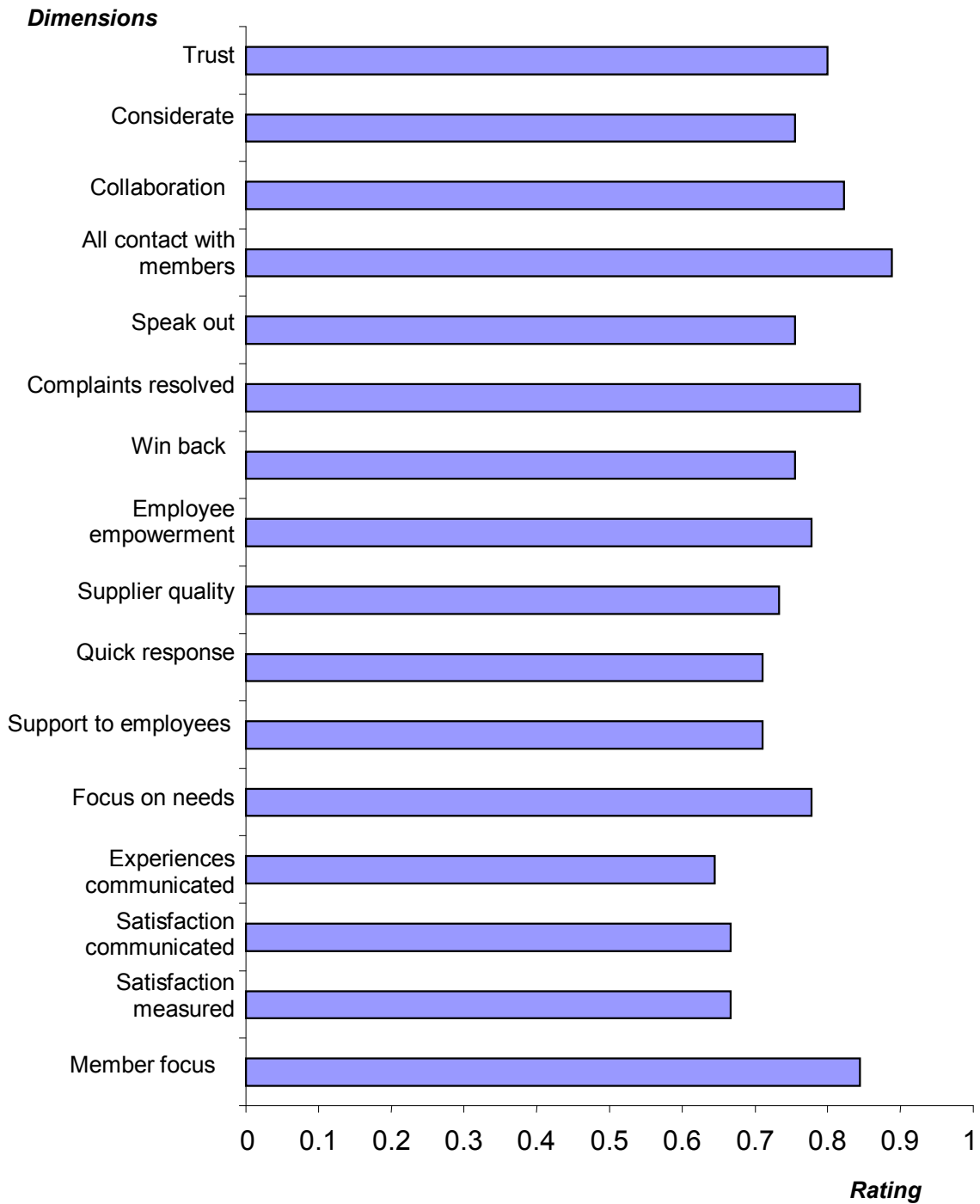


Figure 8. Member Orientation Rating



Conclusions

Neuijen (1992, p. 9) states that in service organizations, control must be exercised via values and standards rather than specific instructions and directions. This relates to the flexibility and internalization pattern attributes of certain culture profiles such as a clan profile. Respondents from both subject co-operatives indicated that predominant clan attributes were preferred. The retail and wholesale average culture profile is a mirror image of the preferred culture of participating Co-ops. This illustrates the co-operative difference. While Co-op B reported no gap between current and preferred culture and reported higher ratings in member/customer orientation, both co-operatives are challenged by their future.

The co-operatives must remain financially sound, overcome limitations in resources and in product and service offering, retain members and employees, and be central to the community; those are the concerns raised by respondents. Though dominant clan values should provide a good grounding to deal with those challenges, it seems that adhocracy values should not be neglected as competition on price alone will not necessarily be successful. The operationalization of member/customer orientation is an interesting option in that regard, as explored in the survey. This orientation requires a certain level of innovativeness and relates to the adhocracy culture. Increased customer satisfaction, loyalty, advocacy and decreased price sensitivity are the intangible outputs of customer orientation (Shah *et al.*, 2006).

The managerial implications that can be raised relate to human resources. Testimonies collected as part of this research showed how employees can be an essential source of clan attributes. Where predominant clan attributes are part of the preferred culture, management should pay special attention to the characteristics of a clan where emphasis is on training and responding to employee needs. Knowing an organization's culture profile should also help individuals avoid possible faux pas. Mechanisms for the transmission of values cannot be neglected such as heroes, ceremonies and stories, as they may have as much impact as policies.

In terms of theoretical implications, a link may be made between the social complexity necessary for sustainable competitive advantage and the complexity illustrated by the competing values framework. In this research, additional levels of social complexity are

contributed to the view of co-operatives as dual identity organizations, namely the additional levels of market and adhocracy attributes.

The question of culture gap is challenging because reported behaviors have various meanings depending on their context. There is the additional complication of multiple identities. Some may subsume the Co-op clan as a grocery store, demonstrating the stated co-operative value of solidarity with a small “s”, while others, like the author, see the value of solidarity with a grandiose “S” where co-operatives have a role in wealth redistribution and socio-economic development. In that latter context, the clan is much extended.

Limitations

One of the limitations to this research relates to convenience sampling. The contacted co-operatives were not geographically representative of all the Co-op stores in Atlantic Canada. They were within a convenient radius from the researcher’s home base so data collection would be facilitated. The co-operatives contacted initially were both urban and rural and of various sizes, but the co-operatives that actually agreed to participate were both rural and of modest size. Considering that there are approximately one hundred Co-op stores in Atlantic Canada, the results of the research cannot be generalized for this population because of the limited sample size and the lack of representativeness of the respondent Co-op stores.

Royer & Zarlowski (2001) explain that confidence accorded to results of case studies tends to increase with sample size. The number of cases necessary depends on the number of conditions expected to affect the phenomenon being studied. Some writers consider that knowledge acquired from single case studies cannot be generalized. According to Yin (1990), referred to by Royer & Zarlowski (2001), up to six replications would be required when differences are subtle and the required degree of certainty is high. The results of this study should therefore not be generalized without further replication. Up to four additional case studies should be completed before generalization of the study’s results to similar co-operatives in Atlantic Canada.

Saturation is another principle of qualitative research. Saturation is reached when no new elements are provided by subjects. In the present research, the number of people interviewed was determined by the difficulties in reaching people by telephone and the fact the researcher was a stranger, which to some was not engaging. Despite the number

of interviews, there were indications of saturation as certain themes would be repeated. There is however no certainty that more information would have surfaced with additional interviewees.

The survey was helpful in confirming the information collected in the qualitative approach, though it did present its own limitations with respect to sampling, reliability and validity. Respondents may not have understood some questions or some may have been overly inclined to shed either a good or negative light on their co-operative.

The learning curve of the researcher may have introduced a bias. Other biases might stem from overestimating the importance of data from sources that were clearer and well informed, and losing one's ability to pull back from explanations of local sources (Mbengue & Vandangeon-Demurez, 2001).

Future Research

It would have been interesting to do the culture profile of a co-op store that was not under management agreement or that underwent a crisis such as insolvency. The pull of hierarchy and market values should be different in those circumstances than in the cases presented in this research. Time constraints made it impossible to include other co-operatives in the case study and it was deemed to be beyond the scope of this research.

In this study, two factors favor member/customer orientation: congruency of actual and preferred culture and a predominantly clan culture. The search of congruence in Case A is a search for clan attributes. If congruence was attained in another predominant quadrant than clan, it could be anticipated that member/customer orientation would not be as strong. Some of the findings in the literature review support this. Future studies can improve on the possibility of generalizing the results of this research by further replications. As such, this research potentially initiates a new stream of research in co-operative studies.

Bibliography

- Argyris, C. & Schön, D. A. (1978). *Organizational Learning: A Theory of Action Perspective*. Reading, Mass.: Addison-Wesley Publishing.
- Ashkanasy, N., Broadfoot, L., & Falkus, S. (2000). Questionnaire Measures of Organizational Culture. In Ashkanasy, Wilderom, & Peterson (Eds.), *Handbook of Organizational Culture & Climate* (pp. 131-145). Thousand Oaks: Sage.
- Bager, T. (1994) Isomorphic Processes and the Transformation of Cooperatives. *Annals of Public and Cooperative Economics*, 64(1), 35-57.
- Barney, J. (1986). Organizational Culture: Can it be a Source of Sustainable Competitive Advantage? *Academy of Management Review*, 11, 656-665.
- Barney, J. (1997). *Gaining and Sustaining a Competitive Advantage*. Reading, MA: Addison-Wesley.
- Bhote, K. (1996). *Beyond Customer Satisfaction to Customer Loyalty*. New York: American Management Association.
- Burns, T. & Stalker, G. (1961). *The Management of Innovation*. London: Tavistock Publications.
- Cameron, K. & Quinn, R. (2006). *Diagnosing and Changing Organizational Culture*. San Francisco: Jossey-Bass.
- Cooke, R., & Lafferty, J. (1987). *Organizational Culture Inventory*. Plymouth, MI : Human Synergetics.
- Cooke, R. & Szumal, J. (2000). *Using the Organizational Culture Inventory to Understand the Operating Culture of Organizations*. In Ashkanasy, Wilderom & Peterson (Eds.), *Handbook of Organizational Culture & Climate* (pp. 147-162). Thousand Oaks: Sage.
- Côté, D. (fév 2005). Loyauté et identité coopérative. L'implantation d'un nouveau paradigme coopératif. *Recma – Revue internationale de l'économie sociale* (295) 50-69.
- Daft, R. (2001). *Essentials of Organization Theory and Design*. Cincinnati: South-Western College Publishing.
- Davis, P. (1999). *Managing the Cooperative Difference: A Survey of the Application of Modern Management Practices in the Cooperative Context*. Geneva: International Labour Office.
- Deshpandé, R. & Farley, J. (1999). Understanding Market Orientation. In Deshpandé (Ed.), *Developing a Market Orientation* (pp. 217-235). Thousand Oaks: Sage.
- Deshpandé, R., Farley, J. & Webster, F. Jr. (1999). Corporate Culture, Customer Orientation, and Innovativeness in Japanese Firms. In Deshpandé (Ed.), *Developing a Market Orientation* (pp. 217-235). Thousand Oaks: Sage.
- Durkheim. E. (1947). *The Division of Labour in Society*. New York: Free Press.

- Fairbain, B. (2004) *Cohesion, Consumerism, and Co-operatives*. Saskatoon: Centre for the Study of Co-operatives. <http://www.usaskstudies.coop/pdf-files/CohesionConsumerismCo-ops.pdf> Retrieved March 19, 2007.
- Fiol, M. (1991) Managing Culture as a Competitive Resource: An Identity-Based View of Sustainable Competitive Advantage. *Journal of Management* 17(1), 191-211.
- Foreman, P. & Whetten, D. (2002). Members' Identification with Multiple-Identity Organizations. *Organization Science*, 13(6), 618-635.
- Foster, T. (2007). *Managing Quality: Integrating the Supply Chain*. Upper Saddle River: Pearson Prentice Hall.
- Glasser, R. & Brecher, J. (2002) *We are the Roots: the Organizational Culture of a Home Care Cooperative*. Davis, CA: Center for Cooperatives, University of California. <http://cooperatives.ucdavis.edu/reports/roots.pdf> Retrieved March 19, 2007.
- Gebhardt, G., Carpenter, G., & Sherry Jr., J. (Oct 2006). Creating a Market Orientation: a Longitudinal, Multiform, Grounded Analysis of Cultural Transformation. *Journal of Marketing* (70), 37-55.
- Hind, A. (1997) The Changing Values of the Cooperative and Its Business Focus. *American Agricultural Economics Association*. 79 (November), 1077-1082.
- Hofstede, G. (2001). *Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations Across Nations*. Thousand Oaks: Sage.
- Hofstede, G., Neuijen, B., Ohayv, D. & Sanders, G. (June 1990). Measuring Organizational Cultures: A Qualitative and Quantitative Study Across Twenty Cases. *Administrative Science Quarterly*, 35(2), 286-316.
- Kohli, A. & Jaworski, B. (1999). Market Orientation. The Construct, Research Propositions, and Managerial Implications. In Deshpandé (Ed.) *Developing a Market Orientation* (p. 6-44). Thousand Oaks: Sage Publications.
- Lafleur, M. (2003) *La formulation de stratégie chez la coopérative basée sur son identité*. Thèse de DBA, Université de Sherbrooke.
- Mbengue, A. & Vandangeon-Demure, I. (2001) Causal Analysis and Modeling. In Thiétart *et al.* (Eds.), *Doing Management Research* (pp. 267-292). London: Sage.
- Neuijen, J. (1992). *Diagnosing Organizational Cultures. Patterns of Continuance and Change*. Wolters-Noordhoff Groningen.
- Palladi, R. (1996). *An Analysis of Values and Practices Using an Integrated Cultural Assessment Model*, PhD thesis, Walden University.
- Parker, M. (2000). *Organizational Culture and Identity*. London: Sage.
- Prahalad & Ramaswamy (2004). Co-creation Experiences: the Next Practice in Value Creation. *Journal of Interactive Marketing*, 18(3), 4-14.

- Raju, P. & Lonial, S. (Nov. 2001). The Impact of Quality Context and Market Orientation on Organizational Performance in a Service Environment. *Journal of Service Research*, 4(2), 140-154.
- Rasmussen, T. (1997). *The Organizational Integrity Model: Identification of Factors which Enable and Hinder Companies to Act in Congruence with their Values*. PhD thesis, Fielding Institute.
- Royer, I. & Zarlowski, P. (2001). Sampling. In Thiétart *et al.* (Eds.), *Doing Management Research* (pp. 147-171). London: Sage.
- Shah, D. *et al.* (November 2006). The Path to Customer Centricity. *Journal of Service Research*, 9(2), 113-124.
- Sackmann, C. (1991). *Cultural Knowledge in Organizations: Exploring the Collective Mind*. Newbury Park, Calif.: Sage.
- Schein, E. H. (1985). *Organizational Culture and Leadership: A Dynamic View*. San Francisco: Jossey-Bass.
- Searls, Doc. (2006) *The Intention Economy*. <http://www.linuxjournal.com/node/1000035> Retrieved Dec 6, 2007.
- Tönnies, F. (1959). *Gemeinschaft und Gesellschaft*. Vierkandt, A. (red.), *Handwörterbuch der Soziologie*. Enke, Stuttgart.
- Trendwatching.com. <http://www.trendwatching.com/trends/crowdclout.htm> Retrieved Dec 6, 2007.
- Yarbrough, L. (1996). *Corporate Culture, Market Orientation, and Customer Satisfaction: Interrelationships and Impact on Firm Performance*. PhD thesis, University of Arkansas.
- Yin, R. K. (1990). *Case Study Research: Design and Methods*, Applied Social Research Methods Series, 5. Newbury Park: Sage.

Appendix A:

Survey: Organizational Culture Assessment Instrument (OCAI) and Supplemental Question

THE ORGANIZATIONAL CULTURE ASSESSMENT INSTRUMENT*

You are asked to rate your organization (the Co-op) on six items. Each item has four alternatives. Divide 100 points among these four alternatives, depending on the extent to which each alternative is similar to your organization. Give a higher number of points to the alternative that is most similar to your organization. For example, on item 1, if you think alternative A is very similar to your organization, alternative B and C are somewhat similar, and alternative D is hardly similar at all, you might give 55 points to A, 20 points each to B and C, and 5 points to D. Just be sure that your total equals 100 for each item. The left-hand response column is labeled “Now”. These responses mean that you are rating your organization as it is currently. Complete that rating first. When you have finished, think of your organization as you think it should be in five years in order to be spectacularly successful. Complete the instrument again, this time responding to the items as if your organization had achieved extraordinary success. Write these responses in the “Preferred” column. Please return this survey (including the supplemental questions) in the stamped envelop by **November 23, 2007**. Your response is important. If you need more time, you may send it at your earliest convenience and it will be considered separately. If you have questions, you may contact Claire Gagnon at 506-455-0188 or 506-444-4826 or by e-mail at claire.gagnon@gnb.ca .

<i>1. Dominant Characteristics</i>		<i>Now</i>	<i>Preferred</i>
A	The organization is a very personal place. It is like an extended family. People seem to share a lot of themselves.		
B	The organization is a very dynamic and entrepreneurial place. People are willing to stick their necks out and take risks.		

C	The organization is very results-oriented. A major concern is with getting the job done. People are very competitive and achievement-oriented.		
D	The organization is a very controlled and structured place. Formal procedures generally govern what people do.		
Total		100	100
<i>2. Organizational Leadership</i>		<i>Now</i>	<i>Preferred</i>
A	The leadership in the organization is generally considered to exemplify mentoring, facilitating, or nurturing.		
B	The leadership in the organization is generally considered to exemplify entrepreneurship, innovation, or risk taking.		
C	The leadership in the organization is generally considered to exemplify a no-nonsense, aggressive, results-oriented focus.		
D	The leadership in the organization is generally considered to exemplify coordinating, organizing, or smooth-running efficiency.		
Total		100	100
<i>3. Management of Employees</i>		<i>Now</i>	<i>Preferred</i>
A	The management style in the organization is characterized by teamwork, consensus, and participation.		
B	The management style in the organization is characterized by individual risk taking, innovation, freedom, and uniqueness.		

Thank you for your time and input.

Co-op id:B

Page 1 of 4

C	The management style in the organization is characterized by hard-driving competitiveness, high demands, and achievement.		
D	The management style in the organization is characterized by security of employment, conformity, predictability, and stability in relationships.		
Total		100	100
<i>4. Organization Glue</i>		<i>Now</i>	<i>Preferred</i>
A	The glue that holds the organization together is loyalty and mutual trust. Commitment to this organization runs high.		
B	The glue that holds the organization together is commitment to innovation and development. There is an emphasis on being on the cutting edge.		
C	The glue that holds the organization together is the emphasis on achievement and goal accomplishment.		
D	The glue that holds the organization together is formal rules and policies. Maintaining a smooth-running organization is important.		
Total		100	100
<i>5. Strategic Emphases</i>		<i>Now</i>	<i>Preferred</i>
A	The organization emphasizes human development. High trust, openness, and participation persist.		
B	The organization emphasizes acquiring new resources and creating new challenges. Trying new things and prospecting for opportunities are valued.		
C	The organization emphasizes competitive actions and achievement. Hitting stretch targets and winning in the marketplace are dominant.		
D	The organization emphasizes permanence and stability. Efficiency, control, and smooth operations are important.		
Total		100	100

<i>6. Criteria of Success</i>		<i>Now</i>	<i>Preferred</i>
A	The organization defines success on the basis of the development of human resources, teamwork, employee commitment, and concern for people.		
B	The organization defines success on the basis of having the most unique or newest products. It is a product leader and innovator.		
C	The organization defines success on the basis of winning in the marketplace and outpacing the competition. Competitive market leadership is key.		
D	The organization defines success on the basis of efficiency. Dependable delivery, smooth scheduling, and low-cost production are critical.		
Total		100	100

Thank you for your time and input.

Co-op id:B

Page 2 of 4

SUPPLEMENTAL QUESTIONS:**Section A**

1. I am a (check the appropriate answer):
 - a. district manager or general manager _____;
 - b. supervisor or department head _____;
 - c. employee _____;
 - d. director or past director or zone director _____.
2. If you are a local employee or manager: I have worked at this Co-op for _____ years.
3. If you are a local employee: I am currently working part-time ___; full-time ___ at this Co-op.
4. I have been a Co-op member for _____ years.

Section B

Circle one number for each statement about your organization (the Co-op).

	<i>Strongly disagree</i>	<i>Disagree</i>	<i>Neither agree nor disagree</i>	<i>Agree</i>	<i>Strongly agree</i>
I believe this organization exists primarily to serve members.	1	2	3	4	5
Member satisfaction is measured systematically and frequently.	1	2	3	4	5
Data on member satisfaction are communicated at all levels in the organization.	1	2	3	4	5
Information about our successful and unsuccessful member service experiences circulates freely across all functions of the organization.	1	2	3	4	5
The organization focuses on understanding members' needs.	1	2	3	4	5
Employees get adequate support from the organization to do their jobs well.	1	2	3	4	5

The organization responds quickly to needed changes in products/services/processes.	1	2	3	4	5
Our suppliers provide us with quality products and services.	1	2	3	4	5
The organization empowers its member-contact employees to better service the members.	1	2	3	4	5
The organization regularly analyzes the reason for members' ceasing to shop at the Co-op and makes efforts to win them back.	1	2	3	4	5
The causes of member complaints are identified and the appropriate corrective actions are taken.	1	2	3	4	5
Employees are not afraid to speak out, generate ideas, and even constructively criticize management.	1	2	3	4	5
Employees from different departments are in regular contact with members.	1	2	3	4	5
Employees in the organization work collaboratively.	1	2	3	4	5
When reacting to each other, employees, management or directors are considerate of others' perspectives, needs, training and experiences.	1	2	3	4	5
People trust that fellow employees, management or directors are telling the truth and will follow through on commitments.	1	2	3	4	5

*Cameron & Quinn (2006). *Diagnosing and Changing Organizational Culture*. San Francisco: Jossey-Bass.

Thank you for your time and input.

Co-op id:B

Page 3 of 4

Comments:

Thank you for your time and input.

Co-op id:B

Page 4 of 4