

“Organizational alignment in the food industry:
case study of a company in Macedonia”

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Abstract

The role of organizational alignment and culture in achieving the strategic objectives cannot be ignored. It guides all the modern business trends in the markets including new mergers and acquisitions whose cultures must be properly aligned to achieve success. Having low level organizational alignment eventually translates to organizational failures and hinders progress. Proper alignment of organizational structures and processes required strong leadership in order to achieve success, thus the difference between successful organizational and those that have failed lies in the integration of organizational culture and alignment. Therefore this paper analyses the organizational alignment and culture of a company belonging to the food industry sector in Republic of Macedonia. Furthermore it analyses the critical aspects of the organizational functioning in the company. The content of this paper includes literature review, research methodology and explanation of the general findings. The paper gives a critical examination of the literature in terms of different approaches in defining and measuring organizational alignment and culture. The study uses qualitative methods based on a questionnaire. Those methods used to analyze the organizational alignment are based on the “Vox Organizationis model” for measuring organizational culture and alignment. The general findings show satisfactory level of organizational alignment in the company, as well as a mutual understanding between the management and the employees.

Key Words: Organizational Alignment; Organizational culture; Leader’s Values

1. Introduction

In recent years, what organizations do is considered to be less important than the methods, tactics and approaches they use to do it. This implies that for organizations to sustain their levels of success and achievement, then the mode of product and service delivery is of critical importance.¹ Organizational strategists have documented examples of companies that have in the past plunged from a high level of success and prosperity to cases of failed organization due to issues of organizational culture and alignment. The most common reason among those that have failed sometimes is the case of poor cultural management and realignment of organizational operations that is eventually reflected in the service provision, including staff management and product delivery².

Most companies fail to emphasize the importance of human assets. Modern businesses have to be careful on their alignment and cultural strategies³. Research has established that organizations, which are properly aligned to core values, culture and goals, prompt their operations to take place at faster rates compared to others, and without much effort. This is because in such working environments, people, in this case the employees, often know what is expected of them or what to do, and hence there is always a greater bias for their action. The resulting outcome is that such an organization is better placed to achieve increased levels of output and get to be in better positions to withstand the dynamic market pressures of increased levels of demand and supply volatility. This paper seeks to analyze in depth the concepts of organizational culture and organizational alignment, the various theories that control the operations for these concepts and a criticism of the theories.

The aim of this paper is to analyse the organizational alignment of a company in the food industry in the Republic of Macedonia and therefore it has several objectives: to analyze the literature on the issue of organizational alignment in the food Industry and in the companies

¹ Luham, J., Cunliffe, A. (2012) ' Key Concepts in Organization Theory'

http://www.sagepub.com/upm-data/37949_Chapter2.pdf (Accessed: 28/10/2013)

² Chon, N. (1991) ' "Alignment" Theory: Creating Strategic Fit , The' Management Decision. 29 (1). <http://centstrat.com/wp-content/uploads/2008/06/strategic-alignment.pdf>

³ Hofstede, G., Neuijen, B., Ohayv, D., and Sanders, G. (1990) 'Measuring Organizational Cultures; A Qualitative and Quantitative Study across Twenty Cases' Administrative Science Quarterly.

in general; to assess the organizational alignment in a company in Republic of Macedonia; and to provide recommendations for improvement for the company.

2. Methodology

2.1 Sample and Data collection

In this research a convenience sampling was used for the selection of the respondents. In the convenience sampling method the sample is chosen from the company that is the most convenient for the researcher⁴. This method can provide very good qualitative information and may provide pretty precise correlations. The research was conducted through developed questionnaire. In order to meet the objectives of this research, the main instrument that was used was a questionnaire developed by Tomovska-Misovska, Bojadziev, Stefanovska and Nikolovska, in order to test the organizational alignment in the selected company⁵. The data was collected by face-to-face administration of the quest to every in the company. In line with the proposed methodology a special questionnaire was given to the leader⁶. The questionnaire is research tool that is consisted of set of questions with a purpose of gathering information from individual respondents⁷.The questionnaire was given in hard copy to all 50 employees including the leader. The recipients were requested to complete the questionnaire and return it back as soon as possible. After one week 36 complete questionnaires were collected with an expected response rate of 72%.

⁴ Saunders M., Lewis P., Thornhill A., (2003) 'Research Methods for Business Students'

⁵ Tomovska- Misoska A., Bojadziev M., Stefanovska M., Nikolovska Z.,(2011) 'Vox Organizationis – theoretical basis and methodological considerations in the development of an instrument for organizational culture'

⁶ Tomovska- Misoska A., Bojadziev M., Stefanovska M., Nikolovska Z.,(2011) 'Vox Organizationis – theoretical basis and methodological considerations in the development of an instrument for organizational culture'

⁷ Saunders M., Lewis P., Thornhill A., (2003) 'Research Methods for Business Students'

2.2 Instrument

The instrument consists of two questionnaires, one for the leader and one for the employees. The questionnaires used in this research are aiming to deliver relevant information from the employees and the leader for the assessment of the level of the organizational alignment in the company.

3. General findings

3.1 Decision-making and behavior dimension

This dimension covers the decision-making and behaviour policies of the company. It has bureaucracy with strictly governed behavior by policies and procedure at the one end and democracy with decision making and behavior governed by shared understanding and culture and involvement of employees in decision making at the other end. The dimension is covered by 1-9 questions from the questionnaire.

Table 1: Decision-making and behavior dimension table

Dimension	Leader	Employees
		Average score
Decision making and behavior	3,00	2,71

Table 1 shows the score of the leader and the employees on the decision-making and behavior. On a likert scale from 1 to 4 both the leader and the employees have high score, which means that they both agree that the company has democratic values and that the

decision-making and behavior is governed by shared understanding and culture and involvement of employees.

3.2 *People versus task dimension*

As mentioned before in the methodology chapter this dimension emphasizes the care for completing the task at one side and the care for the well being of the employees on the other side. This dimension is covered by 10-17 questions from the questionnaire.

Table 2: People versus task dimension table

Dimension	Leader	Employees
		Average score
People versus task	3,13	2,57

The perception and the score of the leader and employees are shown in the table above. Both the leader and the employees have average positive scores on this dimension on the likert scale. These positive scores mean that they both have the same perception and agree that the company takes care for the well being of the employees over thinking for only completing the tasks.

3.3 *Innovativeness and risk-taking dimension*

The innovativeness and risk-taking dimension concerns the high levels of innovativeness and risk-taking at one end and the low levels of innovativeness risk taking of the company at the other end. This dimension is covered with 18-24 questions from the questionnaire.

Table 3: Innovativeness and risk-taking dimension table

Dimensions	Leader	Employees
		Average score
Innovativeness and risk taking	2,57	2,53

In the upper table we can see how the leader and the employees percept the level of the innovativeness and risk taking. The average scores are 2,57 and 2,53, which are high scores. Both the leader and the employees have perception and agree that there is high level of innovativeness and risk taking in the company.

3.4 Open versus closed system dimension

The open versus closed system dimension researches the collaboration and cooperation level between the employees and the level of openness to the new employees and the environment of the company. Questions 25 to 35 reflect on this dimension.

Table 4: Open versus closed system dimension table

Dimension	Leader	Employees
		Average score
Open versus closed system	3,45	2,82

The average scores of the open versus closed system dimension are shown in table 4. The leader has a score of 3,45, which means that he agrees with the perception that the company has open system in terms of cooperation level between the employees and the openness to new employees and environment. The employees have also the same perception as the leader with slightly lower score of 2,82 out of 4.

From all of the above stated we could see that the leader and the employees have generally aligned perception on the four dimensions on the company. Having satisfactory level organizational alignment eventually translates to good organizational functionality and progress for this particular company.

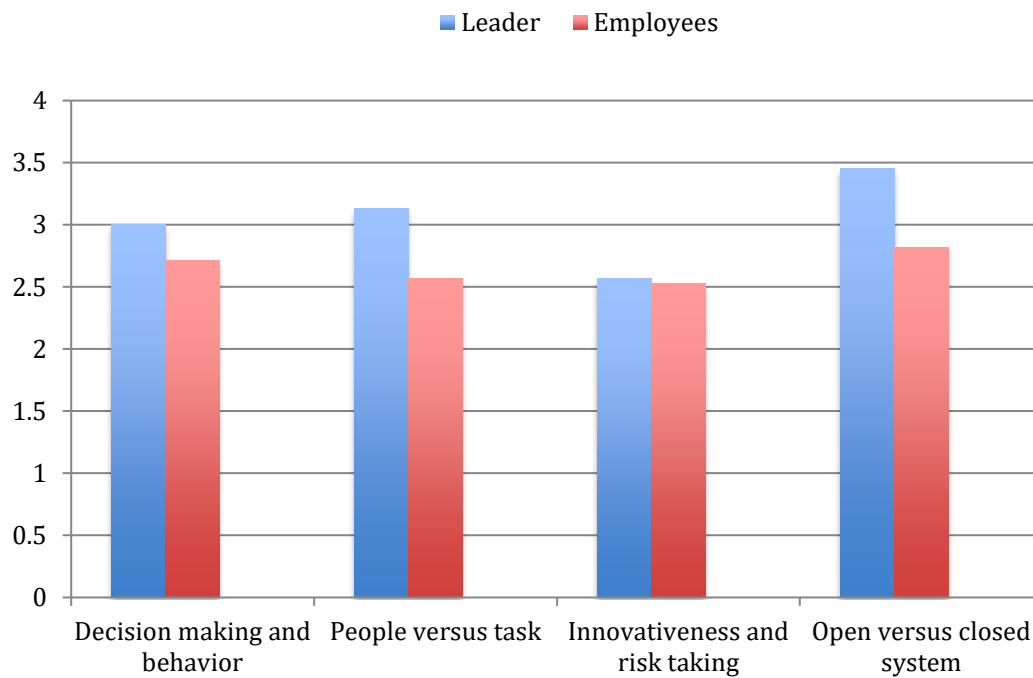


Chart 1: Leader versus employees dimensions scores chart

The chart above gives visual interpretation of the results on the four dimensions for measuring organizational alignment. The average scores on each dimension given by both the leader and the employees are very similar and we can conclude that there is no significant difference between their perceptions.

3.5 Formal aspects of the company

According to the answers of the leader the company functions in the following manner:

Decision-making and behaviour dimension

- The company have a formal strategic planning process
- The company have a strategic plan in a time frame of 2-5 years
- The company have action plans resulting from the strategic plan

- The action plans does not have clear goals for every employee, time frames and KPIs.
- The managers control their employees concerning the achievement of the action plan goals more than 4 times per year
- Only the management is involved in the process of drafting the strategic plan
- Only the management is involved in the process of drafting the action plans
- Only the management is involved in the process of drafting other bylaws and/ or procedures
- The company have a formal organizational structure
- The organization have clearly delegated duties/responsibilities for each employee
- There is a provision/bylaw, which clearly specifies the level of freedom of the employee in decision making for decisions related to his/her workplace
- The leader only consults some of his employees in the decision making process
- There is no written procedure according to which the employees can express their opinion to the management
- Not all decisions and procedures are distributed to all employees
- The leader makes the decision whether the decisions are going to be distributed or not, and the leader decides to which employees are they going to be distributed
- There isn't a bylaw according to which an employee may be penalized for not following the procedure, even though he/she managed to achieve the desirable result (KPI)

According to these aspects the company's functioning there is a clear view that the company functions with more bureaucratic than democratic principles on this dimension.

People versus task dimension

- The strategic plan or any other formal document addresses the working conditions of the employees (physical conditions, workplace protection, etc.)
- The strategic plan or any other formal document does not address the work-life balance (flexible working hours, absences/leaves for personal reasons...)

- The strategic plan or any other formal document does not address the social relationships in the company and organizational climate (employees' relations, management, mobbing etc.)
- The leader does not feel that the current strategic plan reflects "the best ideas" of the employees
- The leader believes that he has a clear vision for the future and means of achieving that vision which is shared by all employees
- The organization does not have bylaws/procedures, which include trainings, or professional development plans for the employees
- The company stimulates its employees to professionally develop and improve themselves through providing financial or other types of aid (financial aid, flexible working time, reduced working hours)
- The company does not have a formal process for performance management
- The employees are regularly informed about the results from the evaluation system

According to these principles in the people versus task dimension we can clearly see that the company is task oriented.

Innovativeness and risk taking dimension

- The company does not have a system for rewarding the innovativeness of its employees
- The company does not have a system/bylaw/procedure according to which the employees can present their ideas for introduction of new products or services, improvement of the existing ones or improving the production process etc.
- The strategic plan includes some type of innovativeness (for example, market expansion, launching new products and/ or services, targeting new clients, etc.)

According to the way in which the company functions in terms of innovativeness and risk taking dimension, we can conclude that the company has medium level of innovativeness and risk taking.

Open versus closed system dimension

- The strategic plan or other documents does not include activities, which require inter-departmental cooperation or involvement of multiple departments
- The strategic plan or other documents foster/encourage teamwork
- The employees' reward system does not contain part for rewarding teamwork
- The strategic plan or other documents does not include parts on internal communication processes
- The strategic plan or other documents include parts which focus on satisfying customers'/clients' needs
- The strategic plan or other documents include parts on cooperation with other organizations/ companies (competition, suppliers, other related stakeholders etc.)
- The strategic plan or other documents does not include parts on collaboration with the local community (both governmental and non-governmental institutions etc.)The company is a member of organization (chamber, international organization and thus like)
- The strategic plan or other documents does not include part on improving the employees' loyalty (for example, reducing employee turnover)
- The company does not have a formal system for orientation and induction of new employees

According to the way the company functions in the open versus closed system dimension, this is a company more of a closed system.

4. Limitations to the research

In this research there are several limitations. Firstly the sample used is not a representative sample. Having surveyed only one company in Republic of Macedonia, it cannot give a whole picture about the organizational alignment of the companies neither in Republic of Macedonia nor in the food industry in the country. Another limitation to the research is the

limitation in terms of socio-ethnicity. This research was done in a company where the ethnic majority is Macedonian; therefore it does not represent the ethnic structure of the country

5. Conclusion and recommendations

The aim of this paper was to analyze the organizational alignment of a company in the food industry in republic of Macedonia. Furthermore this paper had several objectives. Its objectives were to analyze the literature on the issue of organizational culture and alignment in the food industry; to assess the organizational alignment in a company in Republic of Macedonia; and to provide recommendations for improvement. For this needs of the paper and for meeting the research objectives a combination of desk and field research was used. In this respect a significant amount of information and data from published articles, journals and researches has been used for the comparison of the results obtained in this research. In addition to this a field research consisted of data gathering questionnaire has been used. This type of research is a pioneer research in Macedonia and the broader region. The results of this research were presented and analysed in Chapter 4 of this paper. In accordance to the proposed methodology, the research results non-formal part were presented in accordance to the four dimensions developed by the researchers: decision making and behaviour, people versus task, innovativeness and risk taking, open versus closed system; and there will be explanation of the results for each dimension⁸. The formal part of the leader's questionnaire was presented in the second section.

Generally in the non-formal part the leader and the employees have aligned perceptions on the four dimensions on the company. Therefore the conclusion is that this company has satisfactory level of organizational alignment, which translates into good organizational functionality and progress. In the formal aspects of the company there is a clear view that the company functions with more bureaucratic than democratic principles on the decision-making and behaviour dimension. Furthermore in the people versus task dimension we can clearly see that the company is task oriented. In terms of innovativeness and risk taking dimension, we can conclude that the company has medium level of innovativeness and risk taking.

⁸ Tomovska- Misoska A., Bojadziev M., Stefanovska M., Nikolovska Z.,(2011) 'Vox Organizationis – theoretical basis and methodological considerations in the development of an instrument for organizational culture'

According to the way the company functions in the open versus closed system dimension, this is a company more of a closed system. There is an obvious difference between the non-formal functioning of the company and the formal aspects of the same company. In the non-formal part of the research the employees and the leader have aligned perception that the company has democratic principles, people oriented, innovative and has open system. Unlike in the non-formal aspects, the formal functioning of the company shows that it has bureaucratic principles, task oriented, medium level of innovativeness and risk taking, and has closed system. Considering this results obtained from the research in this paper I can propose some recommendation for improvement for the company. As mentioned before the non-formal part the leader and the employees have aligned perceptions on the four dimensions on the company, but the formal principles of the company are not properly aligned with the non-formal functioning. This may translates into inefficient functioning of the company.

Considering the general findings and the limitations of this paper, there are some suggestions for further research as well. Firstly getting a representative sample for this research was an obstacle; therefore we can suggest further research with larger number of respondents. Secondly, we suggest the research to be done in more than one company in the industry. In this research only one company in Republic of Macedonia was surveyed, and it cannot give a whole picture about the organizational alignment of the companies neither in Republic of Macedonia nor in the food industry in the country. Thirdly, another obstacle in this research was the limitation in terms of socio-ethnicity. Therefore we suggest a further research to be done not only in companies where the ethnic majority is Macedonian but also in companies with different ethnic majority. With this improvement the research can represent the organizational alignment and culture in terms of socio-ethnicity in the country.

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