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Title: Business Information Management and Organisational Culture: Why do some “get it” and others don’t?

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Abstract

Secondary research and an assessment of a small sample of organisations are used to determine whether there are particular aspects of organisational culture that are predictive of information management maturity. Observation of a selected sample of public and private sector organisations against a set of criteria intended to identify organisational culture and rate information management maturity was undertaken. Hofstede’s six principles of organisational culture were used as the framework, together with a general model for information culture. Results indicate that organisations with the higher levels of information management maturity are likely to be those with organisational cultures that are process driven, normative, tightly controlled and open with communication. Information strategies based on organisational culture types are proposed.

Introduction

Organisations can spend an inordinate amount of time and money developing sophisticated systems and tools to classify, arrange, retrieve, distribute and dispose of their business information, but the experience of their success may be often linked to internal culture.¹

Information managers will often be challenged within their organisations with employee and management reluctance to accept new systems and practices. It can be frustrating when the successful implementation experiences gained in one organisation do not translate to another.

In one organisation, there may be complaints (explicitly or implicitly evident from behaviour of personnel) such as:

- I don’t trust what you want me to do
- I don’t have time to do what you want me to do
- It isn’t clear what you want me to do
- I don’t see any obvious benefits in what you want me to do.

In another, the majority of personnel may willingly participate, accept and adapt to the new systems and practices.

It seems incongruous that we spend so much time and effort evaluating information management systems, designing the “perfect” controls, and training personnel (all of which are important) but we ignore basic cultural elements concerning our organisations.

Objectives

With the help of secondary research, together with an assessment of a small sample of organisations, organisational cultures and information management maturity are described and compared with the aim of determining:

Are there particular aspects of organisational culture that are predictive of information management maturity?

The paper attempts to shed some light on this perplexing area, and will potentially help those about to embark on the implementation of improved business information management programs within their organisations. It draws upon theoretical dimensions of organisational culture, information culture and a small selection of criteria for measuring information management maturity. The aim is to provide potential strategies to mitigate cultural barriers to effective information management within organisations.

¹ Business information is defined as information received and created during the course of an organisation’s business activities.

Reference Theories and Studies

Organisational Culture

From the research undertaken to develop this paper, there appears to be quite a number of studies that investigate the relationship between organisational culture and knowledge management or the implementation of information technology systems. There are few that investigate the relationship between organisational culture and more general organisational information management maturity (specifically business information and recordkeeping practice).

The six dimensions of organisational culture proposed by Geert Hofstede, the Dutch organisational studies professor and author, have been chosen as a way of defining organisations for the purpose of this study. Hofstede's six dimensions of culture are summarised as:

1. Process oriented versus results oriented:
 - Process orientation - emphasize low risk and repeating known methods
 - Results orientation – primary emphasis on taking risks and finding new methods.
2. Employee oriented versus job oriented:
 - Employee cultures - employees feel personally valued in the organisation (personal workplace)
 - Job cultures – more concerned with simply having the position filled to do the necessary work (impersonal workplace).
3. Parochial versus professional:
 - Parochial - employees identify strongly with their company as the basis for their employment and possibly their social status.
 - Professional - employees identify with their skill-set and occupation more so than with the particular company where they exercise those skills.
4. Open system versus closed system cultures:
 - Open system - new employees are integrated quickly into the company (open communication with and acceptance of newcomers is favoured).
 - Closed systems - greater secrecy and exclusion of certain members of the organisation, particularly newcomers (seniority may be favoured).
5. Loose versus tight control cultures:
 - Loose – informal, employees and management tend to be laid back about the work, scheduling, and even costs.
 - Tight - emphasize formality, adherence to standards, punctuality, etc.
6. Normative versus pragmatic cultures:
 - Normative - concerned with undertaking activities properly from an ethical or procedural perspective (similar to process orientation)
 - Pragmatic - more competitive and market driven, e.g. they want to achieve the desired outcome even when it requires bending the rules to meet market and customer demands (the ends versus the means, similarly to results-orientated cultures).²

As explained by Beshay and Sixsmith, Hofstede's Principle 4 is directly related to information, as in open system organisations, information is freely available and shared, whereas closed systems are usually secretive and information is difficult to obtain.³ Is it possible that this will be a key organisational cultural factor in reaching information management maturity?

Widen-Wulff's study into the information culture within Finnish insurance companies draws on the relationship between organisational culture, information culture and business success. Widen-Wulff assessed closed versus open information environments and found that those with closed environments had "old" company cultures where the possibilities for shared values were poor. In open companies, co-operation and communication on corporate aims were strongly supported by management and personnel.⁴

² Based on the *Encyclopedia of Business*, p.2

³ Beshay and Sixsmith (2008), p. 83

⁴ Widen-Wulff (2000), p. 8-9

Information Culture and Information Management Maturity

Oliver, in her research and subsequent framework for assessing information culture within organisations, proposes three levels of influencing factors :

- Level 1 – *respect for records, willingness to share information, preferred information source, language requirements and regional technological infrastructure.*
- Level 2 – *information management skills which can be acquired or extended in the workplace.*
- Level 3 – *governance, trust.*⁵

The definition of information culture provided by Curry and Moore and as described in the research paper by Choo et al is also a useful framework:⁶

A culture in which the value and utility of information in achieving operational and strategic success is recognised, where information forms the basis of organizational decision making and Information Technology is readily exploited as an enabler for effective Information Systems.

Three theoretical information capabilities that are also helpful in describing an organisation's information culture are:

- *Information Technology Practices:* the capability to effectively manage IT applications and infrastructure to support operations, business processes, innovation, and managerial decision making.
- *Information Management Practices:* the capability to manage information effectively over the life cycle of information use, including sensing (identifying), collecting, organising, processing, and maintaining information.
- *Information Behaviours and Values:* the capability to instil and promote behaviours and values in people for the effective use of information.⁷

For the purposes of this paper, the focus is on the second capability provided in the Choo article, i.e. the *Information Management Practices* capability of an organisation, although the first is also broadly considered insofar as it relates to the implementation of business information management systems. The behaviours and values of the organisation's personnel were assessed only in relation to their broad use and acceptance of formal business information management systems and controls. There was no attempt to assess their values generally in relation to organisational information.

Kirk, in her 1999 paper, investigates information in small to medium sized organisations and the possible need for integrating information with broader business strategies. She states that various information value models “...reinforce the point that the context of the organisation is an important influence on information management and a reminder that it may in fact act as barrier to the development of sound information management practice.”⁸

Consequently, with the help of these previous studies, this paper attempts to identify the link between an organisation's culture and its information culture through an analysis of its information management maturity. In other words, what types of organisations “get it”, which do not, and why.

Methodology

The research is based on observation and the results of previous interviews and investigations into the information management practices of the sample organisations. The sample organisations are all client

⁵ Oliver, G. (2011)

⁶ Choo, Chun Wei et al (2008), quoting Curry, A., & Moore, C. (2003). “Assessing information culture: An exploratory model”. *International Journal of Information Management*, 23(2), 91–110.

⁷ Ibid, quoting Marchand, D., Kettinger, W., & Rollins, J. (2001). *Information orientation: The link to business performance*. New York: Oxford University Press.

⁸ Kirk, J. (1999) p. 18.

organisations in which my company has spent reasonably long periods of time providing consultancy advice in relation to information management.

With respect to Hofstede's six dimensions of organisational culture, a simple set of observable characteristics that were likely to be displayed for each of the dimensions was developed, and is described in Table 1. These characteristics were used to classify the cultures of the sample organisations.

Table 1: Cultural Dimension Characteristics

Organisational Cultural Dimension	Observable Characteristics
Process orientated	<ul style="list-style-type: none"> • Documented procedures for most processes • Quality assurance accreditation (or similar) • Rigid compliance monitoring and auditing • Performance based on quality of result
Results orientated	<ul style="list-style-type: none"> • Very few, if any, documented procedures for processes • No quality assurance accreditation (or similar) • Very limited compliance monitoring and auditing • Personnel rewards based on outcomes (e.g. no. of sales, reaching KPI, etc.)
Employee orientated	<ul style="list-style-type: none"> • Job advertisements stress the employee benefits within the organisation. • Employee social and sporting clubs, informal social gatherings at work (e.g. morning tea birthday celebrations), etc.
Job orientated	<ul style="list-style-type: none"> • Job advertisements stress the type of person required and performance expectations. • Few employee gatherings with the exception of team work meetings.
Parochial	<ul style="list-style-type: none"> • Level of employee involvement in the organisation's social and sporting clubs, informal social gatherings at work (e.g. morning tea birthday celebrations), etc.
Professional	<ul style="list-style-type: none"> • Professional membership of employees. • Post-nominals, skills and qualification stressed in promotion / reports of the organisations.
Open system	<ul style="list-style-type: none"> • New employee induction processes are available and occur quickly. • New employees welcomed and involved in meetings, team building, or are quickly introduced to other employees throughout the organisation.
Closed system	<ul style="list-style-type: none"> • No employee induction process or induction occurs many months after recruitment. • New employees are siloed within their team and not widely introduced to other employees. • Strict protocols for communicating with senior management.
Loose control	<ul style="list-style-type: none"> • Meetings occur spontaneously, usually without an agenda or the taking of minutes. • Attendees may be late for meetings without consequence. • Projects may run under or over budget without consequence.
Tight control	<ul style="list-style-type: none"> • Meetings are formalised (formal meeting requests, agendas, minutes, etc.) • Late attendance at meetings is noted by the chair. • Constant monitoring of budgets. • Rigid compliance monitoring and auditing.
Normative	<ul style="list-style-type: none"> • Organisation is aware of external requirements (industry and government regulations and standards, e.g. external stakeholder privacy and confidentiality). • Policies direct compliance with requirements.
Pragmatic	<ul style="list-style-type: none"> • There is no evidence that the organisation is aware of the requirements or dictates compliance by employees. • Personnel rewards based on outcomes (e.g. no. of sales, reaching KPI, etc.)

The “information culture” of the sample organisations was assessed using selected criteria that indicated their level of information maturity. To assess an organisation’s performance against the information management maturity criteria, existing information management practices were observed. These related to:

- the implementation of formal business information management systems and controls across the organisation (observed from information technology strategies and systems, information policies, procedures, plans and training programs)
- the use and acceptance of the controls and systems (as indicated by the information related behaviour of employees – the number of business areas using the systems, alternative information systems in place, attendance at training, etc.)
- the treatment of information as an asset (as indicated by strategic documents and allocation of resources in proportion to other organisational assets, location of information management responsibilities in the organisational structure).

The information management maturity practices were listed and coded to enable the allocation of a score. The scores were rated as *low*, *low-medium*, *medium*, *medium-high*, and *high*, shown in Table 2.

Each organisation was assessed against the criteria and their rating recorded.

Table 2: Information Management Maturity Ratings

Score (/10)	Rating
0-1	Low
2-3	Low-Medium
4-5	Medium
6-8	Medium – High
9-10	High

Limitations

As well as the sample being relatively small (14 organisations), there is a heavy bias towards government or quasi-government organisations in the sample which consisted of two private sector organisations, three government business enterprises and nine government agencies.⁹ The impact of this on the overall results is not known.

For some organisations, it was not possible to observe all characteristics. For example, assessment criteria for staff performance were not made available by a number of organisations. In such cases, it was necessary to rely on either assumptions or previous informal discussions with staff.

During the application of the pre-defined observable characteristics supposedly reflecting organisational cultural traits, it was found that not all were mutually exclusive. In some cases, it would be necessary to survey personnel rather than just observe behaviour to assess a particular cultural trait (e.g. *parochial* versus *professional* characteristics).

Findings

Although, as explained, there are a number of limitations to this study, the findings do appear to reflect logical outcomes and trends. The methodology could be further developed for wider, more definitive and empirical studies in the future.

Figure 1 provides the breakdown of the assessment of the sample organisations, in accordance with Hofstede’s dimensions.

⁹ Hofstede et al studied 20 units from 10 different organisations in their study, *Measuring Organisational Cultures*(1990) and Widen-Wulff studied 15 organisations, so the size of this study is not compromised greatly in comparison to these.

As can be seen, there were more organisations (64%) with a *process* orientation culture than *results* orientation (36%); not surprisingly, the two private sector organisations were results orientated.

The majority of organisations were job-orientated (75%) and normative (71%), and it was found that employee orientated organisations (only 25%) also had open systems.

Percentage differences between professional (62%) versus parochial (38%), open (62%) versus closed (38%), and tight (62%) versus loose (38%) control were the same. However, there was no direct correlation between these results (i.e. the 62% of organisations that were professional were not necessarily the same 62% of organisations that had open systems, and so on).

Figure 1: Organisational Cultures

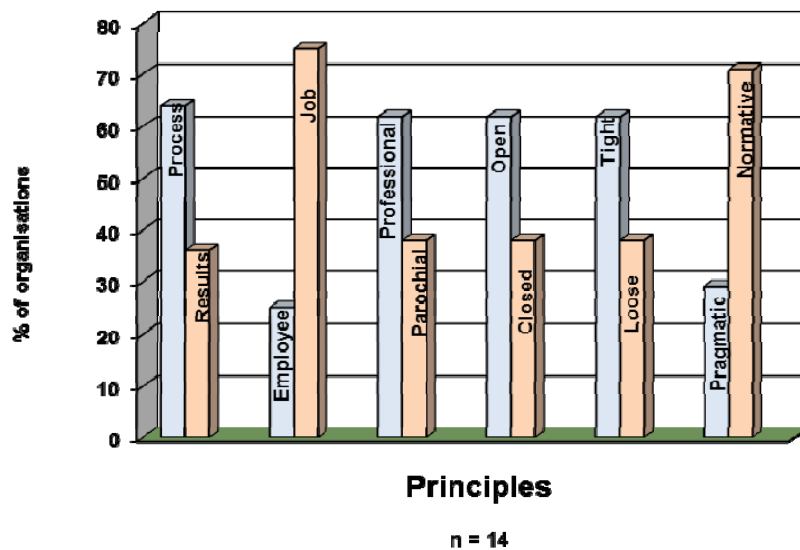
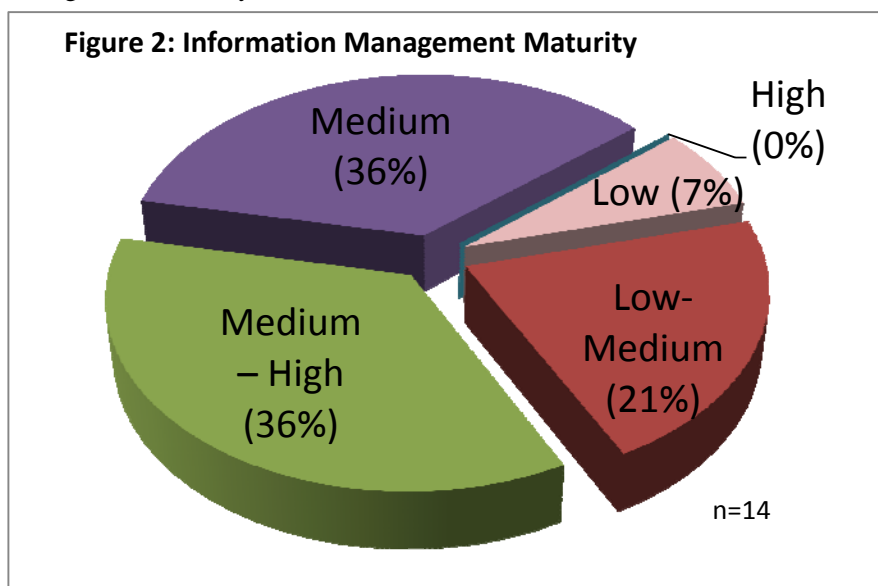


Figure 2 illustrates the information management maturity ratings of the sample organisations.

From these two sets of results, it was possible to identify patterns between organisational culture and information management maturity (which has been linked to overall information culture).



The highest information management maturity rating for those organisations that were results orientated was *medium* (with most being *low-medium*).

Only one organisation scored a *low* information management maturity rating. This was a private sector organisation that had an organisational culture characterised as results orientated, job orientated, parochial, closed, loose control, and pragmatic.

Three organisations (21%) had a *low-medium* information management maturity rating, and all had a job-orientated culture.

Five organisations (36%) scored a *medium* information management maturity rating. The only discernible differences in their organisational cultures were that the majority had open systems with loose controls. This is quite a surprising result and, on this basis, we could suspect that tightly enforcing information management rules on personnel does not necessarily improve their practices; we could assume this until we see the results for those organisations that have the highest information management maturity ratings.

No organisation scored an outright *high* information management maturity rating. However, five organisations (36%) scored *medium-high* which is quite an enviable achievement. Those organisations were *all* process orientated, normative and had tight controls (a direct contradiction to those that scored medium). The vast majority of those scoring medium-high information management maturity were *open*. There were no obvious differences in other cultural factors.

So, to summarise these results, it appears that an information management professional is likely to have greater buy-in for improved practices if the organisation they are assisting has:

- a process orientation (risk averse and repetitive methods)
- normative (concerned with doing things properly from an ethical or procedural perspective)
- tight controls (emphasis on formality, adherence to standards, etc.); and
- open with their communication and induction of new personnel.

It may be possible to then infer that such organisations have a stronger information culture.

There may be no great surprises here for information managers. However, it leaves us pondering the approach to be taken with organisations that clearly do not fit the above “ideal” (assuming that resignation or termination of your contract with them is not an option!).

Conclusions

To sum it up very basically, organisation cultures do not change easily and nor should they. We cannot judge a particular organisation culture as being preferable to another, although there may be a clear type that suits the information standards and directions that our profession extols (as described above in the findings).

This research and analysis is not intended to be comprehensive or complete but rather to serve as “shoulders” for future studies. There are a number of organisational variables that warrant further investigation. For example, what are the organisational and informational cultural differences between public and private sector organisations, large and small organisations, Australian and international companies, and so on. Is it possible that there is an over-emphasis on policies and training within organisations in a belief that they can change the hegemonic information culture and associated attitudes?

If information is to be valued and treated as an asset, and we as information management professionals are trying to encourage better practices to treat it as such, it is essential that we understand the workings of our organisations. We must be able to tap into the organisational culture and adopt methods that are appropriate to our setting.

Those implementing information management improvements and systems within their organisations must be cognisant of the different organisational cultures that exist. We should endeavour to design and implement systems that will meet organisational cultural differences rather than attempting a generic or “well, it worked in my last organisation so it should work here” approach.

For results driven, pragmatic and loosely controlled organisations, this may require some creative thinking in relation to current information management models and standards. For information management purists, this may be a difficult strategy to accept and adopt.

What can you as information management practitioners take away from this paper to help you in your organisations?

You might want to take a step back and assess your organisation and develop strategies around the likely reactions as a result of the organisational culture. Rather than spending endless, thankless and often ineffectual time trying to change the organisational culture, your strategies and tactics for improved information management practices to create a better information culture may need to correspond with the predominant organisational culture. Table 3 provides suggestions for possible strategies and tactics.

**Table 3:
Organisational Culture-Aligned
Information Management Strategies and Tactics**

Organisational Culture Type	Information Management Strategy / Tactics
Process orientated	<ul style="list-style-type: none"> Documented policies and procedures should be developed for all aspects of information management. Incorporate information management requirements into other process documentation where possible.
Results orientated	<ul style="list-style-type: none"> Automate processes as much as possible. Incorporate instruction/requirements into automated processes If necessary, adopt a behind-the-scenes or end of process rather than user-centric or concurrent process (e.g. information specialist captures information at the end of a process).
Employee orientated	<ul style="list-style-type: none"> Involve employees in information management system design and implementation decision-making
Job orientated	<ul style="list-style-type: none"> Identify individual job performance efficiencies to be achieved through improved information management practices Identify information management requirements in job descriptions and performance measures
Parochial	<ul style="list-style-type: none"> Highlight the benefits to the organisation and its workforce
Professional	<ul style="list-style-type: none"> Highlight the benefits of information management practices and skills for the individual employee (e.g. professional standing/future employment)
Open system	<ul style="list-style-type: none"> Multi-disciplined group meetings and training may work here Communicate well and often with individuals Highlight benefits of sharing information. Explain how new systems and processes will facilitate greater information sharing.
Closed system	<ul style="list-style-type: none"> Tailored training and support for individual business units Ongoing one-on-one support. Highlight benefits of tailored solutions. Explain how new systems and processes will facilitate security of information. Use formal channels for communicating with senior management.
Loose control	<ul style="list-style-type: none"> Avoid detailed instructions/policies Follow <i>results orientated</i> strategies and tactics
Tight control	<ul style="list-style-type: none"> Follow <i>process orientated</i> strategies and tactics
Normative	<ul style="list-style-type: none"> Highlight information management compliance requirements
Pragmatic	<ul style="list-style-type: none"> Avoid compliance drivers and instead highlight external customer/business benefits

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