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ORGANIZATIONAL DNA: DIAGNOSING THE HEALTH

OF ORGANIZATIONS IN ARMENIA

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BY

LENA H. HOVIVYAN

YEREVAN, ARMENIA

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SIGNATURE PAGE

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Faculty Advisor   **Date**

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Dean   **Date**

American University of Armenia

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ABSTRACT

Organizational performance has been in the scope of interest of many researchers throughout many years. However, as the great bulk of organization theorists have revealed, in spite of the vast literature on leadership, there is hardly one generalizing framework that provides the managers with the insights and procedures required to combat the root causes of organizational performance. Stemming from this, the present study is based on the new approach developed by the consultants from Booz Allen Hamilton. By adapting the metaphor of biological DNA to the theory of organization, the researchers succeeded both in diagnosing the root causes of organizational dysfunction, and in providing managers with valuable information about the unique weaknesses of each organization. Based on the methodology developed by Booz Allen Hamilton the current research examines the nature of the relationships between organizational 'genetic code' and performance in organizations in Armenia through systematic comparison of selected organizations in the Armenian non-profit sector. It once more supported the idea that genetic code of an organization and its performance are directly correlated. Further, the study found out that the size of organizations together with the founding culture have a considerable impact on the way the traits of organizational genetic code interrelate with each other and generate different profiles ranging from resilient to outgrown. Finally, the study discusses implications for managers and further research directions.

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<u>INTRODUCTION</u>

Organizations have been present since the dawn of humanity, however there is an obvious steady increase in the number of organizations in the modern society. Recently, with the environments becoming more yeasty, and the organizations more complex, there has been a constant need in treating organizational performance as one of the central themes in the organizational behavior literature. More by a token, great many managers and employees both from private and public organizations agree that aggravating behaviors, how minor they may seem cannot be disregarded as collectively they shun organizational success.

Not surprisingly, "the number of people around the world, who have been consistent with one central hypothesis that most organizations are unhealthy[1],"(as quoted in Aguirre et al. 2005 p.2) is becoming vaster day by day. Healthy companies improve productivity and adapt to organizational changes easily. Unhealthy companies on the contrary, stammer out, sluggish and ultimately, stagnate. The ability to execute, or put differently, organizational health is not something you can get "per procurationem," nor is it a simple process of firing an employee or introducing a new manager who will be the sole person in charge with the organizational performance as a vast number of contemporary theorists agree. Organizational health as they argue, is more arduous to attain, since it is inherent to each employee's day-to-day actions and decisions that ultimately determine the organizational performance.

Many would agree that traditional management models have already fallen out of accuracy and are ripe for reexamination. Apropos of this, a group of researchers from Booz Allen Hamilton, a global strategy and technology-consulting company, divulged quite an interesting and tempting approach. They inferred that individual behaviors influence organizational success and showed that the vital step in resolving the organizational

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[1] The metaphor was used to denote that these organizations cannot execute

dysfunction is the way the traits of the organization influence on each individual's behavior and affect his or her performance.

In 2005 De Anne Aguiree, Lloyd Howell Junior, David Kletter and Gary Neilson, the researchers from Booz Allen Hamilton, published an article "A Global Check-Up: Diagnosing the Health of Today's Organizations" where they introduced a new concept by using the metaphor of biological term-DNA molecule into the theory of organization. The metaphor was purposefully chosen by the scholars in order to highlight the similarity between the double helix of DNA, which is held together by bonds between base pairs of four nucleotides, and the organizational structure where the interrelation among four building blocks (structure, motivators, decision making, information), defines the organization's distinct traits and behaviors important for normal functioning.

Further, based on long experience of working with organizations, and analyzing more than 30,000 employees' answers on the online survey known as Org DNA Profiler[sm] launched at www.orgdna.com since 2003, the scholars have noticed that there is a correlation between certain classic behaviors and definite features of companies under the study. This observation was a fruitful one, since it has contributed to the development of the seven organizational types. In recent Harvard Business Review article, Gary Neilson, Bruce Pasternack, and Karen Van Nuys (2005) have defined one of these organizational profiles videlicet a passive-aggressive profile, which is a helpful guide both for researchers and managers to better understand the "unusual concepts" as well as to identify the roadblocks that impede organizational results.

The study of organizational dysfunction conducted by the consultants of the Booz Allen Hamilton has rapidly flown out of the boundaries of the United States. Companies in more than 100 countries were fascinated by the study and used the online assessment of organizational performance after the researchers added the "country" field in the Org DNA

Profiler^{sm} in April 2004, which showed that China is the healthiest country out of all assessed (Aguiree et al. 2005).

Diagnosing and reconfiguring organizational DNA to adapt to different countries has also a vital importance for Armenia in this era of globalization. Being a newly independent country, Armenia has met a lot of economic challenges on its way to democratization. Especially severe was the first decade of transition full of obstacles such as devastating earthquake, the Soviet Union collapse, and disputes with neighbor countries. The harsh conditions provoked poverty increase that drove many productive workers out of the country (UNDP 2001).

In the face of these concerns, several reforms have been launched by economists in order to stabilize the country condition. However, the results became tangible mainly after launching a Poverty Reduction and Growth Facility (PRGF)[2]. Soon after introducing the PRGF, Armenia outperformed other low-income countries including those in the Commonwealth of Independent States (CIS), which brought in higher domestic and foreign investment, improvements in competitiveness, and a market-driven process of import substitution (Gelbard et al. 2005).

Nevertheless, in the present day reality alongside the palpable achievements are the issues of growth stability, unemployment, and corruption, which are still kept in jeopardy. These circumstances urge to address more attention to the smallest operating units of the country-the organizations, where the root causes of unemployment and corruption both can stem out, and be eradicated.

As revealed, an increase in organization's financial resources has a tacit impact on the entire nations' welfare. Henceforth, the replication of the study through website and the further development of it in the context of worming out the crucial factors in an

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[2] Poverty Reduction and Growth Facility (PRGF), is a renewed stabilization and reform effort supported by the IMF, which was launched in 2001.

organizational type determination are of an indispensable value for Armenia. Put differently, by combating the root causes of the organizational dysfunction and assisting the organizations to thrive, we will simultaneously endow Armenia with being more prosperous and healthy both internally and externally.

LITERATURE REVIEW

Differences between leadership and management have been in the focus of interest of organization studies for some time. Hence, some of the most significant theories that lead towards the organizational success will initially be discussed. Further, the accent will be placed on the importance of perceiving the organization as complex, adaptive, and unique system, where employees work jointly to create a positive, sustainable culture, and together move the organization toward its stated mission. In other words, the description and synthesis of research on what managers should know about organizational traits and how they can use this knowledge in order to integrate employees and enable them to use their full potential at work will be introduced.

As it has been mentioned, the study of organizational performance has received a considerable attention both from researchers and managers throughout many years. Few topics in organization theory have garnered more attention than management and leadership. Despite the multiple ways, leadership is still being conceptualized as one of the most observed and least understood phenomena on earth (Mullins 1996).

Although people intuitively know what is meant by the word leadership as soon as it is defined it becomes apparent that the word has different dimensions and meanings. By the same token, leadership is a process that is similar in many ways to management. Leadership involves influence, as does management. Leadership is concerned with effective goal accomplishment, so is management. Thus, many functions of management are activities

consistent with that of leadership, minimizing them to a new definition as a new phenomenon called managerial leadership.

Notwithstanding, for the purposes of finding out the determining factors of organizational success many scholars including Kotter (1990) have drawn a clear line between leadership and management based on the argument that to manage means to accomplish activities and master routines, while to lead means to influence others and create visions for change. Bennis and Nanus (1985, 221) made the distinction even clearer in their frequently quoted phase "managers are people who do things rights, and leaders are people who do right things." Nevertheless, even regarding that the two concepts are different in scope scholars contend that both management and leadership are essential if the organization is to prosper (Kotter 1990). Put differently, to be effective, organizations need to nourish both competent management and skilled leadership.

Since successful leaders tend to create a climate within the work environment where they are able to assist employees to set and achieve individual, team, and ultimately organizational objectives, the previous studies focused mainly on the importance of a good leadership. In 1998, three articles on management published by different authors were introduced alongside other valuable works in the collection of Harvard Business Review on Leadership. Thus, Henry Mintzberg (1974) in "The Manager's Job: Folklore and Fact" concluded on the bases of his own and others' research, that a good manager is an introspective manager offering a series of questions to help them become better. "The Ways Chief Officers Lead" by Charles Farkas and Suzy Wetlaufer (1996), provides the reader with a CEO's leadership approaches that will help to meet the needs of the organization, and business situation at hand. Though the article is a wonderful guideline for all managers, the authors themselves confess that managers need more than the coherent and explicit style of management to best meet the needs of organization:

The five approaches that emerged from our research are certainly not boilerplate solutions for success, nor are they rigid roles in which CEO's can be cast. Business is too complex for such simple analysis. But the five approaches do offer a framework for understanding how CEOs manage to give structure and meaning to their infinite jobs, learning to lead as they go (Farkas and Wetlaufer 1998, 143).

Just the same is the third article that found place in the collection of <u>Harvard Business Review on Leadership</u>. Ronald Heifetz and Donald Laurie (1997), spared no effort in elaborating principles for leading for adaptive work, regulating distress, maintaining disciplined attention, and protecting the voices of leadership from below, where the researchers again adhere to the opinion that the leader is the sole person responsible for organizational success.

A similar study conducted by Chris Perryer and Catherine Jordan (2005), addressed the relationship between leader behavior and employee commitment. The study examined the nature of the relationships between organizational commitment and two dimensions of leader behavior- supportive and extinction behaviors in an Australian Federal Government organization, and found a strong direct correlation between supportive leader behavior and organizational success.

Despite the widespread acknowledgement of the importance and the value of organizational success, there has been limited research on the root causes of the organizational dysfunction. Moreover, organizational dysfunction, as it has been revealed so far, was perceived to occur only under such circumstances when managers failed to provide management services. However, quite often managers and professionals having at hand the works of preeminent thinkers, still faced hardships in staying competitive in the fast moving world.

It was apparent that something more than developing a salient leadership approaches, and models are needed for attaining good organizational results. More successful in creating afresh views in this field have been made by different prominent scholars and

researchers, among which Peter Senge with his vision of learning organizations is worth to be mentioned. According to Senge learning organizations are:

> …. organizations where people continually expand their capacity to create the results they truly desire, where new and expensive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to see the whole together (Senge1990, 3).

The philosophy of such an organization is based on the belief that success and execution are achieved and enhanced by the group of people working within the organization. Serving as a model of a successful corporation of the 21st century, the learning organization adjusts changes flexibly and adaptively by keeping people in constant learning taking place at all the levels of an organization (Senge 1990). Another interesting approach leading towards organizational success was proposed by Herbert Simon, the Nobel economics prizewinner. Simon assured that an important prerequisite to execution is the absorption of "nearly decomposability" into the system of an organization:

> In any case, the basic reality of the division of work is that while high rates of rapid communication are required among people who perform activities that are highly interdependent, much less frequent communication is required among those carrying out activities that are independent, and this distinction should be clearly reflected in organizations structure. Systems whose structure reflects these properties are referred to as "nearly decomposable." … In an environment of evolutionary change and natural selection, nearly decomposable systems will adapt to the changing environment and gain in fitness more rapidly than systems without this property (Simon 2004, section 4 par. 2).

The researchers from Booz Allen Hamilton accompanied by the similar convictions both common to Senge and Simon introduced an interesting approach in the field of organization theory. The scientists ascertained that to be successful in the modern society the organizations should no longer be regarded as "monolithic entities, but rather the total sum of every day decisions, and actions took by thousands of employees within the company" (Neilson et al. 2003, 3). The scholars inferred that the key to solution is hidden in understanding the interrelation and interconnection of the inherent traits of an organization

that influence, determine, and affect each employee's behavior, and ultimately organizational performance.

Since any organization is a unique entity inherent traits are interrelated in myriad ways. Nevertheless, what is universally true for attaining organizational performance, as they argue is that the main building blocks-decision rights, information, motivators, and structure, should be tightly integrated. For drawing a vivid illustration of the importance of integration, the researchers have integrated the metaphor of the double helix DNA molecule, held together by bonds between base pairs of four nucleotides into the theory of organization (Knott and Neilson 2006).

Anatomy of an Organization

While similar to the human DNA, the organizational DNA however, is different in the sense that it can be modified. A good evidence of it is the case of Caterpillar Inc., a 30$ billion global manufacturer of large construction and earth moving equipment, studied and presented by Neilson and Pasternack (2005b). The research was conducted for the purposes of finding out how the modification of the organizational DNA of the world's largest heavy equipment manufacturer influenced on its organizational performance. For highlighting the changes brought by the alignment of four building blocks-decision rights, information, motivators, and structure, the authors depicted the squiggly road of Caterpillar, namely the periods until 1982, when it enjoyed market leadership, and after 1982, when the Cat, as people call it, appeared on the edge of bankruptcy surged by the market competition. Solely after reshaping all four levels of its DNA, as the article reveals, Caterpillar rebounded quickly and regained its position in the market world. Thus, the researchers once more demonstrated that any organizational dysfunction is the product of "a fundamental misalignment of four basic building blocks of the organization" (p.5). In this view the Caterpillar's CEO James

Owens' words served even stronger evidence for the conclusion: "This was a revolution that became a renaissance. It was a spectacular transformation of a kind of sluggish company into one that actually has entrepreneurial zeal" (p. 3).

Decision Rights

One of the fundamental buildings blocks in any organization is the decision- making rights in the context of the questions such as "Who decides what?" or "How many people are involved in the decision–making process?" Indeed, having a clearly defined decision rights are essential for attaining organizational performance (Bordia et al. 2005); hence every organization has its constitution where decision rights of all employees are stated (Neilson et al. 2003). Apart from realizing the decision-making boundaries, however, is the importance of understanding asperities of the whole decision-making process.

Thus, at some fundamental level, all employees within an organization are engaged in a decision-making process, where he or she is confronted with different choices, apart from the degree of complexity of the task to be completed (Gibson et al. 2000; Neilson et al. 2003). The bulk of decisions, however, are not made in an environment of certainty, where all alternatives are known to the decision maker (Robbins 1992). Hence, many decisions are reached based on a probability persuasion, expressed with sentences like "I think…"; "the probability is…." All these assessments are based on the data bounded by validity, formulized in accord with the rules of heuristics and stereotyping which in most cases, however, lead to a wrong conclusion (Kahneman 2001).

Researchers argue that there are three types of problems that any employee can face in an organization, which are opportunity, crisis, and routine problems. Crises and routine problems are similar in the sense that they are paid immediate attention to and in most cases bear reflex actions, while "…opportunity problems must usually be found" (Gibson et al.

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2000, 429). Since decision-making is a complex process, where decisions are thought as means, rather than ends squeezed through a dynamic process, there is a constant need of implementation of all the steps of the dynamic process, when faced with issues surrounded by a great deal of uncertainty, as is usually the case with opportunity problems (Ivancevich and Matteson 1990; Gibson et al. 2000). (See Table1).

So far, the discussion was centered on the individual decision-making. However, not less important in terms of organizational execution are the group decision rights. In many cases, organizations are overloaded with too many decision-makers that often result in inaction (Neilson et al. 2003). Group decisions are difficult to reach but on the other hand, as the famous proverb claims, "many men, many minds,"- it has its tangible benefits.
For centuries scholars tried to find out whether the group decision-making is inferior, superior or is equal to individual decision-making. Finding not enough evidence for any of the variants, the scholars agreed that the superiority, inferiority, and equality between group and individual decision-making is defined by the nature of the problem as well as by the goal to be reached (Gibson et al. 2000), or put differently, the superior is the clear definition of decision rights within an organization.

Information

Organizational design and communication among employees are inseparable; hence, it seems reasonable to conclude that one of the hindering forces to successful group performance is the poor communication (Robbins 1992). The free flow of information within the boundaries of the organization is indispensable for achieving high performance and competitive advantage. For illustration, a 2002 study of the financial performance of 113 Fortune 1000 companies during 1996 to 2000, conducted by Booz Allen Hamilton and Ranjay Gulati of the Kellogg School of Management at Northwestern University found out

that better information flows did more than keep costs down, and help to allocate scare resources more efficiently (Neilson et al. 2003).

Indeed, communication is a process where every single employee of an organization is engaged in; nevertheless, in most cases the communication among people leaves much to be desired. Recognizing the ever-growing importance of the fluent information flow, more and more organizations are implementing trainings for overcoming deficiencies. It is widely accepted that effective communication is the one in which the communicator transmits the message to the receiver (Timm & Peterson 1986; Robbins 1992). The most widely used communication models are mainly based on the works of Shannon and Weaver, and Schramm (Shannon & Weaver 1948; Schramm 1953). Based on this communication schema scholars agreed upon the fact that any communication process includes five elements: the communicator, the message, the medium, the receiver, and feedback, which can be simply summarized into 1) who…says what; 2)…in which way; 3)…to whom, …with what effect? (See Table 2).

A vast literature on organizational behavior states that the different types and directions of communication should be present in any organization for successful implementation of goals. In this manner, the three types of communication important in any organization are the vertical-which occurs among superior subordinate, horizontal-among the peers, and communication between one individual and a group. Together with the different directions of information flows such as downward and upward for vertical, horizontal for peer communication, and diagonal used when the two channels do not provide effective information flow, the framework of organizational communication is established which need to be used in any organization that aims at increasing performance (Gibson et al. 2000).

<u>Motivators</u>

Virtually every study on organizational behavior stresses the importance of paying rewards to employees to motivate certain behaviors (Ivancevich and Matteson 1990; Neilson et al. 2003; Gibson et al. 2000). Rewards can take many forms, including extrinsic motivators such as money, security, promotion, as well as intrinsic motivators like receiving appreciation, a sense of achievement, recognition. It is essential that employees feel that the rewards offered are attractive and meet their needs (Park 2004). Some employees, for instance, may desire promotions because they seek power, but others may prefer fringe benefits, because of age. Hence, being aware of the significant nature of motivation, the researchers from Booz Allen enclosed motivators among the four bases of an organizational DNA (Neilson et al. 2003).

However, as theorists argue, despite the proliferation of the theoretical ground on motivation, no theory provides a generalized framework, leaving managers at crossroads. Consequently, studying the most summarizing thinking about motivation through internal cognitive process is productive in order to be able to conceptualize motivation more completely. Understanding of the cognitive process comprised of two contrasting approaches, videlicet process based, and need-based approaches are essential for predicting the likely behavior of staff in different situation, which will briefly be presented below (Mullins 1996).

Thus, process based approaches are concerned with the actual process of motivation among which one of the most useful approaches are expectancy theory based models designed by Vroom, and Porter and Lawler. The basic assumption of this theory is based on how much we desire something and the evaluation of the possibility to get it (Campbell et al. 1970). Equity theory is another important approach developed by Adams, which suggests that the rewards paid for motivation should be perceived as equal and fair (Adams 1963). The literature on goal theory introduced by Locke, another process based approach, gives us

considerable confidence in suggesting that managers should ensure that employees have hard and specific goals, as well as feedback on how well they are doing in pursuit of those goals (Gibson et al. 2000).

The need-based approaches are interested in more what motivates, or put differently, are centered in the content rather than the process of motivation. Among these approaches, the need hierarchies by Maslow and Aldefer are worth mentioning, both of which assume that motivated behavior follows hierarchy (Maslow 1943; Mullins 1996). The two factor theory implemented by Herzberg is another vital need-based approach, where the work itself is regarded rewarding. Managers can help the employees connect to their work by giving them more authority over the job, as well as offering direct and individual feedback (Herzberg 1968; Mullins 1996).

Though the psychology of motivation is tremendously complex, any organization should work out a successful operating model to ensure that reward and incentive systems provide decision makers with clear view to act in the firm's best interest (Park 2004).

Structure

Structure, the fourth trait in organizational DNA, is an abstract concept; it is a virtual pattern of relationships among the employees where "control" is the key element (Gibson et al. 2000). The purpose of the structure is the work division and coordination of activities among the employees. It provides a clear picture of the individual spaces and responsibilities within the organization. However, in practice organizational structure and the strategy are rarely matched (Neilson et al. 2003). Multiple organizational levels and narrow spans of control often delay decision-making processes. Narrow spans and too many management tiers are a common problem that impedes organizational execution. When portrayed graphically, as Neilson et al. (2003) have observed, this kind of structure resembles an hourglass. (See

Exhibit 1). Besides, "shadow staff" present in most organizations can be another impediment to execution (Bordia et al. 2005).

As a rule, the bigger the organization the complicated is the structure. However, successful organizations do not follow this strategy, they create an organizational chart, which pursues their organizational goal in a most successful way (Gibson et al. 2000). Hence, whether the pyramid is steep or flat, the only thing that matters is the balance of control.

Theorists (Ivancevich and Matteson 1990; Neilson et al. 2003; Gibson et al. 2000) define structure in terms of work division, scalar chain, span of control, and reporting relationships, among which span of control and scalar chain compel special attention as the two are responsible for the type of pyramid an organization chooses. The concept of "span of control" is important to theorist because, to a larger degree it determines the number of levels and managers of an organization. Since there is no consensus on a specific number of spans, the views of classical theorists differ on this issue. Some scholars favor small spans- not more than six, in order to maintain close control (Timm and Peterson 1986; Robbins 1992), yet others claim that narrow spans and more levels result in taller structure, while broader spans of control and few levels of authority result in a flat hierarchical structure and are thus more preferable (Mullins 1996).

Neither too wide nor too narrow spans are suitable for good management. In this manner, organizations with wider spans are apt to lose the sight of the overall picture, and hence are very difficult to control. Narrow spans, on the other hand, cause the ineffective communication, and increase administrative costs creating a needless long scalar chain.

The scalar chain is the chain of hierarchical command, which establishes the vertical graduation of authority and responsibility and the framework for superior subordinate relationships. Any organization should have a clear line of authority and responsibility for attaining successful implementation of organization's operations. Theorists argue that for

effective decision-making organizations should have a structure with most advantageous number of spans and scalar chains as the combination of the two determine the overall pyramid shape of an organization, which should serve for the successful execution of projected objectives (Robbins 1992; Mullins 1996).

As implied so far, all the four organizational infrastructure elements are interconnected with one another. Logically the incorporation between management philosophy, organizational structure, reward system, and communication flows is essential for developing a favorable and healthy organizational culture. (See Exhibit 2).

The Study By Booz Allen Hamilton

In theory, researchers succeeded in underlining the idiosyncratic characteristics of an organization, by carefully drawing parallels between biological DNA and organizational structure. Further, the theoretical background was provided by the hard data collected from government, non-for-profit and academic sectors through the online self assessment tool known as Org Profiler [sm] launched on www.orgdna.com in December 2003[3]. In an ongoing online poll, the researchers received responses from more than 30,000 individuals at companies from 23 industries across the world. The snapshot diagnosis was a unique opportunity for all the participants to define their organizational health and become aware of the morbid parts of their organizations (Aguirre et al. 2005; Spiegel et al. 2005; Neilson et al. 2003).

The results collected from the survey responses revealed that there are significant differences across regions and countries. For instance, China according to the data is the healthiest country from the point of view of organizations, while the U.S. is among those countries that more scored on unhealthy profiles. Moreover, organizational health and

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[3] The website is open to public, where people can anonymously complete a profile of their organization by answering 19 questions, and providing demographic information. The data collected from the online survey is used for analysis and comparison purposes only.

financial success, as the scholars, argue are correlated. In evidence, 48% of respondents who generated healthy profiles report better than average profitability, while only 27% of respondents who evolved unhealthy profiles reported the same way (Aguirre et al. 2005).

Further, the study showed that industries such as commercial services, hotel and leisure, that tend to be more competitive, produce much more healthier profiles than that of capital intensive industries such as capital goods and energy companies, where high barriers to entry protect them from failure. However, a closer look at the results of healthy industries showed that less than half of the survey respondents generated healthy profiles, which arrived the scholars to a conclusion that all industries suffer significant organizational dysfunction. Moreover, results of the Org DNA Profiler [sm] showed that companies with unhealthy profiles more frequently lack clear decision rights[4] and inadequate information flow[5] (Aguirre et al. 2005; Spiegel et al. 2005; Neilson et al. 2003).

Finding support for the conception that organization DNA determines how organizations function, the researchers came across with another pronouncement. Gary Neilson, Bruce Pasternack, and Decio Mendes (2004) in an online published article acknowledged that while working with data, certain patterns repeated again and again, which gave rise to certain organizational types. Below is how the scholars conveyed these ideas in "The Passive-Aggressive Organization" published in the Harvard Business Review in 2005:

> Our conception of the passive-aggressive company and the other six organizational types in our seven-part schema grew out of our decades of experience advertising firms in a wide variety of industries and locations on organizational issues. Over and over, we saw certain classic behaviors occur, which we began to notice, correlated with certain objective features of those companies…. When we tested the soundness of our schema in the online survey, we found that the organizational portraits the responses painted corresponded closely to the seven types we had identified (Neilson et al.2005, 2).

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[4] According to the survey, among "unhealthy" profiles the number of respondents who believed that people in their organization know who decides what, comprises only 23%, while nearly 80% of " healthy" respondents agreed that everyone knows his/her responsibility.
[5] Only 16% of respondents from unhealthy organizations report that information flows freely, while in healthy ones, as the results showed, the number of respondents was more than three times.

The Seven Organizational Species

Thus, after surveying the landscape the researchers concluded judging by the organizations' relative strength in each of the four building blocks, that organizations can fall into one of the seven possible types: Resilient, Military Precision, Just-in-Time, Overmanaged, Outgrown, Fits-and-Starts, and Passive-Aggressive. By this token, each profile has its distinct organizational DNA that affects employee behavior and corporate performance (Neilson et al. 2004b; Spiegel et al. 2005).

Increasingly, public organizations are being challenged to change their practices (Osborne and Gaebler 1992). As researchers agree, to survive the organizations need to be resilient. In recent years, these changes have become even more frequent with the world growing more tempestuous (Hamel and Välikangas 2003). Organizational affairs like Hamel and Välikangas (2003), Guastello (2004), Jones (2005) agree, that organizations should systematically shift, if all to benefit. Similarly, in a newsletter, Harvard Business Publishing (December 2005) Neilson and Pasternack placed an article where they together with providing the definition of the concept, stressed the importance of being resilient:

> "A "resilient" organization is one that is steadfast enough to weather turbulent times yet flexible enough to change when is necessary. Indeed, by some definitions, resilient organizations are characterized by their ability to change before change becomes crucial (Neilson & Pasternack 2005, 5).

Accordingly, ten tactics, introduced by change agents in dealing with resistance to change are:

- *Entertain the inconceivable*-one of the advantages of resilient organizations is that they are sure that any imagination can be turned into reality. These organizations benchmark themselves rather than against others. They look past their market, the next five years, and the status quo in preparing their organizations to compete with others.

- *Build a culture of commitment and accountability*- In order to be successful organizations should quickly translate their plan into an action, without exposing it to an interpretation.

- *Move the goalposts every three years*- as a rule, resilient organizations are subjected to continuous transformation of the foundational values and principles of the organization, which helps them to execute.

- *Show the courage of its convictions*- to be effective, organizations should not follow fashion. Put differently, resilient organizations " shake up things as necessary… and not for change's sake …" (p. 6).

- *Bounce back from adversity*- organizations that are resilient should correspond to the definition of the concept "resilience" which means "the ability to recover strength, spirits, etc., quickly." (p. 6).

- *Think horizontal*- resilient organizations are flat organizations working with vertical boundaries rather than horizontal ones.

- *Self-correct*-organizations that have developed and institutionalized internal mechanisms for finding and correcting problems execute more effectively.

- *Listen to the complainers*- to enhance performance, organizations should listen to, and address employees' complaints.

- *To put its motivators where its mouth is*- both intrinsic and extrinsic rewards should pull in the same direction. In addition, there should be a performance-appraisal system, to differentiate among above, at, and below par performance.

- *To refuse to rest on its laurels*- resilient organizations never take satisfaction in their victories. Though they reward their best performers, they never slacken their pace (5-7).

<u>Healthy Profiles</u>

Nevertheless, of the seven types, only three-Resilient, Just-in-Time, and Military Precision profiles are relatively free from organizational dysfunction (Katz et al. 2004). The survey results showed that most companies face organizational impediments to rapid execution and only 27 percent of all the survey respondents pull into one of these healthy profiles (Aguirre et al. 2005). Below is the brief overview of the organizational types:

The Resilient Organization– being one of the organizational types with only 15 percent of respondents, "the resilient organization" is the healthiest profile. Organizations falling under this category are "adaptive to changes" yet "steadfast" in business strategy (Neilson et al. 7, 2004). Moreover, they address changes cautionary, motivate the employees, and provide them with the resources and authority necessary for solving tough problems.

The Just-in-Time Organization- In a recent article by Neilson and Pasternack (2006), homonymic with the name of this profile, the authors revealed the anatomy of Just-in-Time organizations:

> "Although not always proactive in preparing for change, the just-in-time organization has demonstrated an ability to turn on a dime when necessary, without losing sight of the big picture"(Neilson & Pasternack 2006, 56).

Common patters of behavior in such organizations also found place in the article, which are:

- *Culture of controlled chaos*- Just-in-Time organizations have a strong sense of mission, and consequently, attract similar people.

- *Mavericks meet managers*- any Just-in-Time organization has both mavericks who seek adventures, and managers who are cautious professionals. Together they reach good performance.

- *Reinvented wheels*- one of the drawbacks of these organizations is the "scalability-the ability to grow operations quickly without scarifying quality,"(p.56). Just-in-

Time organizations do not effectively institutionalize best practices; hence, employees waste time reinventing wheels.

- *Firefighting burnout*-there is a great sense of urgency in such organizations. Initially employees in Just-in-time organizations are proud of their heroics, however, many of them eventually quit because of high physical and emotional demands of the workplace.

Overall, any organization, which is labeled "Just-in-Time," is a healthy and a challenging place to work (Neilson et al. 2004a; Aguirre et al. 2005; Katz et al. 2004; Neilson and Pasternack 2006).

<u>*The Military Precision Organization*</u>- This profile describes organizations that are command and control by nature. Such organizations are strictly hierarchical based on the will of the small senior management team. In this type of organizations, the junior management typically "learns by seeing" rather than doing, while middle management is short lived, as they realize that "they must leave the nest in order to get flying experience" (Neilson et al. 7, 2004).

<u>Unhealthy Profiles</u>

As the survey results conveyed, unhealthy profiles accrue more often. More by a token, over 60 percent of survey respondents indicated that they suffer organizational dysfunction in some way (Aguirre et al. 2005). More than 18 percent of them suffered from "analysis and paralysis," a problem typical to <u>Overmanaged *Organizations*</u>, which is one of the four unhealthy profiles defined by Neilson (2004). As its name suggests, this profile is highly bureaucratic burdened with multiple layers of management. The path of the organization toward reaching its goal is slow and less vigorous than that of its competitors. It frustrates self-starters and result-oriented individuals. As the researchers neatly described

"more consumed with the trees than the forest," managers spend most of their time with checking one another's work (Neilson et al. 2004, 8).

The Fits-and-Starts Organizations- Suffering from the lack of discipline and coordination, these organizations may seem to generate good results from the first glance. However, even if staffed with smart, and motivated but disjoined individuals the organization cannot prosper, as the building bricks are fundamentally misaligned (Katz et al. 2004; Neilson et al. 2004b; Knott et al. 2006).

The Outgrown Organization- Organizations that fall under this profile are too large and complex. As its name reveals, these organizations "have outgrown their model and are bursting at the seams"(as quoted in Neilson et al. 8, 2004). The main concern here is that the small team of senior management is neither able to control the organization, nor it can decentralize the "decision making" rules. Hence, these organizations move slowly, and often miss opportunities to execute effectively.

However, the most prevalent type among unhealthy profiles is *the Passive-Aggressive Organization* with 31 percent of "unhealthy" respondents (Neilson et al. 2005). The problem with such an organization is that it seems congenial, even conflict-free, yet still resists meaningful change. "This is the 'everyone agrees but nothing changes' organization," as one of the authors have observed (Neilson et al. 2004, 3).

After publishing a scientific article in Harvard Business Review (2005), interest towards this organizational type grew even stronger. In witness of it is Paul Brown's article on The New York Times on the Web (2005). However, while people are similar with the concept of the passive-aggressive individual, what Gary Neilson, Bruce Pasternack, and Karen Van Nuys described in the article does not qualify as passive-aggressive:

> "The passive-aggressive organization is not one where bad outcomes can be attributed to the hostile or perverse intentions individuals bring to the job. It is, in fact, a place where mostly well-intentioned people are the victims of flawed processes and policies." (Neilson et. al 2005,1-2)

Passive-aggressive organizations are not inherently passive-aggressive. It is rather the result of entropy, expediency, and historical accident, which is left uncorrected. Ultimately, an organization sinks into *Passive-Aggressive* profile, as the organizational staff shows less resistance in fighting against what they believe they cannot change (Neilson et. al 2005).

According to the above definition, most organizations of the health sector in the United States are passive-aggressive organizations. That hypothesis was generated by a group of researchers like Knott, Mendes, and Jones (2006), on the basis of survey results, which conveyed that health organizations suffer from the symptoms of organizational disease and dysfunction peculiar to passive-aggressive profile. By the same token, less than a third of the roughly 5,100 health sector respondents reported traits and behaviors compatible with 'healthy' profile. More than half of the survey responses however resulted in the *Passive-Aggressive* type. In other words, by a margin of nearly two to one, health sector employees diagnosed their own organizations as sick, passive-aggressive organizations (Knott et al. 2006). Though findings showed that the most prevalent profile is *Passive-Aggressive* one, the researchers assure that nothing is predetermined, and companies to do not fall into cycle process of profiles (Neilson et al. 2005).

The concept and findings introduced by the researchers from Booz Allen Hamilton have captured media attention as well, including such famous television stations as CNBC and ABC (Haneberg 2005). Moreover, in list of "20 Breakthrough Ideas for 2005" introduced by the Harvard Business Review, the concept of Organizational DNA was the second under the heading "Everyone into the Gene Pool" (Kramer et al. 2005).

RESEARCH DESIGN AND METHODOLOGY

To study the relationship between organizational genetic code and organizational performance, an attempt will be made to apply the tools for diagnosing organizational DNA in Armenia. Armenia is a country in transition that still faces economic challenges—a high degree of shadow economy, incomplete market mechanisms, not very well functioning labor market, abundance of not yet fully formalized business organizations, and not fully functioning civil service, one would suspect that organizations in Armenia by and large are going to fit the unhealthy profiles. Also to test the resilience of the Booz Allen Hamilton organizational diagnosis tool for Armenia, the study will aim at finding out organizations with healthy profiles.

Hence, for uncovering healthy profiles, as well as for diagnosing and elucidating which factors determine the organizational genetic code a fieldwork, as Howard Becker used to call most of his own studies (Simons 1980), was carried in October-November 2006. More precisely, instrumental case study was conducted, which was expanded to several cases. The collective case study was chosen since "understanding them will lead to better understanding, perhaps better theorizing, about a still larger collection of cases" (Stake 1994, 237). More importantly, it was conducted for answering all the projected exploratory research questions that stem out from the above-discussed literature.

In this respect, the first research question was developed from the main conviction of the above-discussed study that "organizational genetic code largely determines organization's performance" (Aguirre et al. 2005, 2; Neilson et al. 2003, 4), and is formulated as follows:

Research Question #1: Are the organizational genetic code and organizational performance directly correlated?

Further, the second research question was largely based on the convictions of scholars (Katz et al. 2004, Aguirre et al. 2005) that the organizational DNA can be changed along a development path, and "hit a kind of Darwinian barrier when their embedded traits and behaviors hinder their ability to perform according to their aspiration" (Neilson, et al. 2004, 4). The theory was provided by the empirical data suggesting that small organizations are more likely to generate *Resilient* or *Just-in-Time* profiles. The scholars have explained this by the small companies being younger, and more attuned (Aguirre et al. 2004; Katz et al. 2004; Neilson et al. 2004a). Another advantage of the small size has been observed to be their more pliable adaptability to market changes.

The transition for growing companies to decentralization as the scholars have observed appeared to go badly in many cases, as indicated in the sharp rise of unhealthy profiles like in *Military,* and *Overmanaged* types. Many organizations face growing coordination challenges by centralizing senior team authority and become Military-type organizations, others become more bureaucratic, slow, over-managed as middle management starts to interfere in lower level decision making. Yet, many others take a rout to *Fits-and-Starts* profiles as an attempt to become more decentralized in many cases goes badly. *Passive-Aggressive* profiles also increase with the changes of the organizational size, as incoherent and uncoordinated structures create inertia, confusion, and lead to bad execution (Aguirre et al. 2005; Neilson et al. 2004b).

The survey findings showed that in many cases very large[6] organizations generate *Resilient* profiles. The comeback of the healthy profiles showed that many companies find ways how to execute and adapt to changes as they grow (Aguirre et al. 2005; Neilson et al. 2004a). Alongside a number of healthy profiles, there are plenty of very large organizations

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[6] The size of the organizations is determined by a question that measures company's revenue. In this manner, the budget of small companies is less than $1 million, the second category comprises organizations with an operating budget raging from 1-20 million$, the third category- from 20 to 40 million, and the largest category entails organizations were the budget exceeds $ 40 million.

that still struggle to execute effectively. Hence, an attempt will be made to answer the following research question:

Research Question # 2:   Does the organizational size wield an unwholesome influence on the genetic code of an organization?

Finally, the last research question was derived from the persuasive arguments of most theorists (Hofstede 1997, Ott 1989, Leland 2005) that organizational culture is a determining factor in any organization from the point of view of performance. "[It] is a systems variable in organizations, that while hard to define or describe precisely, nevertheless exists and which employees generally describe in common terms… [as] organizational culture" (Robbins 1992, 252).

According to the scholar Edgar Shein (1997), organizational culture is deeply woven in all the aspects of an organization existing on all the levels of it with different colorcast. In the words of Shein any organization is comprised of three distinct levels of organizational culture such as artifacts, as the first, and shallowest level of culture, that consist of tangible structure and processes. The second level includes espoused values, which are defined as goals and strategies that employees believe in, and the deepest level is comprised of basic assumptions that indicate unconscious, taken for granted beliefs, perceptions ultimately turning into actions. There seems to be a wide agreement among theorists, and practitioners such as Deal & Kennedy (1982), Robbins (1992), Shein (1997), Hofstede (1997), and Leland (2005) that culture is the shared values among the employees that add a specific flavor in any organization, making it a unique place, and determining its exclusive way to execution guided by the founder's philosophy. More to the point, a recent article by Viren Doshi (2003), found out that in spite of being very similar to one another, the three oil organizations under the study, have generated different DNAs.

Hence, after amalgamating the study results with that of the vast literature on organizational culture, the following research question is put forward for answering:

Research Question # 3: Is the organizational genetic code determined by type or by the founding culture?

Case Selection

Since in the social sciences the cases represent some case population, selection of cases becomes the most important perspective of case study (Miles and Huberman 1984). Taking into consideration the importance of balance and variety of attributes, mentioned not once by prominent scholars (Miles and Huberman 1984, Yin 1984, Stake 1994) five organizations-Tufenkian Artisan Carpets, Tufenkian Foundation, Tufenkian Hospitality Hayastan All-Armenian Fund and Armenian Center for Contemporary Experimental Art (ACCEA) Foundation, were chosen to represent the well-known organizations in Armenia.

It is worth mentioning at the outset that based on the scope of the study, the case selection from the very beginning was focused on foundations. First, according to Drucker (1994), nonprofit organizations, such as voluntary organizations and foundations, are a valuable source for examining and investigating the concept and applications of organizational culture.

Further, the aim of finding out the same founding effect on different organizational types in Armenia could be better met if well-known non-profit organizations linked to business organizations through the same founders were contrasted and compared. Based on expert consultation, from the list of the registered non-profit organizations business and charity organizations founded by successful Armenian American entrepreneur James Tufenkian were chosen to be the nucleus of the collective case study.

Other foundations were chosen for relating the influence of founding culture to the size of organization determined by their operating budgets. In this respect, ACCEA foundation was chosen on the grounds of similarity. On the contrary, Hayastan-All Armenian Fund was chosen as a foundation with a bigger operating budget. All in all, the study included the five organizations to check the origin of the organizational genetic code on the interrelation of three dimensions: founding culture, dimension, and organizational type.

However, before presenting the research instruments, findings and discussions, it is worth providing some background information about the organizations under the study:

<u>Tufenkian Artisan Carpets:</u> James Tufenkian who graduated from New York University Law School in 1986, instead of becoming an attorney, devoted himself to resuscitating a centuries old craft of carpet weaving. In 1993, being inspired by a master craftsman Tsetan Gyurman, the most skilled weaver in Nepal, James Tufenkian founded Tufenkian Carpets with the aim of making beautiful valuable works of art, and enriching the lives of workers and their communities. Moreover, he saw an opportunity to improve working and living conditions, and to enliven the ancient Armenian art of carpet weaving by establishing a carpet factory in Armenia. Today, Tufenkian has its headquarters in New York City, with showrooms in Dallas, Houston, Los Angeles, in Beijing, China and Hamburg Germany. "The Tufenkian brand,"-as the workers believe, -"has become the standard for the finest in contemporary design, craftsmanship and raw materials while using a unique business model to dramatically improve the lives of those in need" (Tufenkian Carpets 2006).

<u>Tufenkian Foundation</u>: In 1999, a successful entrepreneur James Tufenkian has established a non-profit foundation, which was formed to enhance living quality in Armenia. Since then, the foundation has launched numerous funding programs and charitable endeavors, among which are Armenian Knitting Ladies program, that employs the poor to make clothing for the elderly, Armenian Forest NGO, established to stop the illegal tree

cutting. Other charitable endeavors include, providing assistance to orphans, families of dead soldiers, as well as funding "Vem" radio station for integrating Armenian spiritual art and international culture. Tufenkian's ongoing efforts have been recognized by such publications as Metropolitan Home, Traditional Home, and Travel & Leisure (Tufenkian Carpets 2006).

Tufenkian Hospitality: In 2001, alongside business ventures mentioned above, James Tufenkian launched a project known as Tufenkian Heritage Hotels, which was the first private initiative of its kind in the country. With an ultimate goal of helping the country to develop tourism and attract foreigners, Tufenkian Hospitality as a one of Tufenkian Armenia Enterprises operated based on philosophy common among Tufenkian activities in Armenia. Current resorts in Yerevan -Avan Villa Yerevan, Lake Sevan -Avan Marak Tsapatagh, and in Lori region -Avan Dzoraget make the guests feel closer to Armenian culture, daily life, and natural wonders. Tufenkian is sure that "For first-time visitors, Armenia is an endless surprise," and at present projects to open three other resorts in 2008 as quoted in. In 2005, Tufenkian was recognized as the recipient of Travel & Leisure magazine's first Global Vision Award for contributing to the economic development in Armenia (Tufenkian Carpets 2006).

Hayastan Foundation: The "Hayastan" All-Armenian Fund was founded by the Decree of the President of RA in April 1992. The decision was made to establish the All-Armenian institution with the aim of uniting Armenians all over the world and by their efforts develop Armenia and Artsakh. The Fund focused its activities initially on meeting the ultimate basic needs of people, supporting artists, musicians, and scientists in their activities, as well as needy students and soldiers' families.

Alongside building roads and developing, schools, kindergartens, hospitals, and arts centers in all marzes of Armenia and in regions of Arzakh, the Fund is focused on improvement of large-scale physical and social-development infrastructures of the homeland.

The proven track record of the Fund is 138 miles (220 km) of roads, 81 miles (130 km) of waterways, 36 schools, 3 electric transmission networks, 210 residential buildings, and 14 healthcare institutions. This year the overall donated amount comprised $14 million will again serve for improving living standards in Armenia and Arzakh (Hayastan All-Armenian Fund, 2004).

ACCEA Foundation: The "Armenian Center for Contemporary Experimental Art" (ACCEA) is a non-governmental organization operating in Yerevan since 1992. ACCEA was established to develop artistry in Armenia, through encouraging and facilitating uninhibited expression and creativity of Armenian contemporary and avant-garde artists, facilitating creation and presentation of experimental art by Armenian artists, as well as creating partnership between Diaspora Armenians and the art community in the Republic of Armenia in support and promotion of the Armenian arts and literature.

ACCEA foundation has staged countless exhibitions, and carried out different exchange programs since 1992. Among the many international projects and events are: the organization of Armenian Pavilions for five consecutive times at Venice Biennale, since 1995; group exhibitions in Tbilisi, Georgia, Aleppo, Syria, Tehran, Iran. Other projects include the organization of Joint Exhibition of Russian and Armenian Avant-Garde Art in Yerevan, hosting of "Petit-Petit" traveling theatrical project in Yerevan, and many more. The ACCEA team believes that projects and "…will become a stepping-stone for future cooperation in cultural fields between centuries old neighbors, and will symbolize the desire for peace and cooperation between their people." (The Armenian Center for Contemporary Experimental Art).

RESEARCH INSTRUMENTS

Since the present study is based on the disclosure of the organizational DNA and of its extraction, (for measurements see appendix A), different interviewing techniques with more than one type of group interviewees will be used for hitting the mark:

- *Structured interviews*. A self-administered questionnaire was distributed to employees at all levels of hierarchy in each organization.

- *Unstructured face-to-face interviews.* Such interviews were conducted with the senior management of the five organizations. For the purposes of checking the validity of the organizational performance of cases under the study, interviews will also be conducted with focus group representatives comprised of similar organizations' senior managers.

For the purpose of this study, employees were defined as those who are involved in the everyday organizational work and have a direct impact on the organizational performance. It is worth mentioning at the start, that interviews were conducted individually, with the random selection of interviewees from different management levels. Furthermore, participants were guaranteed privacy and confidentiality of their answers. Personal questions were confined within providing such demographic information as organizational name, their position, and operating sector.

The questionnaire was taken from the online self-assessment tool known as Org Profiler[sm] (launched on www.orgdna.com), designed by the consultants of Booz Allen Hamilton. It should be mentioned that the original survey questionnaire was modified to fulfill the needs of the present study, without distorting the basic aim of the survey. Thus, changes included elimination of useless fields from the point of view of this study, such as asking information on the location of the organization as well as, its classification into profit, non-for-profit, and into governmental types.

Since the questionnaire was presented in many languages but Armenian on the web (www.orgdna.com), prior to conducting the study it was translated from English into Armenian. Interestingly enough, there were some complaints about the answers being not mutually exclusive (questions 4, and 6), and consequently, despite asking to choose only one correct answer, in many cases participants have mentioned both answers. Moreover, many participants omitted the question concerning the budget volume.

Technical processing of research included the codification of the qualitative data. Before merging the results and inputting in the online analyzing tool, all the disputable answers were reviewed by the top or middle management of the above-mentioned organizations that agreed to overall picture of combined anonymous employee responses.

FINDINGS AND DISCUSSIONS

When probed on the connection between organizational genetic code and organizational performance it became evident that there is a correlation between the two. In this context, organizational genetic code of all five organizations has been defined due to the snapshot-diagnosing tool. Further, for measuring internal notion of execution, a person from either senior or middle management of the organizations have been chosen to indicate performance commitments on a Lickert scale ranging from one to five in a positive gradation. Moreover, to enhance validity, and to check the accuracy of the reflected performance, managers of similar organizations randomly selected from the existing list of acting organizations presented on www.spyur.am, were chosen to evaluate performance delivery by the same research instrument. (For the list of organizations, see Appendix C).

According to the dataset, four organizations out of five investigated, namely Tufenkian Artisan Carpets, Tufenkian Hospitality, Tufenkian Foundation, and ACCEA Foundation have generated resilient profiles. Hayastan Foundation has also generated a

healthy profile, nevertheless falling into just-in-time type, which is the second healthiest profile flocking after resilient. As to execution, internal management responses in all cases matched not only with the description of healthy profiles, but also shared similar opinions of other managers on performance commitment. In this respect, Tufenkian Artisan Carpets' general manager-Arman Grigoryan[7] highly appreciated the organization's ability to achieve its projected objectives giving five points out of five possible. The delivery on the performance that was additionally measured by two similar organizations, scored high as well. Thus, Babken Khudaverdyan, a general manager of Ijevan Carpets Carpet Weaving Mill, gave four points out of five pointing out that they work very well and should not stop at what they have already achieved (Khudaverdyan). Marietta Khachatryan, the chief accountant of Armen Carpet Open Joint Stock Company, gave the highest score (5 out of 5 possible) illustrating her assessment by their stable work and successful creation of valuable products (Khachatryan). Moreover, both representatives clearly described the goal of the organization as being it the creation of artisan carpets (Khudaverdyan; Khachatryan).

Tufenkian Hospitality, the second organization under the study, has also showed high results both internally and externally. The general manager Hakob Hakobyan assessed prosperity of his organization four point eight out of five possible, mentioning that they are always looking for improvements. His view on performance coincided with that of expressed by the vice director of Hotel Europe Karine Khachatryan (4.8), which was slightly low from the grade given by the sales and marketing manger of Bass Hotel Complex Garik Khechoyan (5 out of 5). Here too, the management representatives were satisfied with the way the organization meets its objectives. The two managers were also aware of the general goal of the organization, which is to develop tourism in Armenia especially to get visitors acquainted with the arid regions of the country (Khachatryan; Khechoyan).

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[7] The interviews were conducted in October-November 2006. All the senior and middle managers of the organizations mentioned in this study were interviewed individually and were kept informed that they would be sited in this study.

Tufenkian Foundation, as all the other foundations that are observed in the context of this study, was measured by the randomly selected two foundations namely Kamar Benevolent Non-Governmental Organization and NIG-Aparan Charitable Non-Governmental Organization of Countrymen. Before passing to external measures however, it is worth to present internal ones. In this regard, Tufenkian Foundation, ACCEA Foundation, and Hayastan Foundation have scored five (director Margarit Hovhannisyan), four (president Aram Balasanyan), and four (chief accountant Ruzanna Aghayan) respectively.

One of the representatives of verifying organizations Harutyun Tadevosyan, the president of Kamar Foundation, has given points to Tufenkian, ACCEA, and Hayastan foundations in the following sequence four point seven, four point two, and three point five. The distribution of the points was conditioned by his firm convictions on the organizations' ability to accomplish the missions accordingly. "Tufenkian is a charitable foundation that spares no effort in enhancing the living standards of the people in remote areas of Armenia. I especially appreciate that they do not put their accent on allocating money to training activities, but rather on creating financial values. I am not giving them the highest mark," – said Tadevosyan, - "only because the highest score is a hint on perfection. Nothing in this world is perfect, and all of us should not stop at what we have already achieved" (Tadevosyan). ACCEA foundation, by his words, is also a good organization that helps to develop contemporary art in Armenia. "They are also successful in implementing their mission,"-said Harutyun Tadevosyan. Tadevosyan was of the same opinion about Hayastan Foundation, adding that Hayastan foundation enhances not only financial but also spiritual values.

As to the managing director of NIG-Aparan Foundation Tigran Petrosyants, Hayastan Foundation is the best from the point of view of execution (5 out of 5). The high score was ridden on their works introduced in different spheres ranging from artistry

development to enhancement of living conditions. The second organization that got high points was Tufenkian Foundation. Assessing 4.6 out of 5 possible, Petrosyants explained his position by the organization's involvement in the activities that directly benefit Armenia. However, he gave no points to ACCEA: "I am not interested in the contemporary art. I confess, that I do not understand what the works of contemporary art deliver to people. For me the art is what Titian and Michelangelo created. I do not understand how a picture of seven men standing next to each other, or a spoon in the glass for example can be regarded a masterpiece," -and added, -" I have heard a lot of good things about this foundation, but I am personally not eager to assess their work. To be free from erroneous judgments, I will keep my own scores to myself and simply agree with the opinions expressed by others, as I neither understand what they develop, nor have any idea about their achievements. They themselves, or people interested in contemporary art will probably know better" (Petrosyants)[8].

Perhaps, when putting the three variables-generated type, external and internal performance measurements together, and especially when taking into consideration that all interviewed employees[9] have also expressed their views on performance delivery while filling in the questionnaire, it becomes apparent that the correlation between the organizational genetic code and performance is rather strong. All five organizations as the observations have revealed are healthy on both theoretical and empirical grounds. In most cases, there is a close match between external and internal performance measurements (See Table 5). Nonetheless, external and internal assessments are slightly deviant in the case of Hayastan Foundation. This divergence can be best explained by its' generation of less healthy

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8 Since Petrosyants confessed that he is not interested in the development of contemporary art in Armenia, and refused to give any points in this regard, with his proposition the opinion of the first external expert and the president of ACCEA will be amalgamated and taken into consideration when calculating the overall performance of the foundation.

9 The number of overall interviewees is 40. From four organizations five people were selected randomly from different management strata. The number of people representing senior management was 20, middle & line management 10 people each. Taking into consideration the different natures of Tufenkian resorts such as location, living standards, and mentality of the people that work and live in the hotels (as Tufenkian selects employees from the regions where the hotels are located), besides the five people selected from central office, five respondents from each resort were additionally chosen to represent Tufenkian Hospitality in its full array.

profile as compared to others which aroused somewhat dissimilar views on execution perceived form outside.

Further, to find out whether organizational size can be a determinant factor in acquiring organizational health, different dimension foundations were chosen to be studied. In order to compare apples with apples or put differently, to draw accurate conclusions Tufenkian Hospitality and Artisan Carpet organizations were omitted in making these comparisons.

Both ACCEA and Tufenkian foundations fall into the first category and are illustrating organizations where the operating budget does not accede $1 million. Hayastan All Armenian Fund, on the contrary, is chosen to represent the second category where the organizations' budget ranges from $1 million to $ 20 million. As the data showed, small foundations have generated the healthiest profile- resilient one, while Hayastan foundation turned to be an example of a just-in-time organization, as it has already been mentioned not once (See Table 3). After examining the merged answer sheets of three foundations (See Appendix B), similarities between two small foundations on the one hand, and a difference between the small foundations versus the bigger foundation were registered (See Table 3 & 4). The different responses mostly covered the decision-making block of organizational DNA testing organizational culture, for instance. Both small organizations regarded the culture of their organizations as persuade and cajole, while employees from Hayastan foundation described it as command and control. Further, in Hayastan foundation, most employees agreed that managers that stand higher in the organization often get involved with operating decisions, and that already made decisions are often second-guessed. Responses on information trait can overall be regarded as identical for all foundations in spite of the dimension differences, if not taking into consideration that employees working in All Armenian Fund were not sure that field and operating managers have the metrics they need to

measure the key drivers of their mission. A mismatch was also seen on a response given to a question on motivators. It turned out that the ability to deliver on performance commitments strongly influences advancement and reward only in small foundations.

Hence, it can be summarized that the bigger the size of an organization, the more difficult to attain organizational health. As the results unravel, the most diseased trait in bigger organizations is the decision-making rights. With becoming bigger, the organization experiences difficulties in defining clear boundaries where one's decision rights end and others' begin. More to the point, the relationship between employees and the senior staff becomes more tense and command style. Hence, bigger organizations should pay more attention to defining clear decision-rights in order not to slip into unhealthy profiles during the time.

Finally, the study aimed at finding out whether it is the founding culture or the organizational type that defines how the four building blocks interrelate with each other.

For answering the following question, all five organizations were closely scrutinized. The three Tufenkian organizations were selected to represent the same founding culture. On the other hand, Tufenkian, ACCEA, and Hayastan foundations were chosen to represent the same organizational type.

Before passing to the main observations, it should be stated that three Tufenkian organizations in spite of representing different organizational type, operate under the one philosophy[10]. James Tufenkian has established his organizations on the basis of the following persuasion: "The positive social impact we have been able to create has been the most rewarding aspect of the company" ("Our Philosophy" from Tufenkian Carpets 2006). Tufenkian was especially exigent in selecting employees, giving the priority to those who are distinguished by their creative thinking and hard working. He is particularly against of child

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[10] The philosophy as well as any information covering Tufenkian organizations can be found on www.tufenkian.org, or www.tufenkiancarpets.am

labor, and sustained a veto on hiring anyone under the age of 18. Tufenkian has been successful in creating a workplace with positive atmosphere, attitude, and moral. He ensured that old standards and cheating are not acceptable in his organizations. Instead, what are valued are the teamwork, common sense, and the individuality of every employee. The logic is simple in a pleasant working environment employees are doing their best, and consequently make it easier to achieve higher performance commitments (Tufenkian Carpets 2006).

The common philosophy seems to have a great impact on the Tufenkian organizations. Being different in type, the organizations have provided identical answers to all the questions covering all four organizational building blocks (See Table 4). The only case of mismatch was registered in Artisan Carpet's response to a question on motivators: the ability to deliver on performance commitments does not strongly influence career advancement and rewards in this organization.

When comparing two small foundations Tufenkian and ACCEA, even here there are vivid differences in spite of the fact that both are resilient organizations. It is interesting to observe that all questions asking on structure are similarly answered in all Tufenkian organizations while they are completely different when compared to ACCEA foundation's results (See Table 4). Thus, in all Tufenkian organizations the middle management delivers fewer direct reports, the promotions does not include lateral movements and good employees expect promotions every three years or more. Moreover, information in these organizations flows openly, which is somewhat constrained in ACCEA to a lesser degree, and in Hayastan foundations. Another important distinction between ACCEA or Hayastan foundations and the organizations that share common founding culture is motivation. Tufenkian organizations' employees are sure that those who have showed better results despite the overall bad year are rewarded. The same, however, can be said neither for ACCEA, nor for Hayastan foundations.

Thus, it can be concluded that the founding culture rather than the organizational type has the great influence on the roots of organizational genetics.

One could argue that small organizations have also demonstrated dissimilarities in responses when compared. However, it should be stated that the small discrepancy in answers of small organizations have not influenced the overall organizational health, and all small organizations generated the same resilient type, while the mismatch of small versus big foundations' responses resulted into different organizational profile generation.

GENE THERAPY OR IMPLICATIONS FOR MANAGERS

There are several essential implications for managers that arise from this study. For the sake of simplicity and rationality, these implications were summarized into three groups of rules such as specific, simple, and general rules, which any manager or leader should follow to perform effectively.

There are a lot of materials for leaders and managers how to become successful in the time of change among which are Kaipa 2005; Buckingham 2006; Moore 2006, Jacobs 2005 and many others. However, what stems from this study is that the usage of all approaches at hand will not lead to desired results. Just as is the case with a human organism, where every illness has its curing pills and methods, so is the organizational structure: to be effective means to diagnose the organizational health and to cure the disease with the right receipt, by carefully selecting specific programs and processes that are designed for enhancing palpable and feeble blocks of an organization.

As the study has revealed so far, any manager should be aware of the state of health of its organization. Using the framework of organizational DNA, as a simple rule, will enable managers to be aware of the strengths and weaknesses of his or her organization, and help to uproot the impediments to execution.

Third, the study serves a warning to managers that it is not sufficient to diagnose, and imply specific approaches only once. To be effective, persistent diagnosing, and constant remedying of weaknesses are needed. Moreover, for attaining permanent healthy profile, and aligning people around a common goal, leaders should not let the organizations fall into internal inertia. Hence, the general rule suggests being aware that people in an organization matter, and treat them appropriately for attaining maximum execution.

By and large, only after routinely implementing all the rules in the sequence mentioned it is possible to have tangible organizational success.

LIMITATIONS & DIRECTIONS FOR FUTURE RESEARCH

It should be stated that every research has its flaws, and limitations. Those that should be specified in relation to this study are marginal nevertheless need to be exposed. One limitation is that the study focused on finding out healthy profiles and other organizational profiles have been out of the interest of the study. At the same time, it should be mentioned that, according to Stake, the purpose of the case study is not to represent the world, but to represent the case (1994). However, it would be of considerable theoretical and practical value to examine all the organizational types, and determine the most corporate type in Armenia. Another limitation is that the merging of the results and its further confirmation with the top or middle management have moderately weakened the real picture of the findings, and provided unclear relationships among line, middle, and senior management levels. Future studies using different samples will be needed to establish the existing difference between the organizational strata stratum.

Further, the research findings once more found support that organizational success is directly correlated to the founder's philosophy, as well as to the size of an organization. Each of the factors has its great impact on the organizational health, hence on the choice of the

interrelation among the four traits, out of the myriad ways that determine the health of the organization.

Despite its shortcomings, the present study adds to and extends the existing literature in the areas of organizational performance and organizational culture. The organizational DNA framework developed by Booz Allen Hamilton gives organizations an easy, accessible way to identify and remedy the roadblocks that impede organizational results. Moreover, it is a complete generalizing framework for combating the root causes of organizational dysfunction and a perfect guide for managers to use appropriate approaches and processes for "curing the organizational pains." That is why the implementation of this study in Armenia was very important. Armenia is a newly independent country that still faces economic hardships, and has a lot of non-formal business relationships. However, as the study revealed, even under such conditions healthy organizations can still be found. Thus, even under such difficult socio-economic conditions it is possible to organize and implement strategies in a most successful way.

To digest, the key to organizational success is composed of different mutually reinforcing facts. Thus, execution is even more facile than it was thought before. The cycle is simple and recurring: for attaining organizational performance, organizations should generate healthy profiles, for generating healthy profiles, the organization should pay attention to the integration of all four traits, for strengthening the integration both the size and the founding culture should be addressed.

By and large, the qualitative research methods are retrieving their place in public administration (Yeager 1989), and consequently, together with quantitative research traditions should be treated as "completing and enriching each other" (Gabrielian 1999, 178). Moreover, remembering the words of a famous scholar that "a case study can usefully be seen as a small step toward grand generalization" (Campbell 1975, 179), it can be inferred

that this study made a real attempt to provide a clear understanding of the differences and similarities of organizations in Armenia. Even further, it has underlined the factors that influence execution, and can be used as a guide for both operating and potential leaders.

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APPENDIX A:

MEASUREMENTS

Conceptualized meaning of the first variable <u>Organizational genetic code-</u> is used to show the ability of organizations to execute. It includes the four building blocks of the organizational DNA:

I. *Decision rights-* the rules and mechanics that govern who makes which decisions- and how. The variable was measured by questions such as:

1. The culture of this organization can best be described…
___Persuade and cajole   ___Command and control

2. Important strategic and operational decisions are quickly translated into action
___ Agree   ___Disagree

3. The primary role of senior staff here is…
___Audit the operational departments   ___ Support the operational departments

4. Managers above me in the hierarchy "get their hands dirty" by getting involved in the operating decisions
___ Frequently   ___Rarely

5. Once made, decisions are often second-guessed
___ Agree   ___Disagree

6. Everyone has a good idea of the decisions/actions for which he or she is responsible
___ Agree   ___Disagree

II. *Information-* the metrics that measure performance, and the practices that transfer knowledge. Questions measuring information flow included:

1. Overall, this organization deals successfully with significant and unexpected change in the external environment
___ Agree   ___Disagree

2. Important information about our external environment gets to senior staff quickly
___ Agree   ___Disagree

3. Field/operating employees usually have the information they need to understand the ultimate impact of their day-to-day choices on the whole organization and its mission
___ Agree   ___Disagree

4. We rarely send conflicting messages to constituents
___ Agree   ___Disagree

5. Information flows freely across organizational boundaries
   ___ Agree   ___Disagree

   III. *Motivators*- the incentives, objectives, career alternatives, and other elements that drive people's behavior. The following variable was measured with the following questions:

1. If the organization has a bad year, but a particular operating area has a good year, the operating area head would get a more significant reward than the head of an operating area that performed poorly
   ___ Agree   ___Disagree

2. Besides pay, many other things motivate individuals to do a good job
   ___ Agree   ___Disagree

3. The individual performance-appraisal process differentiates among high, adequate, and low performers
   ___ Agree   ___Disagree

4. The ability to deliver on performance commitments strongly influences career advancement and reward
   ___ Agree   ___Disagree

   IV. *Structure*- the overall organizational chart, including the "lines and boxes" of reporting relationships and job descriptions. Questions on structure included:

1. At the middle management level, the average number of direct reports is…
   ___ Five or more   ___Four or fewer

2. Promotions include lateral moves
   ___ Agree   ___Disagree

3. "Fast track" employees here can expect promotions…
   ___ Every three years or more   ___Less than every three years

   The conceptualized meaning of the second variable <u>Organization's performance</u> is used to denote high functioning organizations in contrast to unhealthy companies that stumble and stagnate. Here again the roots are hidden in the organizational DNA and highly depend on the proper functioning of its four blocks.

APPENDIX B:

RESEARCH INSTRUMENT (ENGLISH VERSION)

<u>ID#</u>

<u>PLEASE CHOOSE **ONLY ONE** RIGHT ANSWER</u>

1.   At the middle-management level, the average number of direct reports is…

    ____ 5 or more

    ____4 or fewer

2.   Promotions include lateral moves (from one position to another on the same level in the hierarchy)

    ___Agree

    ___Disagree

3.   "Fast Track" employees here can expect promotions…

    ___Every 3 years or more

    ___ Less than every 3 years

4.   The culture of this organization can best be described as…

    ___Persuade and cajole

    ___ Command and Control

5.   Important strategic and operational decisions are quickly translated into action

    ___ Agree

    ___Disagree

6. The primary role of senior staff here is to….

    ___Audit the operational departments

    ___ Support the operational departments

7.   Managers above me in the hierarchy "get their hands dirty" by getting involved in operating decisions

    ___Frequently

    ___Rarely

I am going to ask your opinion on some statements. Please tell me if you agree or disagree to the following statements. Please, choose **only ONE right** answer	Agree	Disagree
8. Once made, decisions are often second-guessed		
9. Everyone has a good idea of the decisions/actions for which he/she s responsible		
10. Overall, this organization deals successfully with significant and unexpected change in the external environment		
11. Important information about our external environment gets to senior staff quickly		
12. Field/ operating employees usually have the information they need too understand the ultimate impact of their day-to-day choices on the whole organization and its mission		
13. We rarely send conflicting messages to constituents		
14. Information flows freely across organizational boundaries		
15. Field/ operating management has access to the metrics they need to measure the key drivers of their mission		
16. If the organization has a bad year, but a particular operating area has a good year, the operating area head would get a more significant reward than the head of an operating area that performed poorly		
17. Besides pay, many other things motivate individuals to do a good job		
18. The individual performance-appraisal process differentiates among high, adequate, and low performers		
19. The ability to deliver on the performance commitments strongly influences career advancement and reward		

20. Total operating Budget is….

    _____

21. Your Sector…

    ___ Hotel

    ___ Tufenkian Foundation

    ___ Hayastan Foundation

    ___ ACCEA Foundation

    ___ Tufenkian Carpets

22. Your Position…

      ___Business Unit Staff

      ___Corporate Staff

      ___Line Management

      ___ Middle Management

      ___Senior Management

      ___Entry Management

      ____ Other (Please specify)_____

23. Your division…

      ___Finance

      ___HR

      ___Marketing

      ___ Program Manager

      ___ Field Operations

      ___Other (Please specify)_____

24. How well does your organization achieve its mission?

      ___Exceeds objectives

      ___ Meets objectives

      ___Doesn't meet all objectives

      ___ N/A

APPENDIX C:

RESENTS RESULTS

APPENDIX C:

<u>RESULTS</u>

A: TUFENKIAN ARTISAN CARPETS

1. At the middle-management level, the average number of direct reports is…

      __√__ 5 or more   ____4 or fewer

2. Promotions include lateral moves (from one position to another on the same level in the hierarchy)

      ___Agree   _√__Disagree

3. "Fast Track" employees here can expect promotions…

      _√__Every 3 years or more   ___ Less than every 3 years

4. The culture of this organization can best be described as…

      _√__Persuade and cajole   ___ Command and Control

5. Important strategic and operational decisions are quickly translated into action

      _√__ Agree   __Disagree

6. The primary role of senior staff here is to….

      ___Audit the operational departments   __√__ Support the operational departments

7. Managers above me in the hierarchy "get their hands dirty" by getting involved in operating decisions

      ___Frequently   __√_Rarely

8. Once made, decisions are often second-guessed

      __ Agree   __√_Disagree

9. Everyone has a good idea of the decisions/actions for which he/she s responsible

      _√__ Agree   ___Disagree

10. Overall, this organization deals successfully with significant and unexpected change in the external environment

      _√__ Agree   ___Disagree

11. Important information about our external environment gets to senior staff quickly

  __Y__ Agree   ___Disagree

12. Field/ operating employees usually have the information they need too understand the ultimate impact of their day-to-day choices on the whole organization and its mission—

  __Y__ Agree   ___Disagree

13. We rarely send conflicting messages to constituents—

  __Y__ Agree   ___Disagree

14. Information flows freely across organizational boundaries

  ___ Agree   __Y__ Disagree

15. Field/ operating management has access to the metrics they need to measure the key drivers of their mission—

  __Y__ Agree   ___Disagree

16. If the organization has a bad year, but a particular operating area has a good year, the operating area head would get a more significant reward than the head of an operating area that performed poorly

  __Y__ Agree   ___Disagree

17. Besides pay, many other things motivate individuals to do a good job-

  __Y__ Agree   ___Disagree

18. The individual performance-appraisal process differentiates among high, adequate, and low performers—

  __Y__ Agree   ___Disagree

19. The ability to deliver on the performance commitments strongly influences career advancement and reward

  ___ Agree   __Y__ Disagree

20. Total operating Budget is….

  _____0-$1M_____

21. How well does your organization achieve its mission?

  ___Exceeds objectives   __Y__ Meets objectives   ___Doesn't meet all objectives

B: TUFENKIAN HOSPITALITY

1. At the middle-management level, the average number of direct reports is…

    __ᵧ__ 5 or more   ____4 or fewer

2. Promotions include lateral moves (from one position to another on the same level in the hierarchy)

    ____Agree   _ᵧ__Disagree

3. "Fast Track" employees here can expect promotions…

    _ᵧ__Every 3 years or more   ___ Less than every 3 years

4. The culture of this organization can best be described as…

    _ᵧ__Persuade and cajole   ___ Command and Control

5. Important strategic and operational decisions are quickly translated into action

    _ᵧ__ Agree   __Disagree

6. The primary role of senior staff here is to….

    ___Audit the operational departments   _ᵧ__Support the operational departments

7. Managers above me in the hierarchy "get their hands dirty" by getting involved in operating decisions

    ___Frequently   _ᵧ_Rarely

8. Once made, decisions are often second-guessed

    __ Agree   __ᵧ__Disagree

9. Everyone has a good idea of the decisions/actions for which he/she s responsible

    _ᵧ__ Agree   ___Disagree

10. Overall, this organization deals successfully with significant and unexpected change in the external environment

    _ᵧ__ Agree   ___Disagree

11. Important information about our external environment gets to senior staff quickly

    _ᵧ__ Agree   ___Disagree

12. Field/ operating employees usually have the information they need too understand the ultimate impact of their day-to-day choices on the whole organization and its mission—

    _Y_ Agree   ___Disagree

13. We rarely send conflicting messages to constituents—

    _Y_ Agree   ___Disagree

14. Information flows freely across organizational boundaries

    ___ Agree   _Y_ Disagree

15. Field/ operating management has access to the metrics they need to measure the key drivers of their mission—

    _Y_ Agree   ___Disagree

16. If the organization has a bad year, but a particular operating area has a good year, the operating area head would get a more significant reward than the head of an operating area that performed poorly

    _Y_ Agree   ___Disagree

17. Besides pay, many other things motivate individuals to do a good job

    _Y_ Agree   ___Disagree

18. The individual performance-appraisal process differentiates among high, adequate, and low performers

    _Y_ Agree   ___Disagree

19. The ability to deliver on the performance commitments strongly influences career advancement and reward

    _Y_ Agree   ___Disagree

20. Total operating Budget is….

    _____0-$1M_____

21. How well does your organization achieve its mission?

    ___Exceeds objectives   _Y_ Meets objectives   ___Doesn't meet all objectives

C: TUFENKIAN FOUNDATION

1. At the middle-management level, the average number of direct reports is…

     __√__ 5 or more   ____4 or fewer

2. Promotions include lateral moves (from one position to another on the same level in the hierarchy)

     ____Agree   __√__ Disagree

3. "Fast Track" employees here can expect promotions…

     ___√__ Every 3 years or more   ____Less than every 3 years

4. The culture of this organization can best be described as…

     ___√__ Persuade and cajole   ____Command and Control

5. Important strategic and operational decisions are quickly translated into action

     __√__ Agree   __Disagree

6. The primary role of senior staff here is to….

     ___Audit the operational departments   __√__Support the operational departments

7. Managers above me in the hierarchy "get their hands dirty" by getting involved in operating decisions

     ___Frequently   __√__Rarely

8. Once made, decisions are often second-guessed

     ___ Agree   __√__Disagree

9. Everyone has a good idea of the decisions/actions for which he/she s responsible

     __√__ Agree   ___Disagree

10. Overall, this organization deals successfully with significant and unexpected change in the external environment

     __√__ Agree   ___Disagree

11. Important information about our external environment gets to senior staff quickly

     __√__ Agree   ___Disagree

12. Field/ operating employees usually have the information they need too understand the ultimate impact of their day-to-day choices on the whole organization and its mission—

　　　　　_Y__ Agree　　　___Disagree

13. We rarely send conflicting messages to constituents—

　　　　　_Y__ Agree　　　___Disagree

14. Information flows freely across organizational boundaries

　　　　　___ Agree　　　_Y__ Disagree

15. Field/ operating management has access to the metrics they need to measure the key drivers of their mission—

　　　　　_Y__ Agree　　　___Disagree

16. If the organization has a bad year, but a particular operating area has a good year, the operating area head would get a more significant reward than the head of an operating area that performed poorly

　　　　　_Y__ Agree　　　___Disagree

17. Besides pay, many other things motivate individuals to do a good job

　　　　　_Y__ Agree　　　___Disagree

18. The individual performance-appraisal process differentiates among high, adequate, and low performers

　　　　　_Y__ Agree　　　___Disagree

19. The ability to deliver on the performance commitments strongly influences career advancement and reward

　　　　　_Y__ Agree　　　___Disagree

20. Total operating Budget is….

　　　　　_____0-$1M_____

21. How well does your organization achieve its mission?

　　　___Exceeds objectives　_Y__ Meets objectives　　___Doesn't meet all objectives

D: ACCEA FOUNDATION

1. At the middle-management level, the average number of direct reports is…

       ___ 5 or more   __γ__ 4 or fewer

2. Promotions include lateral moves (from one position to another on the same level in the hierarchy)

       __γ_ Agree   __ Disagree

3. "Fast Track" employees here can expect promotions…

       ___ Every 3 years or more   __γ_ Less than every 3 years

4. The culture of this organization can best be described as…

       _γ__ Persuade and cajole   ___ Command and Control

5. Important strategic and operational decisions are quickly translated into action

       _γ__ Agree   __ Disagree

6. The primary role of senior staff here is to….

       ___ Audit the operational departments   __γ__ Support the operational departments

7. Managers above me in the hierarchy "get their hands dirty" by getting involved in operating decisions

       ___ Frequently   __γ__ Rarely

8. Once made, decisions are often second-guessed

       ___ Agree   __γ__ Disagree

9. Everyone has a good idea of the decisions/actions for which he/she s responsible

       _γ__ Agree   ___ Disagree

10. Overall, this organization deals successfully with significant and unexpected change in the external environment

       _γ__ Agree   ___ Disagree

11. Important information about our external environment gets to senior staff quickly

       _γ__ Agree   ___ Disagree

12. Field/ operating employees usually have the information they need too understand the ultimate impact of their day-to-day choices on the whole organization and its mission

       _Y_ Agree   ___Disagree

13. We rarely send conflicting messages to constituents

       _Y_ Agree   ___Disagree

14. Information flows freely across organizational boundaries

       _Y_ Agree   __Disagree

15. Field/ operating management has access to the metrics they need to measure the key drivers of their mission

       _Y_ Agree   ___Disagree

16. If the organization has a bad year, but a particular operating area has a good year, the operating area head would get a more significant reward than the head of an operating area that performed poorly

       __ Agree   _Y_Disagree

17. Besides pay, many other things motivate individuals to do a good job

       _Y_ Agree   ___Disagree

18. The individual performance-appraisal process differentiates among high, adequate, and low performers

       _Y_ Agree   ___Disagree

19. The ability to deliver on the performance commitments strongly influences career advancement and reward

       _Y_ Agree   __Disagree

20. Total operating Budget is….

       _____0-$1M_____

21. How well does your organization achieve its mission?

    ___Exceeds objectives   _Y_ Meets objectives   ___Doesn't meet all objectives

1. At the middle-management level, the average number of direct reports is…

     ___ 5 or more   __Y__4 or fewer

2. Promotions include lateral moves (from one position to another on the same level in the hierarchy)

     __Y_Agree   __Disagree

3. "Fast Track" employees here can expect promotions…

     __Every 3 years or more   __Y_ Less than every 3 years

4. The culture of this organization can best be described as…

     ___Persuade and cajole   __Y_ Command and Control

5. Important strategic and operational decisions are quickly translated into action

     _Y__Agree   __Disagree

6. The primary role of senior staff here is to….

     ___Audit the operational departments   __Y__Support the operational departments

7. Managers above me in the hierarchy "get their hands dirty" by getting involved in operating decisions

     __Y_Frequently   __Rarely

8. Once made, decisions are often second-guessed

     _Y__ Agree   __Disagree

9. Everyone has a good idea of the decisions/actions for which he/she s responsible

     _Y__ Agree   ___Disagree

10. Overall, this organization deals successfully with significant and unexpected change in the external environment

     _Y__ Agree   ___Disagree

11. Important information about our external environment gets to senior staff quickly

     _Y__ Agree   ___Disagree

12. Field/ operating employees usually have the information they need too understand the ultimate impact of their day-to-day choices on the whole organization and its mission—

        _γ__ Agree   ___Disagree

13. We rarely send conflicting messages to constituents—

        _γ__ Agree   ___Disagree

14. Information flows freely across organizational boundaries

        _γ__ Agree   ___Disagree

15. Field/ operating management has access to the metrics they need to measure the key drivers of their mission—

        _γ__ Agree   ___Disagree

16. If the organization has a bad year, but a particular operating area has a good year, the operating area head would get a more significant reward than the head of an operating area that performed poorly

        ___ Agree   _γ__Disagree

17. Besides pay, many other things motivate individuals to do a good job

        _γ__ Agree   ___Disagree

18. The individual performance-appraisal process differentiates among high, adequate, and low performers

        _γ__ Agree   ___Disagree

19. The ability to deliver on the performance commitments strongly influences career advancement and reward

        ___ Agree   _γ_ Disagree

20. Total operating Budget is….

        _____$1M-$20M_____

21. How well does your organization achieve its mission?

        ___Exceeds objectives   _γ__ Meets objectives   ___Doesn't meet all objectives

The List of Registered Organizations (Hotels, Weaving Mills, and Funds) downloaded from
http://www.spyur.am/htmfix/yp.htm

I. *Hotels, Motels*

• -A.Hakobyan
• -Anahit Holiday Home
• -Ani Paradise Hotel
• -Ani Plaza Hotel
• -Anush Hotel
• -Ara Marutyan Group
• -Araks Hotel
• -Ararat Hotel
• -Argishti Hotel
• -Armenia Marriott Hotel
• -Aviatrans
• -Aviatrans Hotel
• -Bass Hotel Complex
• -Bellagio Restaurant And Hotel Complex
• -Berlin Hotel
• -Bohemian Resort Hotel Complex
• -Casanova Inn
• -Congress Hotel
• -Deluxe Hotel Complex
• -Dghyak Hotel Complex
• -Envoy Hostel
• -Europe Hotel
• -Evmary Hotel

• -Golden Palace Hotel
• -Golden Tulip Hotel Yerevan
• -Harsnaqar Hotel Complex And Aquapark
• -Heghnar Hotel
• -Hrazdan Hotel
• -Hybusiness Hotel, Armenian Division Of Hybusiness Inc.
• -Impuls Dilijan Sanatorium Complex
• -Isuz
• -Kars Hotel Complex
• -Kecharis Hotel
• -Lalaner Hotel Complex
• -Latar
• -Lavanda
• -Lori Hotel Complex
• -Lotus Hotel Group
• -Maisian Camurj Hotel Complex
• -Metropol Hotel
• -Mosh Hotel
• -Nairi Hotel
• -Nirvana Hotel Complex
• -Nor Dzoraberd

• -Olympia Hotel
• -Palma Hotel Complex
• -Regineh Hotel Complex
• -Saya Hotel
• -Shirak Hotel
• -Shoushi Hotel
• -Sil Hotel
• -Splendor Holiday Home
• -Terjan-Tour Hotel Complex
• -Tsovinar Hotel Complex
• -Tufenkian Heritage Hotels
• -Valensia Hotel And Resort
• -Writers Creativity House In Tsaghkadzor Hotel Complex
• -Yeraz Hotel Complex
• -Ymca (Young Men's Christian Association) Hotel

II. *Carpet Weaving Mills*

• -Armen-Carpet
• -Ijevan Carpets Carpet Weaving Mill
• -Tufenkian Trans Caucasus

III. Funds

- -Armenian Center For Contemporary Experimental Art Accea
- -Arevelk-Arevmutk Scientific & Medical Foundation
- -Armenia Inter-Church Charitable Round Table Foundation Of The World Council Of Churches
- -Armenian Bone Marrow Donor Registry
- -Armenian Caritas
- -Armenian Eyecare Project Charitable Foundation
- -Atp (Armenia Tree Project) Charitable Foundation
- -Birthright Armenia Charitable Foundation
- -Caucasian Institute For Democracy Development Foundation, South Caucasian Branch
- -Center Of Home Social Service Provision For Single Elderly And Disabled People
- -Daa (Direct Aid Association)
- -Diaconia Charitable Fund
- -Finca Universal Credit Organization
- -Foundation Against The Violation Of Law
- -Gyumri-Veratsnund
- -Hayastan All-Armenian Fund
- -International Center For Agribusiness Research And Education (Icare/Atc)
- -Ird Inc. Armenian Branch
- -Jewish Religious Community Of Armenia Mordechay Navi
- -Kamar Benevolent Non-Governmental Organization
- -Kamurj Microenterprise Development Charitable Fund
- -Maharishi Vedic Center
- -Mission Armenia
- -National Foundation Of Science And Advanced Technologies (Nfsat)
- -Nig-Aparan
- -Pains Without Borders Medical-Psychological Program For Children
- -Shen
- -Shirak Competitiveness Center Fund
- -Tufenkian Charitable Foundation
- -United Nations Children's Fund (Unicef), Representation In Armenia
- -Women's Rights Center
- -World Vision/Armenia International Relief And Development Organization

EXHIBITS:

Exhibit # 1: *The Hourglass Organization*
Source: Neilson Gary, Pasternack Bruce, and Mendes Decio.(2003). "The Four Bases of Organizational DNA, " Strategy+Business, winter.

Vice President (8 to 9 direct Reports)

Senior Director (6 to 8 direct reports)

Director (3 to 6 direct reports)

Lead Manager (4 to 6 direct reports)

Manager (5 to 7 direct reports)

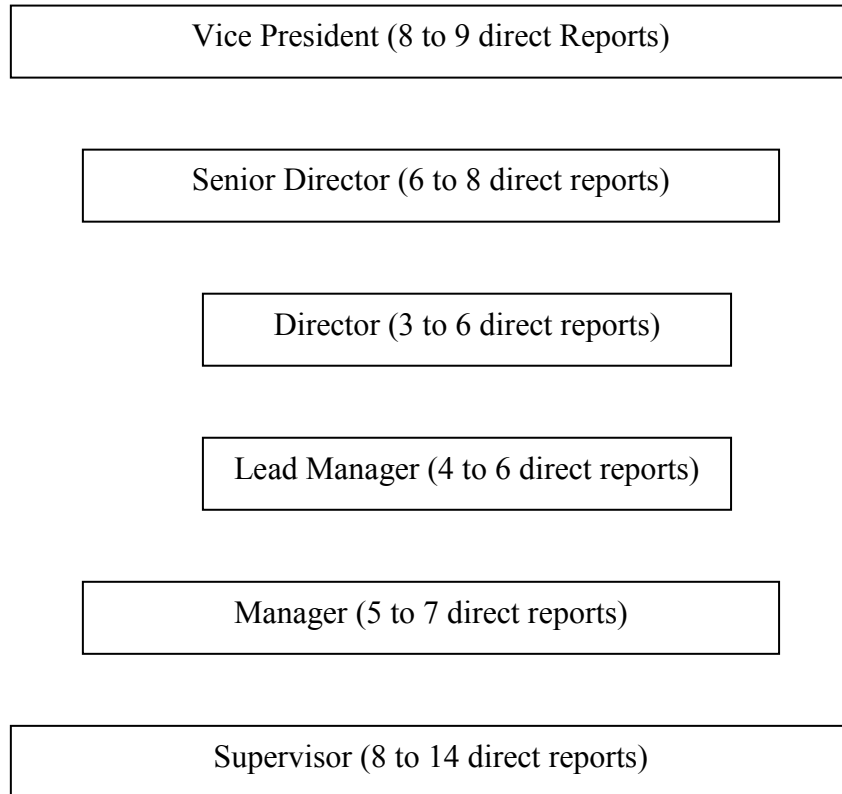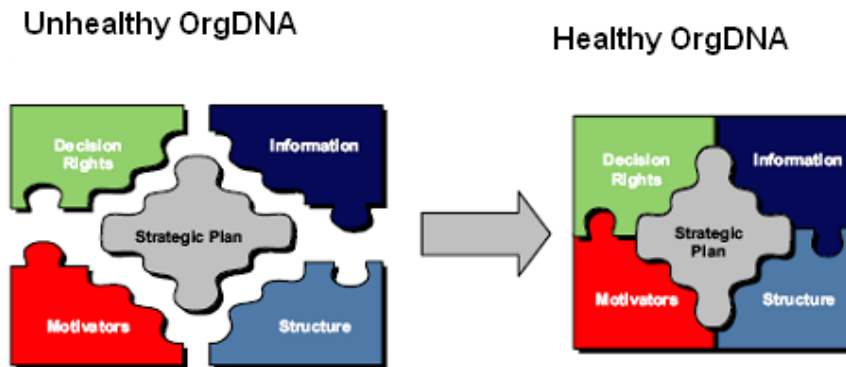| |
|---|
| Supervisor (8 to 14 direct reports) |

Exhibit # 2: *The Interrelation Among Four Building Blocks in Healthy and Unhealthy Organizations*
Source: Knott David & Neilson Gary. (2006). "Organizing to Execute." <u>Ivey Business Journal</u>

TABLES:

Table 1: *The Decision-Making Process*
Source: Gibson et al.(2000). <u>Organizations. Behavior, Structure, Processes.</u> (10[th]ed.). Boston:
McGraw-Hill Companies. 429.

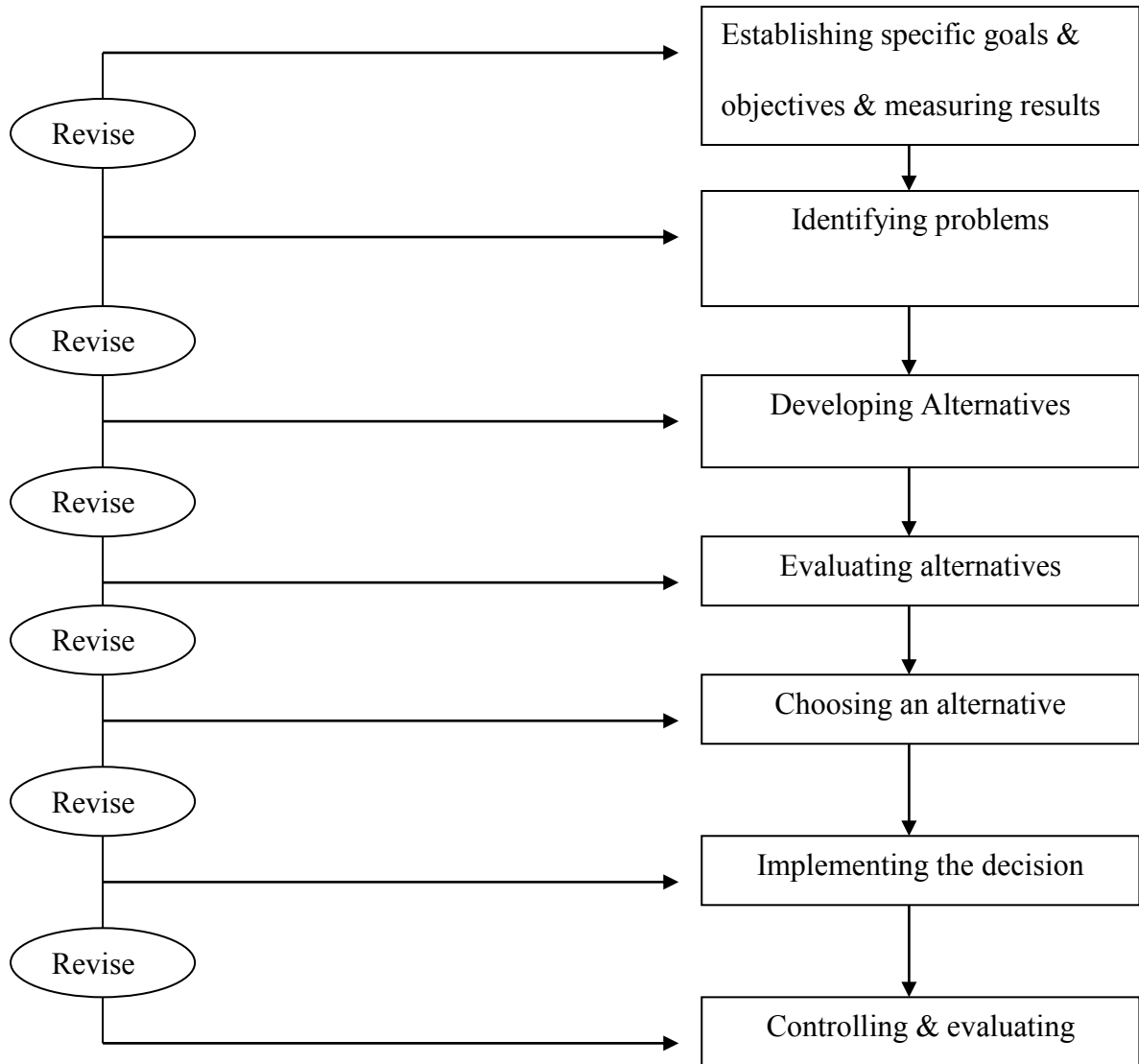| Revise	→	Establishing specific goals & objectives & measuring results
Revise	→	Identifying problems
Revise	→	Developing Alternatives
Revise	→	Evaluating alternatives
Revise	→	Choosing an alternative
Revise	→	Implementing the decision
Revise	→	Controlling & evaluating

Table 2: *Communication Model By Schramm*
Source: Schramm, Wilbur. (1953). "How Communication Works." In The Process and Effects of Mass Communication, Wilbur Schramm, (ed.).
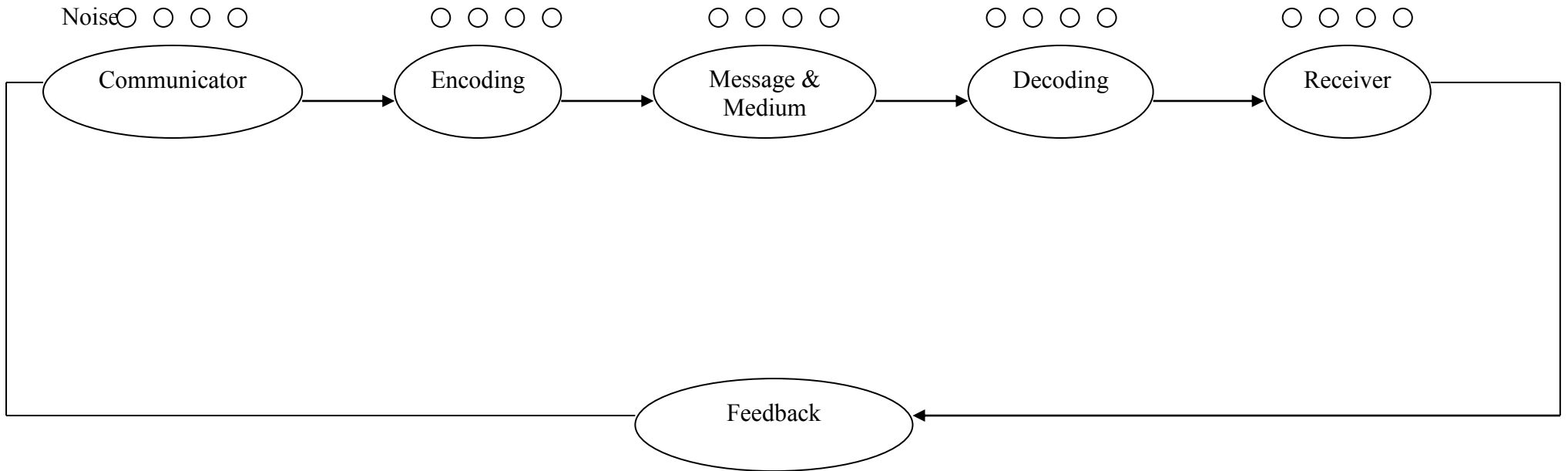   Urbana: University of Illinois press: 3-26.

Noise ○ ○ ○ ○   ○ ○ ○ ○   ○ ○ ○ ○   ○ ○ ○ ○   ○ ○ ○ ○

Communicator → Encoding → Message & Medium → Decoding → Receiver

Feedback

Table3: *Organizational Profile distributed by the Operating Budget*

	Operating budget	0-1M$	0-1M$	0-1M$	0-1M$	1-20M$
Organizational Profiles	RESILIENT	ACCEA Foundation	Tufenkian Hospitality	Tufenkian Artisan Carpets	Tufenkian Foundation	
	JUST-IN-TIME					Hayastan All Armenian Fund

Table 4: *Similarities & Differences on Four Building Blocks* (based on Results)

	ORGANIZATIONS	ACCEA Foundation	Tufenkian Foundation	Tufenkian Hospitality	Tufenkian Artisan Carpets	Hayastan Foundation
BUILDING BLOCKS	*Decision Making*	**X**	**X**	**X**	**X**	**M**
	Information	**Y**	**Y**	**Y**	**Y**	**F**
	Motivation	**P**	**Q**	**Q**	**Q***	**P***
	Structure	**H**	**Z**	**Z**	**Z**	**H**

*- answers are slightly different from those mentioned with the same symbol. For detailed information, see Appendix B

Table5: Organizational Type & Performance

Organizational Name	ACCEA Foundation	Tufenkian Foundation	Tufenkian Hospitality	Tufenkian Artisan Carpets	Hayastan Foundation
Organizational DNA	RESILIENT	RESILIENT	RESILIENT	RESILIENT	JUST-IN-TIME
External Performance 1	4.2	4.7	4.8	5	3.5
External Performance 2	4.1*	4.6	5	4	5
Internal Performance perceived by managers	4	5	4.8	5	4
Overall Performance (averaged)	**4.1**	**4.7**	**4.8**	**4.6**	**4.1**

*- averaged from external performance 1 and internal performance