Denison Overview: Introduction to the Denison Model

What is unique about the Denison model of organizational culture?

Two unique features of the Denison model stand out: the research and the proven effectiveness. The Denison model provides an easy-to-interpret, business-friendly approach to organizational culture that is based on sound research principles. The culture survey has been used successfully in thousands of organizations around the world.

The Denison model links organizational culture to bottom-line performance metrics such as sales growth, return on equity (ROE), return on investment (ROI), customer satisfaction, innovation, employee satisfaction and more. The model and related culture survey are based on over 20 years of research and practice by Daniel R. Denison, P.hD. and William S. Neale, M.A., M.L.I.R.
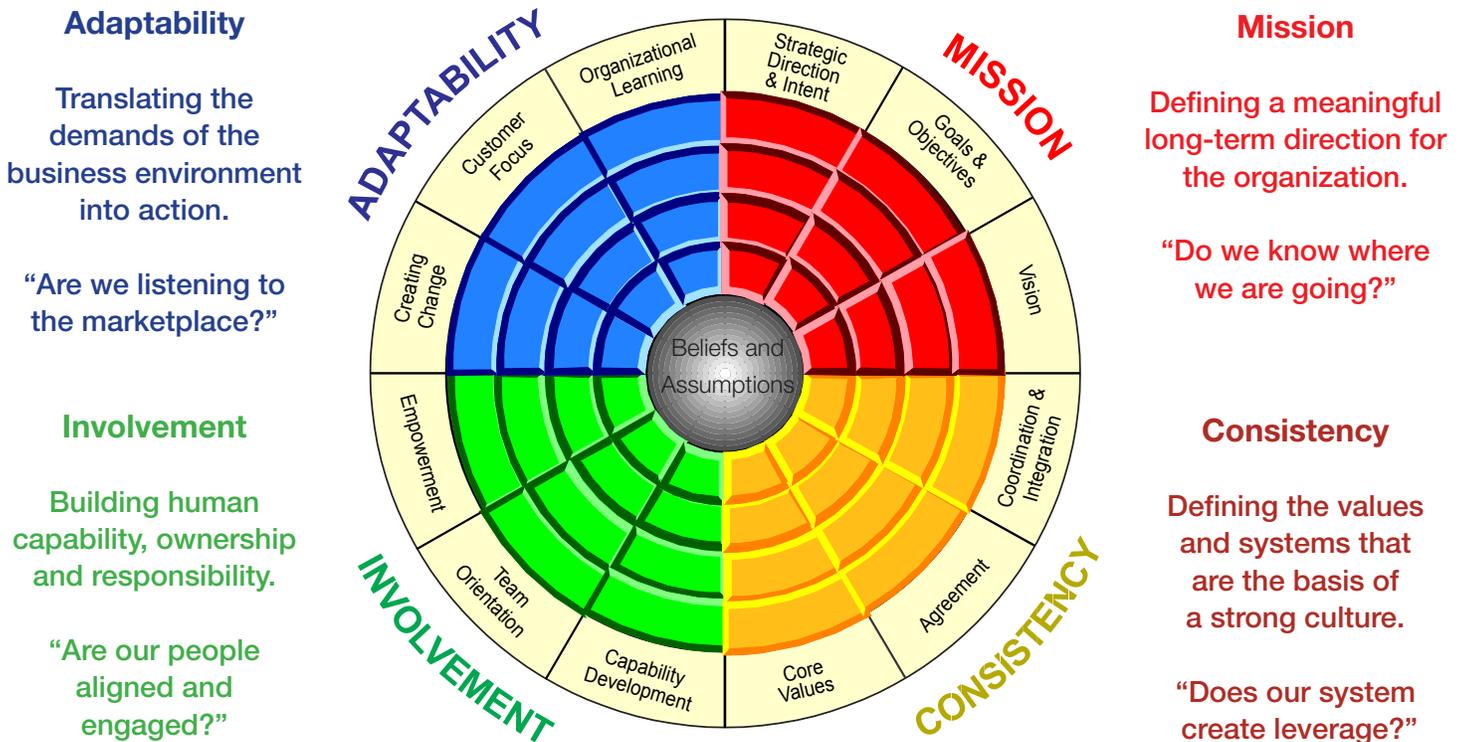
The Denison survey:
- Has a strong research foundation
- Offers proven reliability and validity
- Provides results compared to a normative, benchmarking database
- Ties survey results to bottom-line performance metrics through statistical analysis
- Applies to a broad spectrum of organizations (all industries, non-profit, governmental, education, etc.)
- Has been used globally (translated into 20+ languages)

About the Model

The Denison model of organizational culture highlights four key traits (Mission, Consistency, Involvement, Adaptability) that an organization should master in order to be effective. Each trait breaks down into three more specific indices for a total of 12 indices. Each of the four traits is represented by a color on the circumplex model. This color coding helps to group the related constructs into the four traits and also helps provide visual and intuitive feedback in the reports.

The Denison Model

Adaptability

Translating the demands of the business environment into action.

"Are we listening to the marketplace?"

Involvement

Building human capability, ownership and responsibility.

"Are our people aligned and engaged?"

Mission

Defining a meaningful long-term direction for the organization.

"Do we know where we are going?"

Consistency

Defining the values and systems that are the basis of a strong culture.

"Does our system create leverage?"

Diagram labels: ADAPTABILITY — Organizational Learning, Customer Focus, Creating Change. MISSION — Strategic Direction & Intent, Goals & Objectives, Vision. CONSISTENCY — Coordination & Integration, Agreement, Core Values. INVOLVEMENT — Empowerment, Team Orientation, Capability Development. Center: Beliefs and Assumptions.

Denison's research has demonstrated that effective organizations have high culture scores in all four traits. Thus, effective organizations are likely to have cultures that are adaptive, yet highly consistent and predictable, and that foster high involvement, but do so within the context of a shared sense of mission.

Organizations with strengths in two of the traits often share certain orientations and outcomes.

External Focus (Adaptability + Mission): An organization with a strong external focus is focused on adapting and changing in response to the external environment. It has a constant eye on the marketplace and a strong sense of where it is headed. A strong external focus typically impacts revenue, sales growth, and market share.

Internal Focus (Involvement + Consistency): An organization with a strong internal focus is focused on the dynamics of the internal integration of systems, structures, and processes. It values its people and prides itself on the quality of its products or services. A strong internal focus has been linked to higher levels of quality, fewer defects and less rework, good resource utilization, and high employee satisfaction.

Flexibility (Adaptability + Involvement): A flexible organization has the capability to change in response to the environment. Its focus is on the marketplace and its people. A flexible organization is typically linked to higher levels of product and service innovation, creativity, and a fast response to the changing needs of customers and employees.

Stability (Mission + Consistency): A stable organization has the capacity to remain focused and predictable over time. A stable organization is typically linked to high return on assets, investments and sales, as well as strong business operations.

Interpreting Survey Results

Based on the Denison model, the Denison Organizational Culture Survey (DOCS) contains 60 items that measure specific aspects of an organization's culture. Each of the 12 indices has five survey items for a total of 60 items. When an organization takes the DOCS, the individual results are aggregated and reported back in a circumplex report.

The circumplex report:

- Displays the colors for each of the four traits.
- Shows a numerical percentile score for each of the 12 indices. The percentile score is calculated using a normative data-base of organizations.
- Puts color into the number of segments for each index that corresponds to the quar-tile (1st, 2nd, 3rd, or 4th) for the percentile score. A first quartile result (percentile 1-25) will have one segment of color, a second quartile result would have two seg-ments of color, and so on.

Note: Numbers denote percentile values
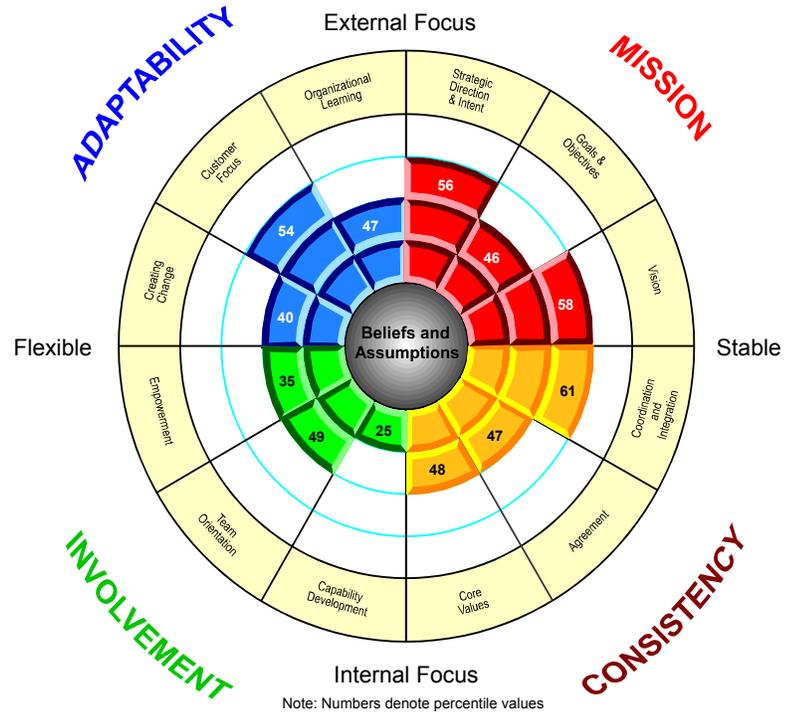
In this example:

- The sample organization received a percentile score of 58 in the Vision index of the Mission trait. This means that 58% of the organizations in the normative database scored lower than this organization.
- The Vision score has three segments of color, indicating that the percentile result falls into the third quartile of results. The Goals and Objectives index has two segments of color, because the 46th percentile falls into the second quartile of results.

Helpful Hint:

More Color

is Better!

Additional Reports

The standard DOCS report contains the circum-plex report for the organization. It also includes a high/low report containing the highest and lowest scored items on the survey and a line item report that shows the score for each of the 60 items on the survey. In addition, the organization can request reports that show the results broken out for groups such as function areas, locations, management ver-sus non-management and more. In order to create these group-level reports, the required demographic data must be collected during the survey process. A basic descriptives report containing means and standard deviations is also available upon request.

Normative Database and Percentiles

Denison generates results by comparing an organization to the results of 707 organizations (over 280,000 individual respondents) in the normative database. The percentile scores indicate how well the organization ranks in comparison to the other organizations in the database. For example, if the organization has a percentile score of 94 in the Customer Focus index, that means that it scored higher than 94 percent of the organizations in the database.

Using percentiles helps give meaning to the results and helps answer the question: *"Is that good?"* For example, a raw mean score of 2.5 on an index does not convey much information. However, if that mean translates to a percentile of 34, it tells the organization that this is a vulnerable area that deserves attention. Percentiles provide meaning and context to the results.

Organizations represented in the normative database come from a wide variety of countries and industries. Through our ongoing research we have found that different industries, from finance to pharmaceuticals, and even different countries have very similar results to the global database. The model translates effectively to different national cultures and environments.

Reliability and Validity: Measuring Performance

Our research makes the difference! The scales of the Denison Organizational Culture Survey have been examined using reliability analysis, confirmatory factor analysis and predictive validity measures. These analyses indicate scientifically acceptable levels of consistency within scales. They also offer support for the psychometric integrity of the survey and the survey's link to organizational effectiveness. We do this because we want to make sure our results are valid. Our results consistently show that organizations that score well on the culture survey also score well on other performance measures.

We are a research-based organization and pride ourselves on the strength of our model and survey. Ongoing Denison research projects are examining the correlation between culture and such organizational effectiveness measures as customer satisfaction, sales growth, return on investment, gross margin and more. The results show that an organization's culture, as measured by the Denison Organizational Culture Survey, is directly related to its performance.

Related Resources

Denison Consulting. (2005, April). Overview of the Reliability and Validity of the Denison Organizational Culture Survey. Ann Arbor, MI: Author.

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