STUDY ON ADAPTABILITY CULTURE AND PROJECT PERFORMANCE IN
PROJECT-BASED COMPANIES

AHMAD SALAHUDDIN BIN MAT HASSAN

Thesis submitted in fulfilment of requirements
for the award of the degree of
Bachelor of Project Management with Honours

Faculty Industrial Management

UNIVERSITY MALAYSIA PAHANG

DECEMBER 2015

SUPERVISOR'S DECLERATION

I hereby that I have checked this project and in my opinion this project is adequate in term of scope and quality for the award of the degree of Bachelor of Project Management with Honor.

Signature   :

Name of Supervisor   : DR. SENTHIL KUMAR

Position   : SENIOR LECTURER

Date   :

STUDENT'S DECLARATION

I hereby declare that the work in this project is my own except for quotation and summaries which have been duly acknowledged. The project has not been accepted for any degree and is not concurrently submitted for award of the degree.

Signature   :
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ABSTRACT

This thesis is focus on culture in the organization where the factors which influence work performance. This study is to identify whether they have impact or effect between organizational cultures towards project performance in the organization. This thesis objectives are to identify culture implementation in organizational at construction project and also to identify the relationship between organizational culture and project performance. Using elements that includes in Denison model, there are a few factor that measurable to investigate organizational culture existence in the organization such as involvement element, consistency element, and also adaptability element. Meanwhile to measure project performance also have some elements which are time and cost. Both two variables will be studied whether it closely related between organizational culture and project performance. To determine relationship between these variables, several tests was done to identify impact between each other. Software Statistical Package for the Social Science (SPSS) was used as tool to analyze data achieved from respondents by using questioner. After several tests have completely been carried out, results showing relationship between work cultures have impact to project performance. This explicable by referring to value shown from SPSS software. Based on these values, assumption can make to formulate this thesis decision is work culture in one organization give impact to project performance.

ABSTRAK

Tesis ini adalah berkenaan dengan budaya kerja dalam sesebuah organisasi dimana terdapat factor-faktor yang mempengaruhi prestasi kerja. Kajian ini adalah untuk mengkaji sama ada adakah terdapat sesuatu impak ataupun kesan antara budaya kerja terhadap prestasi dalam sesebuah organisasi. Objektif tesis ini adalah untuk mengenal pasti budaya yang diterapkan dalam organisasi berkaitan projek pembinaan dan juga untuk mengenal pasti akan hubungkait antara budaya kerja dan prestasi projek. Menggunakan unsur-unsur yang di ambil daripada model Denison, terdapat beberapa faktor yang boleh diukur untuk mengakaji kewujudan budaya kerja iaitu, unsur penglibatan, unsur konsisten, dan juga unsur penyesuaian. Manakala untuk mengukur prestasi projek juga mempunyai beberapa unsur iaitu masa dan kos. Kedua- dua pembolehubah ini akan dikaji sama ada ianya berkait rapat antara budaya kerja dan prestasi projek. Untuk menentukan hubungkait antara pemboleh ubah ini, beberapa ujian telah dilakukan untuk mengenal pasti impak antara satu sama lain. Perisian Statistical Pakage for the Social Science (SPSS) telah digunakan sebagai alat untuk menganalisa data yang diperolehi daripada responden dengan menggunakan soalan kaji selidik. Setelah beberapa ujian telah selesai dilaksanakan, keputusan menunjukkan hubungan antara budaya kerja mempunyai impak kepada prestasi projek. Ini dapat dijelaskan dengan merujuk kepada nilai yang ditunjukkan daripada perisian SPSS. Berdasarkan nilai-nilai ini, andaian dapat dibuat untuk merumuskan keputusan tesis ini adalah budaya kerja dalam sesebuah organisasi memberi impak kepada prestasi projek.

CHAPTER 1

INTRODUCTION

1.1   BACKGROUND

Organizational culture is the actions or manner of people in an organization. "Organizational culture represents the total (of everything or everyone) values, beliefs and ways of thinking/basic truths/rules of organizational members and is a product of such factors as history, product, market, technology, and (success plan(s)/way(s) of reaching goals), type of workers, management style, and national culture", (Needle, 2004).

"Organizational culture is a system of shared meaning held by members that distinguishes an organization to other organization", (Robbins, 2003). Its means that, when watched more closely, is a set of the main (features/ qualities/ traits) that are valued by an organization. This system is focus on how the workers recognize (features/ qualities/ traits) of culture.

According to Denison and Mishra (1995) showed that the four different cultural which is traits, mission, consistency, and involvement, were related to different judging requirements of effectiveness. This research found that the qualities of mission and consistency were the best (describe a possible future event) of a money-making state, the bes of qualities are from adaptability and involvement (described a possible future event) of

invention of new things, also the best of qualities are from mission and adaptability (describe a possible future event) of sales growth.

Based on the Denison model on four cultural traits, which are involvement, consistency, adaptability and mission. On four cultural traits, I have decided to focus on the adaptability culture to identify whether the changes that have make in the organization will have relationship to the project performance.

Adaptability culture is a well combination of well organization that at least can be improved in easy way and the hard way. The internal and external combination are the keys to help the changes in an organization. Able to change organizations translate the demands of the organizational (surrounding conditions) into action. They take risks, and learn from their mistakes, and have ability and experience at creating change (Katz & Kahn, 1978; Kotter, 1996; Senge, 1990). They are continuously improving the organization's ability to provide value for its customers by creating a system of normal behaviors and beliefs that support the organization's ability to receive, understand/explain, and translate signals from its (surrounding conditions) into internal systems that increase the organizations chances for survival and growth. Organizations that are strong in (ability to change) usually experience sales growth, (Denison & Mishra, 1995).

1.2   PROBLEM STATEMENT

Changes in organization is always happen in any company. Organizational problems are sometimes described in terms of the sign of sickness, and sometimes the cause. For example, ineffective meetings are the sign of poor communication and 'meeting' skills, and the cause of poor decisions. Poor decisions may therefore be a sign of sickness in one view and a cause in another. For that reason, the following table ignores the difference between cause and effect and uses the descriptive words heard within organizations.

Furthermore, changes are triggered by some factors such as social, legal, economic, political, and technological. For example of the social factor is changes in demography and

consumer buying patterns, and the others example of other factors is government take a particular line on privatization.

This research focuses on the adaptability culture. There are three element that can be measured in this Denison Model which are, creating change, customer focus, and organizational learning. Creating change is the organization can create (able to change and get better) ways to meet changing needs. It can read the business (surrounding conditions), react quickly to current (popular things/general ways things are going), and expect/look ahead to future changes. Next is customer focus means the organization understands and reacts to their customers and expects/looks ahead to their future needs. It reflects the degree to which the organization is driven by a concern to make happy (by meeting a need or reaching a goal) their customers. Lastly organizational learning which is the organization receives, translates, and understands/explains signals from (the health of the Earth/the surrounding conditions) into opportunities for encouraging invention of new things, gaining knowledge, and developing abilities.

This research will question on what organizational culture has been implemented in the company? Is there any changes in the project performance in terms of cost and time if the culture change? How will the company face the customers need? What will happen if the company culture are not strong enough? And what are the impact of the organizational culture implementation to the project performance? These questions may lead me to identify which of the culture have been implement in the organization and how do they face the culture changes. Are this relationship have a big impact to the project performance?

In conclusion, the culture changes in the organization will impact to the project performance? That's the question that need me to focus on this research.