

**ORGANIZATIONAL CULTURE IN FINNISH
STARTUPS AND GROWTH COMPANIES: A
LEADERSHIP PERSPECTIVE**

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of Business and Economics**

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ABSTRACT

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Abstract <p>Organizational culture is an integral part of every organization and has far-reaching influence on how businesses work. The organizational culture of startups and growth companies has been gaining more and more attention during past years as they seem to pay particular attention to their work cultures and show cultures which highly differ from the cultures of large corporations. However, organizational culture in startups and growth companies have not been widely studied before, mostly due to the newness of the context. This study therefore focused to investigate this topic and takes a leadership approach to examine how the leaders in these new and growing companies approach the issue. The emphasis of the study was on how leaders define organizational culture, why they see it as such an important topic, and can culture in fact be somehow led.</p> <p>The research was implemented through interviewing face-to-face 10 leaders of different Finnish startups and growth companies. The companies varied in age, size and industry to provide a comprehensive database. The data collected was analyzed by qualitative research methods, finally resulting in main findings.</p> <p>This study found that among these different startups and growth companies, common views could be found, especially concerning the reasons why these leaders perceived organizational culture as an important topic. It was found that most of the interviewees viewed employee well-being as one of the main factors for focusing on their culture. Additionally, it was seen to also have an effect on working conditions, the company's performance, and attracting new candidates to the company. Moreover, it was also discovered that these leaders thought that organizational culture can be led only to a certain degree, as it was commonly agreed that people inside the organization create the culture and leaders only have a limited say on the matter. Therefore, the findings provided additional information to theory of organizational culture in this specific context and brought some insights to the discussion from the perspective of leaders of growing companies.</p>	
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Tiivistelmä <p>Organisaatiokulttuuri on tärkeä osa jokaista organisaatiota ja sillä on syvälle ulottuvia vaikutuksia siihen, kuinka yritykset toimivat. Organisaatiokulttuuri erityisesti startuppeissa ja kasvuyrityksissä on saanut yhä enemmän huomiota osakseen viimeisten vuosien aikana, sillä näissä vaikutetaan kiinnitettävän erityisen paljon huomiota kulttuuriin. Tätä aihetta ei ole kuitenkaan tutkittu laajalti aiemmin, pääasiassa kontekstin uutuuden takia. Tämän vuoksi tämä tutkielma keskittyy tutkimaan tätä nimenomaista aihetta ja käyttää johtamisen näkökulmaa tutkiakseen kuinka johtajat näissä uusissa ja kasvavissa yrityksissä näkevät ilmiön. Tutkimus keskittyy erityisesti siihen, kuinka nämä johtajat määrittelevät organisaatiokulttuurin, miksi he näkevät sen tärkeänä sekä voiko kulttuuria ylipäättänsä johtaa.</p> <p>Tutkimus toteutettiin suorittamalla haastatteluita kymmenen johtajan kanssa suomalaisista startupeista ja kasvuyrityksistä. Nämä yritykset vaihtelivat iän, koon sekä toimialueen puolesta tuodakseen mahdollisimman laajan tutkimusaineiston. Haastatteluista kerätyt tiedot analysoitiin kvalitatiivisten tutkimusmenetelmien avulla ja lopulta tuottivat tutkimuksen päähavainnot.</p> <p>Tutkimus sai selville, että näiden yritysten joukosta löytyi yhteneväisiä näkökulmia, erityisesti kohdistuen syihin miksi johtajat näkivät organisaatiokulttuurin tärkeänä aiheena. Tutkimus toi myös esille sen kuinka useimmat haastateltavista näkivät työntekijöiden hyvinvoinnin yhtenä tärkeimmistä syistä keskittyä kulttuuriin. Tämän lisäksi, kulttuurin nähtiin myös vaikuttavan positiivisesti työolosuhteisiin, yrityksen menestykseen sekä uusien työntekijöiden houkuttelemiseen. Tutkimus toi myös esille mielenkiintoisen löydöksen siitä, kuinka nämä johtajat näkivät pystyvänsä johtamaan organisaatiokulttuuria vain tiettyyn pisteeseen asti, sillä monet näkivät kulttuurin muodostuvan kaikista ihmisistä organisaation sisällä ja tämän takia johtajilla olevan vain pieni osa asiassa. Näin ollen, nämä löydökset toivat uutta tietoa organisaatiokulttuurikirjallisuuteen tässä kontekstissa ja toivat uutta ymmärrystä mukaan keskusteluun yritysten johtajien näkökulmasta.</p>	
Asiasanat Organisaatiokulttuuri, startup, kasvuyritys, johtaminen	
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1 INTRODUCTION

The importance of workplace settings has been recognized by researchers already for decades. Ever since the Hawthorne studies in the 1920s found out that employees' work became more effective when their working conditions were improved, their social interaction increased, and they received more attention, classical organizational and leadership theories started to change (Juuti 2006). Organizational culture as such became a topic of interest for researchers only in the 1980s but it has been seen as an integral part of every organization ever since (Alvesson 2010). Organizational culture is an extremely wide-ranging but also debated issue, as researchers disagree even on its basic definition and research methods. However, due to its substantial impact on the daily operations of an organization, it is an intriguing topic to study. Similarly as world's nations each have their own specific type of culture, organizations as well have their own unique cultures which characterize how people behave and use language, what they consider as normal, and how others are seen inside the organization. Leaders all over the world aim to create more effective organizations in the face of changing circumstances (Schein 2010) as the world is moving forward and is in a constant change, which makes them turn their focus on organizational culture. Focusing on culture affects many aspects of an organization, such as its effectiveness and performance, employee well-being, innovativeness, and employee commitment. However, even though each organization with shared history has a culture, it is one of the most unconscious parts of an organization (Schein 2010), which brings a true challenge for anyone studying the topic. Therefore, with the debate over the definition of organizational culture, its vast studies, and its deep underlying nature, one is faced with a challenge when joining the research.

Even as organizational culture has been studied over the decades in several different contexts, a relatively new environment has now appeared where organizational culture is often highly visible and discussed but has not yet been a focus point of researchers. That is, the context of startups and growth companies. They have gained an increasing amount of attention over the past years and is an area where one can see a clear gap in research which this thesis will aim to help to fill. Until the 1980s, companies with relatively maladaptive cultures and traditional managers enabled them to succeed in the stable business world but this has now changed (Kotter & Heskett 1992) and in today's competitive and fast-moving business environment new ways of leading have emerged. In this environment, startups and growth companies in particular have gained quite widely attention and for several reasons. First of all, it is a highly unique context as startups have an extremely high failure rate (Ouimet & Zarutskie 2014) and they offer a low level of job security (Sauermann 2017), but if they manage to succeed, they are able to become highly successful. Secondly, entrepreneurial companies are limited by their lack of resources (Katila et al. 2012), they pay smaller salaries (Ouimet & Zarutskie 2014), and the risks are high, and for this reason, they require different methods for achieving competitive advantage and

attracting employees. However, young companies create the largest number of job openings (Lawless 2014) and during the years 2001 to 2016, small businesses (that is, with less than 50 employees) created over 80 000 new jobs in Finland (Yrittäjät 2018). Innovation is often connected to the survival of startups (Criscuolo et al. 2012) and it has also been noted that younger companies in knowledge-intensive businesses tend to put more emphasis on organizational culture than their older and more established counterparts (Alvesson 2002). The reasons behind venture growth interests many researchers (Rauch & Rijdsdijk 2011) and organizational culture has been pointed out as one possible explanation behind it.

Additionally, the organizational culture of new and growing companies has gained widely attention in the media during the past few years. It is not uncommon to come across an article about a company implementing some unique practice at their workplace and gaining attention through it. For example, at Dropbox, the image of a smiling cupcake is listed as one of their core values and a cupcake kit is delivered to potential new employees (Kim 2016), Facebook is famous for, among other things, offering free food and drinks to its employees and even having a pastry chef at the office (Cain 2016), and Google is well-known for the employee benefits it offers, ranging from yoga classes to an onsite massage therapist to laundry services, making it one of the most desirable companies to work for (Finkle 2012). In these large but fast-grown companies the idea of employee experience is well thought of and they have gained widely attention because of it.

These cultural characteristics are often under public discussion and illustrates what a topical issue organizational culture is today, this phenomenon reaching Finland as well. The highly successful Finnish game company Supercell often highlights their unique culture where responsibility is completely on independent small teams and the company's success is credited to their employees (Lapintie 2013; Supercell 2018). The CEO of the company Ilkka Paananen has said that even as the people are behind their success, their culture works as the enabler for this (Paananen 2018). Therefore, as the organizational culture of many fast-growing companies has been under the public spotlight, it is an interesting topic of research whether organizational culture could be one of the reasons behind their fast growth. An expert interview was conducted for the purposes of this thesis to shed some light on the current situation in Finland before starting the research, and according to the expert (Rinne 2018), due to the boom in the IT industry and growing recognition of employee experience, the awareness of organizational culture has been rising in the past years in Finland as well. A national recruitment study made by Duunitori (2019) discovered as well that the second most important factor that recruitment professionals in Finland value in job candidates was their fit with the company's organizational culture, 99% of the respondents seeing it as highly important, important, or quite important. According to all the respondents, culture fit surpassed even prior work experience in importance. This signals the trend among recruitment professionals when again, according to Rinne (2018), it may be that only some individuals are discussing the topic out loud in public platforms (such as social media) and it might

seem such that the topic is the focus point of most companies these days, when in fact the real decision makers in small and medium-sized companies and corporations are not yet truly paying attention to the topic. Therefore, organizational culture may be discussed quite heavily in the public eye and among some professionals, but the change towards all companies truly focusing on the issue is a slower process.

Nevertheless, companies are turning their gaze towards their employees more and more these days. According to Deloitte Global Human Capital Trends (2017), 85% of the surveyed small firms see employee experience as highly important (as opposed to 69% of medium-sized companies) and overall in all companies in the Nordic countries, 69% chose employee experience and 75% talent acquisition as highly important issues to address in their operations. Thus, this shows how widely this trend has already spread across companies and is a highly relevant issue both in small companies and in the Nordic region. Moreover, a quite small but clear change has been arising where one can note how traditional HR roles are being changed in the startup industry as instead of using the traditional titles of Human Resources Managers, one can often find different alternative titles such as Director of Culture (Taipale & Janhonen 2017) or other similar culture-related titles. These changes in the titles signal a change in the area of human resource management as well and are evidence of a changing organizational culture.

1.1 Research questions

With the overflowing amount of research on organizational culture and the current trend of startups and growth companies, this present study will aim to fill the research gap by combining these two factors and studying organizational culture in Finnish startups and growth companies. A leadership perspective is included to provide information from the point of view of the persons responsible of the culture and to examine whether organizational culture can be in fact led in some shape or form. As Taipale and Janhonen (2017) state, company's managers have the responsibility to execute in practice the company's policies and values and take care of employees' well-being, and therefore may have a major role in shaping organizational culture. Thus, the main research question for this study is the following:

RQ: How organizational culture is managed in Finnish startups and growth companies?

Additionally, three sub-questions were also formed to shed some light on more detailed issues:

- a. How do Finnish startups and growth companies define organizational culture?
- b. Why is organizational culture considered an important topic in these companies?
- c. How organizational culture can be led?

To answer these research questions, the study therefore focuses on the companies' perspectives on what organizational culture is, how it is created and managed inside their company, why do they pay attention to it, and how is it being led.

The topic will be studied through interviewing a number of Finnish startups and growth companies, each providing their own unique perspective on the issue. The companies will range in age and size across different industries, thus creating a wide spectrum of companies and providing a comprehensive look on the issue. Even though organizational culture categories such as the Competing Values Framework will be discussed in this study, the aim is not to categorize these case companies under specific cultural categories or simply describe the different cultures but instead, explore the topic widely to reach a view from multiple angles and see how this same topic is perceived by different companies. Organizations often see their individual culture as unique, and while companies starting from the same circumstances can end up in numerous different paths (Martin 2002), it is highly interesting to see whether there can be found any major similarities or differences between these different growing companies and their organizational cultures. Moreover, an expert interview was conducted prior to the case interviews, to provide a look on organizational culture in today's Finland and to give some professional insight into the broad field of organizational culture.

1.2 Startups and growth companies

The context for this study is organizational culture that occurs in companies that are specifically in their startup or growth phase. Entrepreneurial organizations face different challenges than larger and more established organizations due to their smaller size and younger age (Cardon & Stevens 2004), their substantial need for resources (Markman & Gartner 2003), and the pursuit of fast growth. However, a company's growth is often seen as a good signal of its health and market potential (Markman & Gartner 2003) and growing organizations are often under public's interest due to this potential and high growth. The topic is not yet widely researched, and as startups and growth companies have received growing attention, it presents a great research gap which this thesis aims to help to fill.

In this section, I will give definitions for what startups and growth companies in fact are, to provide an understanding of the context of this study.

As a quite new term, startup is still very loosely defined, and many researchers use different parameters for outlining it. Ries (2011), the author of the popular Lean Startup book, defines the term as following: "A startup is a human institution designed to create a new product or service under conditions of extreme uncertainty", placing emphasis on innovation in uncertain conditions. In research, a distinct definition for a startup is not always even provided, enhancing the vagueness of the term. Instead, it has been for example referred to as being a young company with a high failure rate (Ouimet & Zarutskie 2014). However, the following parameters for a startup have been used in different studies: companies less than 6-years-old and with less than 100 employees (Sauer mann 2017), on average 5-years-old and employing around 75 people (Baron & Hannan 2002), and companies under 5 years old (Criscuolo et al. 2012). Thus, it can be agreed that startups are seen as young businesses, often approximately less than five years old, and employing a small number of employees that would classify them also often as small businesses. For the purposes of this study, the main characteristic for a startup will be according to Ries' definition of the company working under high levels of uncertainty and no certain hard limit for age or employee number will be used.

Similarly as people struggle to have a unanimous view on what a startup specifically is, researchers also often use different measures for growth in studying growth companies (Delmar et al. 2003). Most often venture growth has been measured as the change in sales or employees over various time periods, for example a certain percentage of growth during three years (Drnovske et al. 2016; Delmar et al. 2003), but growing ventures have also been outlined for instance as being younger than 10 years, still having founder CEOs, and having less than 250 employees (Drnovske et al. 2016). These measurements differ from study to study and therefore it is difficult to provide exact perimeters for what counts as a growth company either. Thus, the perception of fast growth will be considered as the main characteristic in this study and the companies' own consideration of being one, without having any exact growth rates as a requirement as this might result in overly limiting the possible pool of case companies.

As the present study involves both startups and growth companies, there is no need to have a clear separation between the two, particularly as the purpose is not to specifically compare startups with growth companies but instead, view them as a large unified context for this study. In public discussion, these two terms are also often used even interchangeably, indicating still a confusion of their exact definitions. Also, with the lack of research on startups and growth companies, the theory in this thesis utilizes also a large variety of research on companies with similar features, such as entrepreneurial companies, young companies, small companies, new ventures, and SMEs.

1.3 Structure of the study

This thesis is divided into five main chapters. This first chapter focused on explaining the background for the studied topic, the reasons for its relevance, and the research gap that was found. The main research question followed by the three sub-questions were also introduced, after which the context of the study was explained as startups and growth companies were defined.

In the second chapter, the focus will be on the literature and previous research surrounding the study. First, organizational culture in overall will be discussed including its many definitions and characteristics, after which some culture's more visible artifacts will be covered. Later, the literature will cover the different reasons why organizations should focus on culture and how organizational culture can be in fact led. Lastly in the second chapter, a framework for organizational culture will be introduced.

The third chapter will discuss the research methods used in this current study, centering on qualitative research. Additionally, it will also cover how the data was gathered through interviews and analyzed afterwards. The ten case companies used in the study will be introduced in this section as well, the chapter ending with examining some limitations surrounding the study.

In the fourth chapter of the thesis, the eventual findings that emerged from the interview data will be covered. This will include describing the case companies' views on organizational culture, reasons why they see this as important, and how culture is being led in their companies. Finally, the fifth and last chapter will have the conclusions drawn from the study, combining the literature with the findings from the interviews, providing some theoretical implications alongside with suggestions for further research.

2 ORGANIZATIONAL CULTURE AND LEADERSHIP

Organizational culture has been researched extensively since the 1980s and ever since it has been seen as a major factor influencing the behavior of organizations, groups, and individuals (Hartnell et al. 2011). Studies on organizational culture encompass features from the disciplines of psychology, sociology, and anthropology (Ashkanasy et al. 2010), widening the scope of how the topic can be pursued. Because of the magnitude of the field, researchers disagree on many aspects, such as how the topic should be studied, how to define the term, and what is the role of leaders in it. A few of these differing viewpoints will be discussed but for the purpose of this thesis, certain definitions and viewpoints are chosen to provide a basis on how to approach the topic.

This chapter will begin with a description of what organizational culture in fact is, how it can be defined and studied, and what can be considered its main characteristics. This will follow with a description of culture's most visible aspects and what type of an impact can culture have on companies. Then, the leadership perspective will be discussed and finally, in the final section of this chapter, a Competing Values Framework will be introduced to provide a description of four different cultural types that can be found from businesses.

2.1 What is organizational culture

Due to the vagueness of the term, in this following section, organizational culture will be defined according to several researchers and distinguished from other similar terms. This will then follow with Schein's multilayered approach to culture and a discussion of certain common characteristics of culture.

2.1.1 Defining organizational culture

One can find almost as many definitions of organizational culture than there are researchers studying the topic. To start with, Hartnell et al. (2011) define the term concisely as: "culture is a unified pattern of assumptions, beliefs, values, norms, and behaviors". Martin (2002) adds to this by defining organizational culture as something that involves the stories, physical spaces, humor, atmosphere, and relationships in an organization, and the information these provide both on the visible level and the more in-depth level. She also notes that these cultural manifestations, as she calls them, can be clear and work smoothly together or be covered in ambiguity and create contradictions inside the organization. Furthermore, Alvesson (2002) takes a wide perspective of the topic, stating that culture can be studied also through rules and norms, symbols, emotions, behavioral patterns, and structures. One can note therefore that researchers' descriptions of organizational culture revolve around similar issues and the main differences lie in

the specific definitions and the different main characteristics that are seen as the most important or essential parts of culture. Despite this, there can also be found several components that many researchers in fact agree on being part of organizational culture. For example, the role of the organization's history and the culture's evolution through time (Härtel & Ashkanasy 2010; Schein 1990), culture as an intricate social phenomenon (Hartnell et al. 2011; Gundry & Rousseau 1994), in a close connection with language and communication (Alvesson 2010; Pettigrew 1979), and as difficult to change (Hofstede et al. 1990).

Many of the definitions one comes across have their roots in the important works of Edgar Schein, considered by some as the father of organizational culture research. Schein (2010) defines organizational culture as "a pattern of shared basic assumptions learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems." This definition places the emphasis on the concept of culture being formed through history as a shared experience among the members of the organization. However, Schein (2010) lists three different ways how organizational culture can be formed: through the beliefs and values of the founders of the organization, through this shared learning experience among the organization's members, or through new beliefs and values brought in by new members. All of these three processes have their own role in creating and shaping organizational culture and most cultures are the result of a combination of these. Moreover, Schein (2010) also often underlies the unconscious nature of culture, describing it as having a powerful impact but being mostly invisible to the organization's members. He created a three-level method on how to examine organizational culture from its most visible level to the unconscious features (through artifacts, espoused values, and basic underlying assumptions) and this multilayered approach will be covered later in the next section.

However, when discussing organizational culture, it is important to note that not every organization necessarily has only one organizational culture but instead, it is possible to have subcultures (Schein 1990). Subcultures may emerge as an organization expands and different units meet different criteria for effectiveness, each adjusting the overall culture to suit their specific needs and in effect creating their own subculture (Hartnell & Walumbwa 2010). In practice, this might come true in, for example, differences of opinion between an organization's marketing and R&D departments as both of them have their own perspectives on the business and both departments have created their own 'way of doing things' (Cameron & Quinn 2006). Organizations often form subcultures naturally with age and size (Schein 1990) and especially the ones that are geographically widely spread tend to form subcultures according to each geographical location (Kotter & Heskett 1992). Thus, researchers on the topic in particular need to pay attention to whether the culture they are studying represents the whole organization or solely its subculture (Martin 2002).

Regarding the large variety of definitions for organizational culture, it is important to next discuss a few terms that are often closely connected with it and

occasionally even confused as the same concept. First of all, the term organizational climate is often associated with organizational culture and several researchers use these two even interchangeably. However, for this study, a separation between these two are made. Schein (2000) distinguishes these terms by describing organizational climate as the artifact that portrays values and assumptions. According to him, often when managers talk about culture as in how people feel about the organization and how involved and committed they are, they are in fact talking about organizational climate. Climate can be seen in a more psychological level of the group, as a combination of the members' attitudes and their working environment (Ashkanasy et al. 2010), when again culture is more deeply involved in the organization's strategy and a result of a history of assumptions, successes, and failures (Schein 2000). Many scholars have also made a difference in that culture is mostly studied through qualitative case studies when again surveys are more often used in studying organizational climate (Schneider et al. 2010). Therefore, it is important to remember that when talking about organizational climate, it is often not the same issue than organizational culture.

Another similarly closely connected term with organizational culture is organizational identity. There are some overlaps with the concepts of culture and identity as both are being used quite freely, but largely organizational identity is defined by the way the members of an organization characterize themselves and separate themselves from other organizations (Alvesson 2010). As an example, in a study conducted by Alvesson and Empson (2008), organizational identity was studied by focusing on how the employees work, what are their relations to management, how they describe themselves in the organizational context, and how they are seen by others. In other words, organizational identity covers more individual-level perceptions of the members in relation to others, when again culture can be described as 'the way things are done around here'. These distinctions between the different concepts is important in order to narrow the focus truly on culture and its manifestations and keep the concepts of climate and identity separate from this study.

Having made the difference between the terms of organizational culture, climate, and identity, a fourth term will be briefly introduced as well in order to avoid possible confusion. Corporate culture is a term that is typically used interchangeably with organizational culture (for example, Denison et al. 2004; Schein 2015) and they are seen as the same concept in this study as well. Parker (2000) has exceptionally made the distinction that corporate culture would mean culture that is imposed by the top management while organizational culture would instead evolve organically, but many other researchers do not make the same distinction. Thus, corporate culture is seen as a synonym for organizational culture in this study.

2.1.2 Schein's multilayer approach

As previously stated, Edgar Schein, one of the most prominent organizational culture researchers, created a three-layer approach to culture. In this model, Schein (1990; 2010) divided organizational culture into three levels: artifacts,

espoused beliefs and values, and basic underlying assumptions (see Figure 1). This approach has been used over the years by several other researchers in their studies to provide them a categorization of culture's different elements (see for example Hogan & Coote 2014).

According to Schein (2010), at the surface level is artifacts, which are all the tangible manifestations that one can see, hear, and feel in an organization. Such artifacts can be, for example, the physical environment, the language used, clothing, myths and stories about the organization, the list of values, organizational charts, and rituals and ceremonies. Schein (2010) highlights that outsider observers are able to detect these visible artifacts of an organization, but they cannot draw conclusions of their deeper meanings, as they would inevitably interpret these quite subjectively and not understand their meaning for the inside group. However, as organizational culture is most often seen by others through these visible artifacts, they and their meanings will be discussed in more detail in a later section.

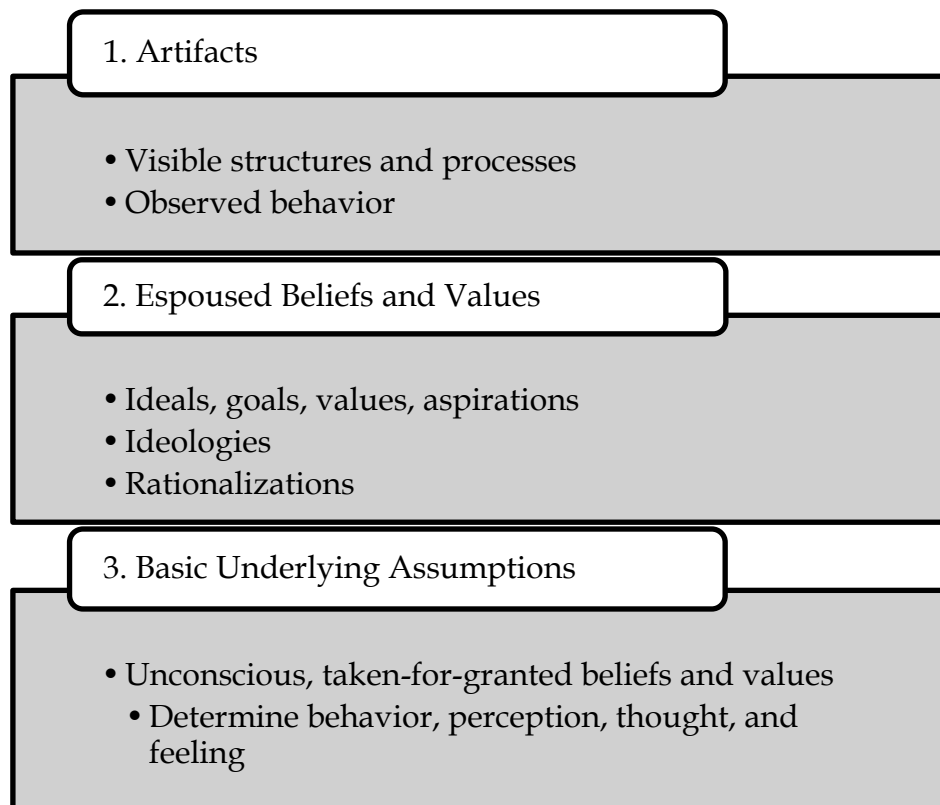


Figure 1. Three levels of culture according to Schein (2010).

In the middle, there are espoused beliefs and values. According to Schein (2010), these beliefs and values are created by an individual who proposes their own assumptions as a solution to a problem. In an organization, this is generally the leader of the group. Schein (2010) argues that when a group faces a problem, the leader will propose a solution according to their own personal beliefs. The other members can question and test the solution and then, if the group decides to act according to the solution and if the solution succeeds (giving the group a

sense of a shared accomplishment), it can transform into being a shared value or belief among the group members. Schein (2010) continues to explain that these espoused beliefs and values as initially proposed by the leaders can also help in reducing uncertainty by giving some comfort and meaning, over time becoming normative rules on how to behave in certain situations and how to guide new members of the group. As these continue to provide successful solutions and comfort to the group members, they transform into deeper assumptions and can be embodied in an ideology.

At the very essence of culture, according to Schein (2010), are basic underlying assumptions. These are non-debatable, taken-for-granted assumptions that are incredibly difficult to change. They define to the members of the organization what they pay attention to, how they react to certain events, what different things mean to them, and how to behave in varying situations. These basic assumptions bring cognitive stability and questioning them will lead to anxiety and defensiveness among the members, portraying the reason why changing a culture is viewed as extremely difficult. As Schein (2010) well describes, these basic assumptions determine how we see the organizational world around us. To provide an example of how basic underlying assumptions guide the members' assumptions, one can image a situation where an employee is sitting quietly at their own desk. If the assumption in the organization is that every employee knows what they are doing and are motivated to do it, others will let this person work in peace in their own manner and they will be interpreted as thinking or planning. However, in another organization that does not have this same basic assumption, sitting quietly can be interpreted in a negative light as being lazy. Therefore, this illustrates how basic shared assumptions in an organization can have a large impact on how people are seen and treated but these are not necessarily always consciously realized.

2.1.3 Culture characteristics

Even though definitions of organizational culture differ greatly, there are certain common characteristics that most researchers agree on being part of it. These are the meaning of history, its unconscious nature, its effect on ambiguity and uncertainty, and difficulty to change. There are, however, different manners of approach when it comes to the issue of whether culture is uniform throughout the whole organization or whether there are in fact inconsistencies. These different main characteristics will be now discussed in this section.

One major aspect of organizational culture is the meaning of history, as culture is formed through the shared history of the participants (Schein 2010). A common culture cannot be formed if there is, for example, a high turnover rate of participants or no mutual history in the organization (Schein 1990), making researchers focus on the organization's history to truly understand its culture. By deeply analyzing the culture of an organization, one can see how the values and beliefs often date back to the original founder of the organization, and the evolution from them to the people following the founder and the ideals that have been kept throughout the history (Härtel & Ashkanasy 2010). This has been witnessed

in many case studies where the impact of the original leader has been clear and assumptions have been formed already among the early group (Schein 2010), which also justifies why culture can be studied especially from the leadership perspective.

The unconscious nature of organizational culture, often emphasized by Schein, is a characteristic that many other researchers connect to culture as well. As Schein (2010) described, culture can be compared with a person's personality, as people often see only the person's behavior but cannot see the underlying character that is the root of their behavior. Similarly to the Schein's model of three layers of culture, Kotter and Heskett (1992) divide culture into two levels and describe the less visible level as people's values that they often are not aware of but what in the end keeps the group together. The members of the organization are often oblivious to their culture until it is challenged or specifically delved into (Cameron & Quinn 2006), and this unconscious nature of culture applies both to the members of the organization and to any outsiders (such as researchers) examining the culture. An outsider entering an organization might see, for instance, very tight rules and formal hierarchy but does not know the reasons for them or how the members truly feel about them (Schein 1990). This applies also to new recruits in an organization, as they are first taught the more visible parts of the culture (such as certain behavioral patterns) but they learn the more in-depth features only through time and experience (Gundry & Rousseau 1994). For this reason, studying organizational culture is a difficult topic for outsider researchers as it often requires ethnographic research to truly find the deeply unconscious norms and beliefs that are the foundation of culture.

Additionally, organizational culture has also been seen as having an important role in diminishing ambiguity and uncertainty within the organization. It brings with itself some stability on how the members should behave, feel, and interpret things within the organization (Schein 2010) and the members might develop these shared assumptions in order to fight against uncertainty and confusion (Alvesson 2010). This feature might be particularly essential for companies working in uncertain environments, such as startups and growth companies, suggesting one possible reason why organizational culture may be often highlighted in these sorts of organizations.

This sense of stability is one of the main reasons why culture is immensely difficult to change, as people are reluctant to change something that brings them predictability and meaning (Schein 2010). However, there are two viewpoints on this issue. As Schein states, on one hand, organizational culture is seen as extremely difficult to change by will (for example, by the actions of the leader), but Kelly (1985) makes the notion that culture is not static, as it is both a process and the product. This is acknowledged by Schein (1990) by noting that due to environmental changes and new members joining the organization, culture experiences some pressure to evolve accordingly, but similarly as a person's personality is difficult to change, so are the underlying assumptions in an organization. A good example of this is the fact that culture survives even if part of the members in the organization leave (Schein 2010). Moreover, a culture that is deeply embedded in the organization makes it highly difficult for anyone to start

implementing new strategies, even if the changing environment demands for it (Kotter & Heskett 1992). Thus, even if strong cultures work as a stabilizing force, these days when companies are increasingly required to be flexible, these stable and difficult to change cultures may become a risk factor (Schein 2010). Because of this difficulty of change, a great deal of research on organizational culture focuses on cultural change. In today's competitive and fast-moving world, cultures cannot be change-resistant or otherwise they may not be able to perform well long-term (Kotter & Heskett 1992) and for this reason, it is an important topic both for companies and researchers to think how such a culture can be created that embraces change, when culture itself is difficult to change.

Additionally, Martin (2002) has created an often-used framework on three different perspectives on how researchers can approach studying organizational culture: through integration, differentiation, or fragmentation. These are not theories on what organizational culture consists of but instead, different perspectives which researchers use to approach the topic. From the integration perspective, culture is seen as clear and collectively agreed throughout the whole organization (Martin 2002). Integrationist view was widely used especially in the early studies of organizational culture, researchers seeing culture as a consensus across the whole organization that the top management had created (Alvesson 2010). In studies that use the integration perspective, all cultural manifestations are seen as consistent and supporting each other (Martin 2002) and all the members of the organization have the same values (Frost et al. 1991). However, it can be argued that this sort of harmony across the whole organization is difficult to maintain as organizations generally have inconsistencies and ambiguities in them (Martin 2002), and thus can be also considered as an idealistic perception of culture (Alvesson 2010). One of the key issues in the integration perspective is also that any deviation from consistency is seen as negative and in need of fixing (Martin 2002) and these deviations suggest even a lack of proper organizational culture (Frost et al. 1991). In differentiation studies, however, these inconsistencies are seen as normal (Martin 2002). In this approach, the focus is on subcultures and on the conflicts or harmony between the different views (Martin 2002). When again from the fragmentation perspective, ambiguity is in fact in central role and culture is neither explicitly coherent or incoherent (Martin 2002), creating contradiction and confusion and continuing cultural change within the organization (Alvesson 2010). This present study will take the view of integration perspective, mainly due to the fact that the limitations of the study inhibit noticing differences between subcultures and, therefore, will provide a view on culture only from a one-person perspective.

This previous section, the first section of this theory chapter, has provided an extensive view on the definitions and characteristics of organizational culture, along with Schein's three-layered model to the topic and Martin's categorization of different approaches to culture. This has provided the basis for understanding what organizational culture entails, and in the next section, some of the most common visible artifacts of organizational culture will be described in greater detail.

2.2 Culture's visible artifacts

As described by Schein (1990), organization's artifacts are the ones that one feels and observes when entering the organization. While some aspects of culture are the ones that in the end create the culture (such as the shared history and actions of the leaders), others act more like cultural reinforcers. These artifacts (organization's stories, rituals, design, and written statements) are examples of these cultural reinforcers, as when they are consistent with the main assumptions driving the organization, they help to reinforce what has been informally learned (Schein 2010). To provide an example, in an organization that aims to support innovation among the employees, this value is enforced through stories, rituals, architecture, and language which support innovative behavior (Hogan & Coote 2014) as these norms and values must be communicated in some way to the members (Beyer & Trice 1987). However, as Schein (2010) emphasizes, the assumptions always arise first from the exemplary behavior of the leader. Therefore, the behavior of the leader and any cultural manifestations must be in line with each other in order to work. If there are inconsistencies between what is, for example, said in formal statements or stories and how the leader behaves, the written philosophies will be ignored or create conflict (Schein 2010). In this following section, these different visible artifacts that reinforce the culture will be discussed.

2.2.1 Rituals

Organizational rituals are recurring courses of action that follow a specific pattern (Smith & Stewart 2011), they often represent shared experiences of belonging (Pettigrew 1979) and are a way to demonstrate certain assumptions within the organization (Schein 2010). These rituals can be often found in organizations, for example as in monthly joint physical activities or informal meetings (Schein 2010) or ringing the office bell after a sale (Smith & Stewart 2011). In other words, these are often the features that are most well-known also to outsiders and their relevance is often under public discussion. Organizational rituals might seem futile on the surface but are often essential for the social aspects of the organization (Hofstede et al. 1990) and possess embedded meanings for the participants (Smith & Stewart 2011). To provide some examples, Martin (2002) lists different types of possible rituals: the initiation of new members, celebrating exceptional performance, solving some certain set of problems, solidifying interpersonal relationships in an informal context, resolving conflicts in a safe environment, or marking some end.

These rituals are often mandatory and their goals might be ambiguous to the participants, but they often work towards building morale and bonding employees, which in turn can improve employee commitment and productivity (Smith & Stewart 2011). However, as some employees might consider them as forced, it is important for the leader to thoughtfully consider their usefulness and purpose and eliminate possible outdated rituals (Erhardt et al. 2016).

Organizational rituals can have certain consequences as through them, employees interpret what the leader values by enforcing particular rituals, and thus, they need to be carefully considered and made sure that they are in accordance with the overall organizational values (Beyer & Trice 1987). Smith and Stewart (2011) found several advantageous functions of organizational rituals: they offer meaning, manage anxiety, reinforce the social order, communicate values, enhance solidarity, signal commitment, and verify important events. Thus, they can bring several benefits to the organization when executed properly. However, it should be also noted that rituals are not necessarily always imposed by the leaders, but they can also be emergent (Smith & Stewart 2011), meaning that they might develop from the actions of the people and become a ritual by itself.

Organizational rituals are a quite tangible artifact of culture but, according to Schein (2010), their underlying meanings can be difficult to interpret and especially for an outsider researcher, their importance for the whole organization can be difficult to determine. For this reason, rituals can be taken into consideration when researching an organization's culture as they can reveal some aspects of the culture on the surface but the underlying reasons and effects of them are far more difficult to decipher by an outsider.

2.2.2 Physical environment

One of the most visible artifacts of culture are the physical environments such as the architecture and design of offices. In recent years, office design has gained the attention of managers as workplaces are seen as places for learning, creating, and interacting with others, which can be seen in increasing numbers of available consultants advising on how to design an office (Elsbach & Bechky 2007). Organization's visible artifacts (such as office design) can provide quite strong clues about its organizational culture as it is such a visible part of the organization (Martin 2002) and the topic has been studied quite extensively. Schein (2010) considers visible artifacts only as a superficial scratch on the organizational culture's surface and as difficult to interpret their true meanings, but for example Rafaeli and Pratt (2006) consider them as highly relevant and often overlooked aspects of culture. Its importance can thus be debated but regardless of this, it is a part of organizational culture nevertheless.

Vilnai-Yavetz and Rafaeli (2006) divided organizational artifacts into three dimensions on how to analyze them: through instrumentality (how the artifact impacts performance and accomplishment), aesthetics (i.e. what the artifact looks like), and symbolism (the meanings or assumptions the artifact generates). As a part of the instrumentality function, office design can for example impact employees' access to resources or help or hinder interaction between groups (Elsbach & Bechky 2007). Symbolism in practice can mean, for example, decorating one's office space and expressing one's individualism through this (Elsbach & Bechky 2007). In fact, Elsbach and Bechky (2007) made an interesting notion that people who do not have an individual office space (such as in offices where workstations change daily), they feel losing more of their individualism through it, instead of feeling it affecting negatively their status. All these three dimensions

of instrumentality, aesthetics, and symbolism should be taken into consideration when planning and creating office environments, but managers often make the mistake of focusing only on one or two dimensions (Vilnai-Yavetz & Rafaeli 2006).

Research has shown that office design has an impact on creativity and mood, can enhance group collaboration and even influence workplace attachment (Elsbach & Bechky 2007). Places can also become meaningful to people through the experiences they have in them, a phenomenon that can be witnessed in an example where an organization moves its office from a seemingly ineffective environment to a better one and then realizes that many of the employees saw the old one as more pleasant simply because of its atmosphere (Elsbach & Bechky 2007). Thus, leaders can enhance workplace attachment through focusing on office design and layout that enhance positive experiences and make workers more satisfied (Elsbach & Bechky 2007) and remind them what they are working for through interior design (McDonald 1991). It is also in this case that the office design must be in line with the overarching organizational culture and how the employees are supposed to work. An office design supporting teamwork will not work if the employees are not collaborative, for example in a competitive working environment (Elsbach & Bechky 2007). For this reason, it is highly important to know one's culture in order to create an effective office. A manager also should not push strictly for a certain kind of office design as the employees themselves often know the best way to work for them, making it important to be flexible with the design to ensure the best possible outcome (Elsbach & Bechky 2007).

2.2.3 Organizational stories

One of the cultural reinforcers are organizational stories and myths. Stories usually consist of a certain sequence of events and the meanings or interpretations behind them, and the main elements of the story are usually known by the majority of the organization's members (Martin 2002). They are a way to share culture as they often portray organization's values, attitudes, and practices (Kelly 1985) and while some people might not be able to describe their company culture in exact words, they are able to depict it through telling stories of their organization (Wilkins 1984). Stories are, however, often filtered and not always completely reliable (Schein 2010) even if they are claimed to be true (Martin 2002). The aim is, therefore, to detect what the stories imply even if each detail might not be true. Especially new employees can learn from stories, for example which formal rules must be followed and where others turn a blind eye (Wilkins 1984).

Kelly (1985) collected stories from several high-tech companies in Silicon Valley and described how some of them focused on, for example, describing the success story of the original entrepreneur, what happens when an employee breaks a rule, or some exaggerated legend. One often used example of organizational stories is the story of an IBM employee following orders against Thomas Watson Jr., the chairman of the board. According to the story, as told by Martin et al. (1983), an employee's task was to make sure everyone entering a secured area were wearing a proper badge stating their clearance. One time, Watson was

entering the area wearing a wrong badge, thus not having the clearance to enter, even though clearly having the status for it, and the employee refused to let him pass. In the story, others were described as being astonished for this action because of the high status of the chairman, but Watson himself did not create a problem out of this incident but instead, went and collected the correct badge for himself. In other words, this story implies that at IBM, even the highest manager must obey the rules and the employees should always sustain to the rules no matter who might be breaking them (Martin et al. 1983). These stories that showcase how an organization's philosophies are realized in action are quite common as they prove to the employees that theoretical rules and assumptions are consistent with the day-to-day behavior in the organization and, thus, further strengthens them (Wilkins 1984).

Myths, on the other hand, do not often portray any assumptions in a straightforward manner but can be quite unconscious and the espoused values need to be read between the lines (Alvesson 2010). Especially the founder of the organization can become a mythical character amongst the employees. At Disneyland after the death of Walt Disney, the founder became a symbolic character who was thought to be watching over the park constantly and that the employees should remember to mind their manners because of this (Van Maanen 1991). Thus, myths such as this can have a large effect on the organization's culture.

2.2.4 Language and communication

Culture presents itself also through the way members of the organization use language and communication. Culture is created and maintained through the common experiences of the organization's members (Schein 2010) and for this reason, communication between the members has a role in this. This does not regard only discourse but also how meanings and symbols are expressed through communication (Alvesson 2010). People create their own language, it is how desired actions are expressed, and it involves suggestions and evaluations (Pettigrew 1979), for which reason it shapes greatly the overall culture. Having a distinctive way of using language in an organization, for example by using specific jargon, can create a feel of exclusiveness and commitment in an organization (Pettigrew 1979). Language choices, such as the use of nicknames, have an impact as it brings certain assumptions with it, for instance calling other members by their surnames can portray a sense of hierarchical distance (Martin 2002). As another example from the world of Disneyland, there it is seen as crucial to teach the employees to use the correct terminology: there are no customers but instead *guests*, rides are *attractions*, uniforms are *costumes*, and accidents are *incidents* (Van Maanen 1991). These sorts of word choices shape the culture and how it is perceived by others, being a strategic choice made by the management.

Language has also a key role in determining what is semantically meant with specific words and phrases in the organization and how others interpret one's communication. When an organization is being formed, the founders need to have a common understanding of what does, for example, "high quality" mean or what is considered as "low cost", as people often have different

assumptions on the meanings (Schein 2010). These differences are easily the reason behind communication problems as even if it might sound as individuals are talking about the same issue, in reality they might have completely different meanings for them inside their heads (Schein 2010).

Another example of how cultural artifacts can be seen through communication, is how company's values are being communicated. There are several varying ways how this can be done. For example, it is quite common to have written statements about company's core values or some symbolic ways to express them (Kotter & Heskett 1992), in order for everyone to see and remind themselves what are the reasons they are doing their work. In addition, language plays an integral part in how an organization's culture is communicated, especially in how the original founder communicates their vision and values to others (Pettigrew 1979). It is highly important to be able to communicate clearly the company's values and discuss the underlying assumptions behind them, as Schein (1990) says, it is truly possible for a group to agree on values and how to behave but, at the same time, have completely different underlying assumptions for them.

The use of humor plays a part as well. Humor can serve, for example, as a way to speak about uncomfortable issues and reduce tension at the workplace (Martin 2002). For example, in a volatile work environment with several deadlines, conflicts, and constant changes, humor can serve as a great method for dealing with the pressure (McDonald 1991). This might thus indicate why some fast-growing companies prefer to have relaxed work cultures where humor plays a vital role, as this helps them to cope with the hectic work style.

To summarize, organizational culture comprises of several different visible artifacts which portray a part of the culture to anyone observing. A company's culture can be examined for example through their rituals, physical environment, organizational stories, and language and communication. Each of these can reveal some aspects of culture but as was mentioned, they are still the most visible level and to find the true reasons behind them, one must look deeper into the organization. In the next chapter then, the topic of discussion will be the reasons why organizations should focus on their culture and what this might bring them.

2.3 Why invest in culture?

There are several reasons why an organization should focus on their organizational culture, as there are numerous aspects it has an effect on. Once a culture is formed, its impact reaches every corner of the organization and influences how people deal with the operations and their environment (Schein 2010). Many leaders often face the situation where they see their employees working inefficiently, not communicating with other groups inside the organization, and overall behaving in a way that does not support the company (Schein 2010). Also, employees might not feel committed to the company or they might not care about their customers (Ellinger et al. 2013). Culture is an important aspect of a company as it

affects everyday leadership, how customers are treated, and how knowledge is managed (Alvesson 2002). One can even argue that organizational culture is the reason why some of the most successful companies in the U.S., such as Walmart, have risen to their successful positions (Cameron and Quinn 2006). Researchers have linked organizational culture most often to the areas of employee commitment, job satisfaction, and firm's effectiveness and performance, which will be discussed next.

2.3.1 Employee commitment

Employee commitment is described as having a strong belief in one's organization's values and goals, having the willingness to make substantial effort for the organization, and having a strong will to stay in the organization (Mowday et al. 1979) and can therefore be characterized as a psychological state (Meyer & Allen 1991). Employees' commitment to their organization has been connected with decreasing employee turnover and absenteeism and enhancing performance (Mathieu & Zajac 1990; Bartlett 2001), hence being one of the issues that many organizational cultures may aim at creating or influencing. Through cultural decisions, managers may be able to enhance a feeling of commitment with their employees, which in turn may influence positively the company.

Meyer and Allen (1991) created a framework of three different aspects of commitment: affective, continuance, and normative commitment. In affective commitment, the employee is emotionally attached to the organization and continues to work in the company purely out of their desire to work there. In continuance commitment, however, the employee realizes the negative consequences leaving the company would bring and therefore stays working there because they must. Moreover, in normative commitment, the employee feels obliged to stay in the company and thus stays simply because they feel that they should. According to Meyer and Allen (1991), however, these are not exclusive, and one employee can have varying degrees of different commitment types. This is a useful framework as it portrays the varying reasons behind why employees may stay working in an organization and is especially important for leaders of growing companies to consider, as they often seek for employees who are wholly committed to their employing organizations.

Already Pettigrew (1979) established that employee commitment is essential for new ventures. For startups and growth companies working in uncertain environments, it is highly important for them to be able to keep their employees, as continuous recruitment takes time and money and, therefore, they should aim to create a feel of commitment. Fortunately, this is a somewhat easier task as employees tend to view larger organizations as more difficult to identify with (Mathieu & Zajac 1990), giving a sense as to why smaller organizations may develop more sense of commitment. Also, employees who feel especially committed to their organization, tend to go for that "extra mile" and may thus behave in creative and innovative ways (Mathieu & Zajac 1990). Previous research has noted that especially employees with affective commitment are more likely to place more effort for their company, but yet, an employee with continuance

commitment might also push themselves for the success of the company if they see that in order to be able to continue at the company, this is required of them (Meyer & Allen 1991). Thus, for startups and growth companies to receive the maximum effort from their employees, they should perhaps aim to create affective commitment amongst their employees (if they wish them to be emotionally attached to the company), even though even continuance commitment might do the trick (to create the feeling that if the employees do not give their best effort towards the company, the company will fail). On the opposite, companies should avoid creating normative commitment. If the organization highly emphasizes a collectivist culture and that loyalty is expected of the employees, this may result in employees staying only because they feel the obligation to stay (Meyer & Allen 1991), which can result in a lack of motivation and lower quality of work. Especially in growing ventures where each employee counts, it is highly important for them to feel committed to the company in the right way and for the right reasons.

Employees' commitment to work can be achieved through several ways. One of these is for instance design choices (as discussed in the previous chapter). For example, McDonald (1991) described how to get employees truly excited for the upcoming games at the Los Angeles Olympic Organizing Committee, the workplace cafeteria was filled with a countdown calendar, Olympic newsreels, updated map of the Torch Relay, and sports demonstrations. However, mere symbols are not enough to create a culture. To create a true sense of unity and meaning, the Olympic organizers also organized several large staff meetings, which every employee and volunteer attended, with special speakers, inspirational stories, and music, and created a genuinely touching atmosphere where everyone felt as they were part of something truly magnificent and unique (McDonald 1991). Moreover, a study by Agarwala (2003) noticed that when a company introduced innovative human resource practices, these were interpreted by the employees as an investment on them and, in return, would make the employees feel more committed to the company. Bartlett (2001) then again studied how training influences employee commitment and found that when employees felt that they had more possibilities to train themselves, they felt higher levels of affective commitment. Overall, there was found a clear relationship between employee commitment and access to training, time used for it, and support for training from colleagues. The study also noted that even if the employees do not want to take part in a number of training activities, they appreciate the possibility to do so, and this free access to training therefore creates higher levels of commitment than the actual training does. However, employee commitment is a complex unity and human resource practices are only one aspect how it may be influenced (Bartlett 2001). Meyer et al. (2002) suggest for instance that affective commitment can be constructed through organizational support, meaning that by delving into the topic of support, leaders may be able to enhance affective commitment amongst their employees. Moreover, Denison and Mishra (1995) suggest that enhanced levels of participation and involvement result in the employees creating a feeling of ownership, which then again turns into commitment to the company.

Research on employee commitment has noted that when a company makes sure first that the employees' needs are met, this will translate into highly better services to customers (Ellinger et al. 2013). Employees who have a strong emotional commitment to their organization, are more motivated to provide better services to their customers (Allen & Grisaffe 2001). Consequently, if customers are treated well, this translates into more positive associations with the company's products and services (Allen & Grisaffe 2001).

2.3.2 Employee satisfaction

Another topic closely related to employee commitment and, also a possible positive side-effect of organizational culture, is job satisfaction. Meyer and Allen (1991) emphasize that human resource managers should not consider employee commitment merely as a way to reduce employee turnover but also as a path towards for example employee well-being. Meyer et al. (2002) discovered that affective commitment was the most correlated with job satisfaction and job involvement (compared with continuance and normative commitment). Employee commitment is also correlated with job satisfaction, even though commitment is more stable than job satisfaction and it develops over time (Mathieu & Zajac 1990), and they clearly are two separate measures but with a high correlation (Schneider et al. 2010). The connection between employee commitment and job satisfaction therefore evidently exists but researchers disagree on whether commitment creates satisfaction or does satisfaction in fact create commitment (Bartlett 2001). Meyer et al. (2002) also found a connection between affective commitment and reduced stress and conflict between one's work and family. Meaning, that affective commitment may have a positive impact on employees' well-being at work.

There has been a lack of research on the straight link between organizational culture and job satisfaction (Lund 2003), but for example Karanika-Murray et al. (2015) concluded in their study that employees who identified with their organization had higher levels of job satisfaction. They noted that employees are highly engaged and dedicated when they have a strong and positive connection with their organization and through this, also are satisfied with their job as a result. Some researchers also argue that treating each individual in an organization as positively as possible will result in a better devotion to work, which in turn, can attract others outside the organization to offer their best (Wilderom 2010).

Leaders ought to focus on how they are treating their employees as negative treatment can lead to several damaging results. Wilderom (2010) mentions four different possible outcomes of employees being treated in a negative manner. First, the employee might fight against the unreasonable behavior. However, this is often seen as an inadvisable choice, and many might not want to impose any sort of negative behavior on others as they did not enjoy it imposed on them. Second, the employee might leave the organization. Again, however, this is not always a choice for the individual. Thirdly, the employee might join the people causing the negative atmosphere and start imitating their behavior. Evidently, this is not most probably a wanted outcome for the organization, furthering the

negative climate. Thus, if the employee will not or cannot fight the unfair treatment, cannot leave the organization, do not want to join the negative behavior, they might have only one more option left. Thus, fourth, the employee might develop a very cynical mindset toward their work. Meaning, they will do the bare minimum and will not help in making the organization successful. This sort of an employee is not anymore bringing much value for the organization, when in fact the organization itself was the cause for this. (Wilderom 2010) Employees who stay in the organization only because it is their only choice, as leaving would bring more negative consequences for them, and do not identify with the organization, are more likely to become malcontent and result in poor customer service (Allen & Grisaffe 2001).

2.3.3 Company performance

It can be argued that without some degree of shared understanding between the members of an organization, it will not most likely perform well and might not even survive (Alvesson 2010), creating therefore a question on what sort of a role does organizational culture have with company performance. This connection between organizational culture and company effectiveness and performance has been often under study but researchers somewhat disagree whether a clear link can be proved (Hartnell et al. 2011; Cameron & Quinn 2006). Some researchers may confirm the connection within their studies (Denison et al. 2004) and some have noted that certain types of company cultures does have a positive impact on its financial performance (Sackmann 2010), and the winning opinion seems to be that organizational culture and performance are in fact linked but it may depend on factors such as the culture's sustainability, value, and individuality (Ogbonna & Harris 2000). Kotter and Heskett (1992) argue that cultures can be changed to enhance company performance but note that it is a difficult and slow task and requires leadership with a realistic vision. Cameron and Quinn (2006) in fact have a framework for effective company cultures and this framework will be presented in detail in a later section of this thesis.

Kotter and Heskett (1992) have studied the topic of organizational culture and company performance widely and according to them, if managers truly care about their customers, employees, and stockholders, and their leadership, it will improve the company's financial performance in a long-term. In this way, the leaders create strategies that answer to their constituency needs, content employees produce products and services that the customers truly want while being financially sensible, and all of this will enhance the company's growth. Moreover, Bertelsmann Stiftung and Booz Allen Hamilton (2003, as cited in Schein 2010) developed 10 culture and leadership factors that can be considered to be critical for the success of company's performance, as listed in Table 1. These factors were used in practice to assess companies and portrays one example of how culture and performance can be evaluated (Schein 2010).

Common goal orientation	Entrepreneurial behavior
Corporate social responsibility	Continuity in leadership
Shared beliefs and values	Ability to adapt and integrate
Independent and transparent corporate governance	Customer orientation
Participative leadership	Shareholder-value orientation

Table 1. Company culture and leadership factors for success (Bertelsmann Stiftung 2003, as cited in Schein 2010)

Researchers have also studied how culture and effectiveness influence each other and whether culture could be a source of competitive advantage (Hartnell et al. 2011). Kotter and Heskett (1992) mention also that there is no one specific type of culture that would create optimal results but instead, each organization should modify their culture according to their context. For example, a high-tech start-up might have a very egalitarian culture with creative employees and straightforward ways of communicating, which helps them to execute their innovative strategy and enhance their performance, when again this culture would not most likely bring better performance in large companies such as airlines. Thus, it can be said that culture in fact influences financial performance but in a very fluctuating manner (Schein 2015), meaning that it is dependent of the context. Moreover, Kotter and Heskett (1992) take note that a certain kind of a culture does not guarantee good performance in a long term as environments change and therefore, cultures must change as well. They provided examples of how some companies used to have a proper cultural fit with their environment but after the environment changed, the company and its culture did not change and, as a result, their performance deteriorated.

In fact, already Kotter and Heskett (1992) mentioned performance-enhancing cultures in start-ups and noted that it is not exceptional to find successful young companies that have an entrepreneur who creates a core for an adaptive culture and a strategy that suits their environment, as these are often needed to be able to succeed in the competitive business environment. However, they also noted that these performance-enhancing cultures in start-ups may diminish over time as it either does not pass on to the following managers (that growing companies inevitably will need) or people forget the reasons why they were successful in the beginning.

Additionally, Kotter and Heskett (1992) also found a pattern in their study of 20 different American companies, which showed signs of unhealthy corporate cultures and were not as economically successful as other case companies. In this pattern, companies had in the beginning visionary leadership and/or luck and created a successful business strategy. Then, they would have a strong position in the market, little competition, and would create great profitability and growth.

However, the managers in these companies would start to be arrogant and they did not take into account all customers, employees, and stockholders, and their needs and wishes. Also, they would have managers instead of leaders and the top management would allow them to become top executives. As Kotter and Heskett (1992) continue to explain, managers in these cultures clung to strategies that had brought success to the company previously and people were reluctant to introduce change. Even after deteriorating performance, change would be slow or difficult to implement. Thus, this topic brings the discussion to the role of leaders in organizational cultures and what type of an impact they can have.

2.4 Leading a culture

The current study takes a leadership approach, meaning that organizational culture will be studied through the perspective of the company's leaders. For this reason, the following section will discuss the role of leaders in connection with organizational culture, followed by a section focused on recruiting and employee benefits.

2.4.1 Leaders' role

The leaders of an organization have a large impact on how their employees experience the culture (Wilderom 2010). According to Schein (1990), one way of creating a culture is by the lead of the leader, who brings their own beliefs and values into the organization and which then are put into use by the members. Schein (2010) framed this in the following way: "culture is ultimately created, embedded, evolved, and ultimately manipulated by leaders". Even though it is agreed that culture is created as a shared process, where values and behaviors can originate from any member of the organization, often in companies with strong cultures these come from the early leaders (Kotter & Heskett 1992). Some researchers have also noted that entrepreneurs' decisions in the early stages become imprinted on the company and continue to guide the organization, whether this was deliberate or not (Baron & Hannan 2002). It can be argued, therefore, that particularly company's founders, alongside with the CEOs, have a powerful impact on creating and enhancing organizational culture as their strategic decisions have a great influence on it (Hartnell & Walumbwa 2010). Furthermore, researchers have noted that organizational culture has a mediating role when studying the connection between leadership and company performance, which means that certain leadership styles can be predictors of those cultures which can predict good performance (Ogbonna & Harris 2000). On the other hand, researchers often note that culture cannot be managed in a straightforward way and thus one can see the complexity of the issue, where one can find several differing viewpoints on the role of the leaders. Additionally, leaders can refer to the company's CEO or founder(s) or simply the current managers who are hierarchically positioned in a leadership position.

Organizational culture researchers often highlight the importance of culture being connected to the organization's strategy. It is highly important for leaders of an organization to think about the connection between the organization's goals and strategy with its culture, and then espouse the suitable values and behaviors that support these visions (Hartnell et al. 2011). Several organizations may have certain espoused values, but they do not come true in the member's behavior, as for instance, how in many U.S. organizations teamwork is an espoused value but in reality, individualism is rewarded (Schein 2010). If the practices required to implement the strategy are not compatible with the organization's culture, the strategy may be quite difficult to implement (Kotter & Heskett 1992). Thus, to create a cohesive vision, company's strategy and culture should be complementary. Kotter and Heskett (1992) state that motivated and organized managers can enhance performance only if their actions truly suit the business strategy and if the strategy has been created to suit the company's environment. They also state that people can end up even behaving in destructive ways if the culture does not fit with their context.

However, it is important to note that in many ways, leaders might not even consciously realize the impact they have on their employees and the culture. Every manager's decision, priority, and act of behavior signal something and shape the organizational culture and the way employees witness it (Wilderom 2010), thus putting the leaders in an extremely central role in creating and maintaining the culture. Often leaders do not realize the assumptions they take for granted and convey to employees through their actions (Schein 2010) and because of this, it is highly important for the leaders to realize the powerful impact their actions can have. However, unfortunately, not many managers are in any way coached in how they can shape the organizational culture through their actions (Wilderom 2010).

Even as culture is a shared phenomenon, the leaders of the organization might still try to knowingly modify it according to their own beliefs in later stages as well (Schein 1990). Entrepreneurs might often have quite strong opinions on how certain matters should be done (Schein 2010) but their efforts might be rejected due to different viewpoints of the group or, in case they still have enough power, they might be able to still affect the culture (Schein 1990). Especially in cases where the culture is somehow dysfunctional and it will not correct itself or is naturally changing too slowly, the leader may feel the need to actively change it (Schein 1990). Though, as discussed previously, culture is extremely difficult to change and any leader trying to actively change it, may not truly succeed in it, especially if the culture is not adaptive in its nature. As Kotter and Heskett (1992) aptly describe, non-adaptable cultures behave like spring mattresses: one can change the shape of it by applying some force but once the force is removed, the original shape comes back. In other words, a leader trying to change a culture may at first seem as it is working but, in reality, it might not be a true long-term change.

Moreover, Schein (2010) says that culture is created through every-day interactions and by the behavior of those who have the power to influence other people's behavior and values, that is most commonly the leaders. The leaders can

even become the manifestation of the culture as the most important values and practices can be seen through their daily behavior, from how they spend their time, what sort of decisions they make, to what questions they ask from others (Kotter & Heskett 1992). This can be seen also in how rules (or, more accurately, rule-breaking) is monitored. An organization might impose a number of rules but crucial is whether people are in fact punished when breaking the rules and how severely (that is, are they perhaps warned or even fired for it) (McDonald 1991). Thus, it sends a powerful message which rules and values are controlled by sanctions. A manager may even punish someone if they have not behaved according to their core values, even if the person is doing otherwise good work (Kotter & Heskett 1992). Thus, it sends a message what the leader pays attention to and these messages can be often most easily found for example in meetings and other instances connected with planning, as they portray what the leader sees as important (Schein 2010).

In effect, what the leader does *not* react to, also sends a powerful message (Schein 2010). Imposing clear and consistent values for the employees is important especially in uncertain environments as they bring a sense of stability and guide the employees towards common goals (Leung et al. 2012). If the leader imposes certain theoretical values but acts according to different values, this can easily create confusion among the employees and, as Schein (2010) states, make the employees create their own interpretations of the issue. It is these every-day actions and critical events in an organization that shape how the culture is formed. Often these occur in unconscious ways, as was the example of a following situation described by Schein (1990): in a meeting, one member of the organization voices critical opinions against the leader in a debate in front of everyone else. The leader responds by aggressively defending themselves, while the other members silently follow the situation without interfering. If the attacking member then apologizes to the leader for their behavior, a norm starts to create in the organization that the leader should not be challenged. If this situation is then repeated in the future as well, this norm of not challenging the leader becomes a part of the culture. Thus, these sorts of mundane interactions are a part of culture creation and often overlooked by the members.

Additionally, one of the most important instances of how leaders can affect culture creation is how they treat crisis in the organization, as how they react to crisis reveals a great deal of underlying assumptions and norms of the leader (Schein 2010). In a crisis situation, the level of anxiety rises among the employees and after sharing a strong emotional experience together and finding a way to cope with the anxiety, the members will remember the way they dealt with the anxiety at that time and this method will stay with them and be used in future occasions as well to prevent further anxiety from happening (Schein 2010). For this reason, it is highly important to pay attention immediately how crisis situations are handled, as the coping mechanisms can easily stay with the members. If a leader has gained the trust of their employees, their message will be heard, and an open and honest communication between them will prevent future problems (Juuti 2006).

Leaders need to also take the employees' viewpoint into account by thinking how their actions are interpreted by the actual employees (Farndale & Kelliher 2013), putting thus focus on the employee experience. In people-oriented leadership, it is an essential part of being in a leadership position to focus on employee development and interaction, asking for employees' developmental ideas and critique (Taipale & Janhonen 2017). Some human resource managers might create strategies for achieving company goals and try to control the employees' behavior but forget to take into consideration which solution would best fit the employees and their needs (Plaskoff 2017). As stated for example by Deloitte Global Human Capital Trends (2017), employee experience has a real impact on customer experience, creating thus a continuum from the leadership's actions to the end customers.

2.4.2 Recruiting

As the topic of this thesis discusses people and leaders, the area of human resource management evidently arises. Many small businesses often do not have their own HR department or even personnel (Cardon & Stevens 2004) and some growing companies may even find traditional HR practices as aversive because of the administration, measuring instruments, reporting, and managing (Taipale & Janhonen 2017). However, even small start-ups with a small number of employees should take human resource practices into account as developing the human capital of the company may enhance the company's growth and success (Rauch et al. 2005). According to Agarwala (2003), research has taken note that HR practices are experiencing a change by bringing new and innovative practices to meet the demands of the changing environment. Thus, HR practices in startups and growth companies might notably differ from the ones in more established companies. Moreover, new and innovative ways to implement HR can be a source of competitive advantage as it separates the company from its competitors (Agarwala 2003). The way an organization overall manages its staffing, training, compensation, and other relations with its employees impacts greatly its effectiveness and survival (Cardon & Stevens 2004) and is at the same time also an essential part of organizational culture, which is why these topics will be discussed in this section.

Recruiting is seen as immensely important for the survival of the company (Deshpande & Golhar 1994) and the knowledge of the employees is one of the most important assets for a startup (Baron & Hannan 2002), making this an essential topic for the leaders of growing organizations to consider. Recruiting suitable individuals can become quite a challenge for growing organizations (Moser et al. 2017), due to the lack of proper HR personnel and time, and often the need for people with numerous different responsibilities (Cardon & Stevens 2004). Smaller companies in particular may need to put more effort in recruitment to hire the individuals who have the characteristics that suit their organization (Deshpande & Golhar 1994), in order to avoid employing people who do not bring value to the dynamic company where each individual is in a crucial role. Despite this, fast growing companies may face the situation where they need to

recruit quickly (Markman & Gartner 2003) and for this reason, recruitment strategies may be hastily devised and done by someone who is not familiar with HR customs (Cardon & Stevens 2004), which can result in neglecting a thorough person-cultural fit in the recruitment process. Additionally, it has also been noted that young firms tend to hire younger employees as well because young people may have the needed technical skills for the venture and they are often more risk-tolerant (Ouimet & Zarutskie 2014), evermore narrowing the pool of suitable individuals for the organizations.

The recruitment process in new and growing ventures is somewhat studied (Cardon & Stevens 2004) and often compared with more established companies. Some issues and practices around recruiting may apply both to smaller and larger organizations but there is evidence that organization's size may in fact have a large impact on the recruitment process (Barber et al. 1999). For example, the recruitment process in larger organizations may be more bureaucratic and formal (Barber et al. 1999) and in smaller companies, difficulties emerge because of the lack of HR personnel and financial resources (Cardon & Stevens 2004). These two also differ greatly in the way they can attract possible employees. It has been even argued that employees in startups might differ quite clearly from the ones in established companies because of different motivational factors (Sauerermann 2017), thus affecting the types of people that are hired and even apply in the first place to these sorts of organizations. Therefore, it is important to note that even entrepreneurial companies differ in this regard according to their size and life cycle stage (Cardon & Stevens 2004) and companies in their early startup phase may have somewhat different recruitment practices than more older growth companies.

Culture grows and enhances itself through new members who are introduced into the organization (Schein 1990) and, therefore, one major aspect of up-keeping a culture within an organization is the way recruiting new members is implemented. According to Schein (2010), leaders often hire the individuals who already possess the suitable values, assumptions, and beliefs. Many managers of successful companies have paid attention to hiring and promoting those people who have similar core values than the company culture but without demanding unquestionable uniformity to their personal beliefs, thus allowing diversity amongst the people (Kotter & Heskett 1992). However, according to Schein (1990), it is quite likely that the organization selects new members who already have those beliefs and values that match the ones in the organization's culture. As a new member enters the organization, there are three different paths they might take in learning the culture's values: 1) total conformity, where they accept and learn all the norms and assumptions; 2) creative individualism, where they internalize all the key assumptions but dismiss the secondary ones, which gives them freedom to express their role in a way they see more fit; and 3) rebellion, where the new member rejects all the norms and assumptions within the culture (Schein 1990). It is also up to the organization to decide how they want their new recruits to learn their culture. Depending on the organization, they might want either total conformity or creative individualism, as rebellion rarely is wanted. In the case the company wants their new member to be more creative in using their

talents and their role, they might opt for creative individualism, giving the new member a possibility to change something within their role (Schein 1990).

2.4.3 Employee benefits

One of the topics regarding leading a culture is also how employees are compensated or otherwise encouraged to work in the organization. Growing companies often differ in the ways they can compensate their employees and the benefits they can provide, as opposed to larger organizations. According to Sauermann (2017), one of the main issues is that startups cannot provide similar job security than established companies because of their young and unstable nature. However, employees in startups tend to value independence, responsibility, and challenge over job security and financial compensation.

However, in a study conducted by Barringer et al. (2005), they noted that rapid-growth companies had a higher tendency to give their employees stock options and financial incentives as opposed to slow-growth companies. According to them, this would generate higher performance levels, attract quality employees, and make the employees feel more involved in the company. By being financially tied with the company's success, the employees are more likely to behave according to the best interest of the company and are more motivated to further the company's success (Cardon & Stevens 2004). However, there are clear risks in this as well as the options might never pay out (Barringer et al. 2005). Researchers have noted that financial compensation does not enhance innovation in a similar way than intrinsic factors do, such as motivation based on intellectual challenge and independence (Sauermann 2017). Compensation practices in small firms can also often be quite unstructured (Cardon & Stevens 2004), resulting in confusion among the employees about expected compensation. Leaders can quite easily indicate what sort of behavior is expected from the employees by giving rewards or punishments for certain actions (Schein 2010), this way reasserting certain features of the culture.

Amongst other benefits the company can offer its employees as part of its culture is the possibility for employee development. It can be argued that HR development positively impacts the human capital (i.e., the knowledge, skills, and abilities) employees bring to the company (Rauch et al. 2005). According to the study by Barringer et al. (2005), employee development was highlighted clearly more often in high-growth companies than in slow-growth ones, stating a clear emphasis on the efforts to help their employees to develop themselves and maintain growth. Researchers have also noted that small companies face difficulties when trying to find new employees with suitable skills and knowledge for their company and, for this reason, opt to train their current employees instead (Rauch et al. 2005).

2.5 Competing Values Framework

After discussing different aspects of organizational culture, the focus now turns to different types of culture. One of the most often used frameworks for studying and changing organizational culture is the competing values framework, originally developed by Quinn and Rohrbaugh (1983). Cameron and Quinn (2006) describe that it was originally used to study effective organizations and, at present, according to Cameron et al. (2006), it is being used by hundreds of organizations to examine and change culture. Based on research, the framework is portrayed through two dimensions with different effectiveness criteria (see Figure 2), where the horizontal axis represents organizational focus (internal or external) and the vertical axis reflects structural preferences of flexibility and change or stability and control (Quinn & Rohrbaugh 1983).

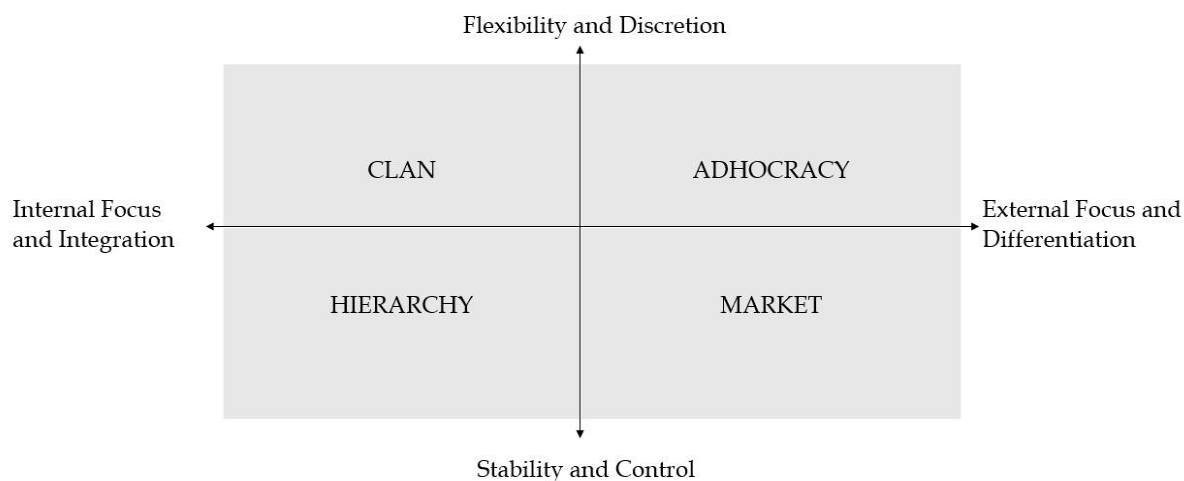


Figure 2. The Competing Values Framework (Cameron & Quinn 2006).

The framework represents different criteria for effectiveness, as some organizations are seen as effective when they are flexible and changing when again some are effective when they are stable and predictable (Cameron & Quinn 2006). As the name of the framework displays, these four dimensions are seen as competing values, meaning that they represent opposite and contradictory assumptions (Cameron et al. 2006). These dimensions then create four cultural categories as presented in the figure: clan, adhocracy, market, and hierarchy, which all represent different types of organizations with different core values (Cameron & Quinn 2006). These four types can also be named according to a certain value-based action that characterizes the culture's core: collaborate (clan), create (adhocracy), compete (market), and control (hierarchy) (Cameron et al. 2006), giving an idea of key values in each type of an organization.

A third dimension can also be added, the means-ends (see Table 2). Through this dimension, one can see which behaviors (means) surface from the culture type's values and what are the outcomes organizations are seeking through these actions (Hartnell et al. 2011). Next, all these four different culture types are described in more detail.

	Means	Ends
Clan	Cohesion, participation, communication, empowerment	Morale, people development, commitment
Adhocracy	Adaptability, creativity, agility	Innovation and cutting-edge output
Market	Customer focus, productivity, competitiveness	Market share, profitability, goal achievement
Hierarchy	Processes, consistency, process control, measurement	Efficiency, timeliness, smooth functioning

Table 2. The means-ends dimension (Hartnell et al. 2011)

Firstly, according to Cameron and Quinn (2006), the hierarchy culture is based on the classical Weber's bureaucracy model where standardized rules, control, and accountability are highly valued and lead to stable and efficient work. Organizations with a hierarchy culture tend to be very formalized and aim for predictability, efficiency, and stability. It is believed that clearly defined roles bring results (Hartnell et al. 2011). Managers in these sorts of organizations often focus on coordinating, organizing, and administering (Cameron & Quinn 2006).

Whereas the hierarchy culture focuses on internal affairs, market culture on the opposite focuses on external issues of their environment. Organizations with market cultures work closely with external functions such as their customers, suppliers, contractors, and regulators, with the main goal of reaching profitability, strength in the market, and safeguard their customer base (Cameron & Quinn 2006). This is enacted through competitive and aggressive behavior (Hartnell et al. 2011) and success is achieved through creating cutting-edge products or services (Cardador & Rupp 2010). Managers in market cultures tend to be quite demanding and focusing on results, as the organization's success is measured in market share and having a competitive advantage over the competitors (Cameron & Quinn 2006).

On the other end of spectrum is then again flexibility and discretion. According to the framework by Cameron and Quinn (2006), clan cultures emphasize cohesion, shared goals and values, and teamwork, and often are described as being like a family. In clan organizations, the focus is on developing the work environment and the employees, and a successful organization is seen as one where its people are taken care of. This is done through focusing on open communication and supporting flexible organizational structure (Hartnell et al. 2011) and thus, managers in clan cultures are seen mainly as mentors, team builders, and facilitators (Cameron & Quinn 2006). This high level of commitment to employees is seen to enhance employee involvement (Hartnell et al. 2011). Clan cultures can be often found in organizations which work in changing and uncertain

environments as the members' shared values and high sense of commitment help them to survive (Cameron & Quinn 2006) and for this reason, possibly can be found more often in startups and growth companies.

Lastly, the adhocracy culture, which comes from the word *ad hoc*, focuses on innovation, adaptability, risk-taking, and individuality (Cameron & Quinn 2006). In adhocracy cultures, it is believed that change generates results (Hartnell et al. 2011) and these organizations fully focus on developing and creating new products and services (Cameron & Quinn 2006), and work in decentralized settings as power transforms from person to person according to each project. Adhocracy cultures emphasize taking on new challenges, being ready for change, innovating, and acquiring growth. Managers in these types of organizations are quite entrepreneurial, creative, future-oriented, and risk-taking persons. (Cameron & Quinn 2006)

There have been several studies that aim to inspect the connection between these four cultural types and certain organizational aspects, such as job satisfaction. For example, Cardador and Rupp (2010) found in their study that companies with clan or adhocracy cultures may create more feelings of meaningfulness among their employees, due to their supportive natures. Hartnell et al. (2011) also studied the four culture types and noticed that particularly clan cultures had a high relationship with job satisfaction, hierarchy culture receiving the lowest association in this regard. This was supported also in a study by Lund (2003), where it was noted that organizations with clan and adhocracy cultures had higher levels of job satisfaction. Thus, it could be concluded that clan and adhocracy cultures (with clan cultures perhaps with the biggest correlation) may provide the greatest level of job satisfaction among their employees. Additionally, Hartnell et al. (2011) noted that, surprisingly, market cultures had the highest relationship with innovation, adhocracy receiving only the second place. Additionally, a study by Sackmann (2010) argued that certain culture types are correlated with positive financial performance but, however, hierarchical cultures was in fact seen as having a negative impact on performance. It is highly important to note, however, that there is no one superior culture that every organization should strive for but instead, every company should create a culture that fits their own context (Kotter & Heskett 1992).

As mentioned before, these four types are originally seen as competing, which means that organizations tend to lean toward one (or more) during their life cycle (Cameron & Quinn 2006). In essence, leaders create behavioral norms and thought models that support a certain cultural type, creating a dominant culture (Cameron et al. 2006). Through the competing values framework, leaders are able to detect their dominant cultural type(s), which allows them to create more value for the organization, detect its suitability for their market environment, and possibly provide a basis for change (Cameron et al. 2006). However, the study by Hartnell et al. (2011) indicates that the framework might not be as functioning as it has been presented in previous literature, as the study notes that the four types are more complementing rather than competing. Schein (2010) argues also that classifying organizations under simplifying types is quite restricting and far from reality as organizations in fact often are more complex than simple categories

imply. Cameron and Quinn (2006) note though that larger organizations with subcultures might develop different cultural types in their different subcultures. Lund (2003) also states that in their study, it was evident that each studied firm was characterized by more than one cultural type.

Moreover, Cameron and Quinn (2006) argue that small organizations go through a specific route through these cultural types. According to them, in the beginning of an organization's life cycle, organizations tend to possess the adhocracy culture, as they lack formal hierarchy and are often led by a visionary entrepreneur. After growing in age, they would change into a clan culture as the members start to feel a stronger sense of belonging in the organization and a communal, family-like feeling is formed. However, due to the organization is growing larger and having more responsibilities, a need for more formal structures is born and, therefore, the organization would shift into a hierarchy culture. This in turn might impact negatively the feelings of the employees in the organization as they lose the personal touch, and thus, the organization would finally move into a market culture by shifting their focus on to the external relationships and achieving results. However, this is the viewpoint of Cameron and Quinn and this describes an interesting way to look at the life cycles of small companies, but much other support for this theory has not been yet presented. For instance, in a study made by Leung et al. (2012), of the studied 60 new ventures, 24 were identified as market cultures, 15 as clan types, 11 as adhocracy, and only 2 as a hierarchy, with eight ventures described as having two cultural types, arguing against the idea that new ventures would possess only adhocracy or clan cultures.

In summary, the competing values framework is an effective basis for categorizing different company cultures into four major types of clan, adhocracy, market, and hierarchy, according to their main values and effectiveness criteria. It provides a useful framework for studying new and growing companies as it can show whether they fall under certain common cultural types or whether they represent a mixture of these types. The latter possibility would indicate that this framework may not be relevant anymore when it comes to today's startups and growth companies and would be in a need for an upgrade.

3 DATA AND RESEARCH METHOD

In this chapter, the research methods used for this study will be described, along with an explanation of data collection and analysis methods. Case companies used for the study are also listed and described and lastly, the limitations of the study discussed.

3.1 Qualitative research

In qualitative research, the main topics of interest are everyday practices and knowledge and the participants' perspectives, separating it thus from quantitative research where numbers are the main data (Flick 2007). Qualitative research is most often carried out through observation, interviews, and examining artifacts, and some key characteristics of it include that it is interpretive, situational, and aiming to understand perceptions, which makes it to perceive issues in their unique contexts with the possibility for different viewpoints to be taken into account (Stake 2010). Thus, the aim of qualitative research is not generalization, even if most studies start with some form of a generalized assumption (Flick 2007). Furthermore, in this type of research, the researcher themselves serve as an instrument as they observe and make interpretations of the issues (Stake 2010).

Thus, qualitative research methods suit studying organizational culture as it is a phenomenon that is highly dependent on different situations and viewpoints, and aspects of culture would be highly difficult to generalize and measure in numbers. Also, in studying organizational culture, the researcher has a clear role in observing and interpreting. As an experienced researcher on organizational culture, Schein (2010) notes that the researcher's own perceptions of the studied culture are commonly part of the research as they inevitably make their own assumptions and therefore this topic cannot be studied with absolute objectivity.

One method of executing qualitative research is through case studies, which is the approach used in this study. According to Farquhar (2012), case study research aims to provide "an in-depth understanding of a contemporary phenomenon in context", and in business case studies this can mean studying the phenomenon for instance in a company where the phenomenon is taking place. Case studies can be either intensive case studies, where the focus is on only one subject, or extensive case studies, where several subjects are under study (Eriksson & Kovalainen 2008). In this study, extensive case study approach is used to provide a comprehensive look of startups and growth companies in Finland instead of focusing merely on one specific case company. Through this approach, information can be acquired cumulatively where each case brings more information on the topic (Eriksson & Kovalainen) and for this reason case study is a fitting method for this present thesis, as case study research is well suitable for

describing and exploring a topic (Farquhar 2012). Most qualitative research focuses on reaching a high level of understanding of one issue or one phenomenon, without using too much time on comparing subjects (Stake 2010) and hence, reaching objectivity is not the aim of case study research (Farquhar 2012). Case studies also aim to produce detailed and comprehensive knowledge and refrains from using too simplified research designs as the complexity of issues should be taken into consideration (Eriksson & Kovalainen 2008).

3.2 Data collection

One of the main methods for collecting data in qualitative research is through semi-structured or narrative interviews, which are then coded and analyzed through content analysis (Flick 2007). Ethnography and observation techniques are common as well (Flick 2007) and organizational culture researchers have stated that only through these observatory methods a researcher is able to receive a true view of the studied culture (Schein 2010). However, due to the limitations of a master's thesis, a long-term ethnographic research is not possible and therefore an interview method was selected. The aim of interviews is to hear the experience of an individual (Flick 2007) and to receive information that the researcher would not be able to gather in any other way (Stake 2010), which makes it suitable for the study.

Moreover, as was previously discussed, companies often possess subcultures which makes especially researchers question whether the culture one witnesses is the overarching culture of the whole organization or a subculture of the unit one is focusing on. Due to this, researchers have noted that one must select carefully the sample of their study (Hartnell & Walumbwa 2010) and be clear on whether the examined culture represents the whole organization or merely a subculture (Martin 2002). This issue is relevant especially in the case of studying an organization's culture through interviews, as the interviewee often sees culture from their own position, and especially in larger organizations, the interviewees might be unknowingly describing their subculture instead of the culture of the whole organization. However, as this current study focuses on relatively small companies, the chance of subcultures is lower as the companies have not yet matured much with age or do not have a large amount of geographically spread offices.

Prior to gathering the data, an expert interview was conducted to collect more information on the current situation of organizational culture in Finland. As this exact topic is not yet much studied, an expert in the field was interviewed through a phone interview (Rinne 2018) to bring a perspective of a culture and organizational change professional to receive a better understanding of the trend today and to provide a clearer foundation on how Finnish companies might approach the issue. The interview also helped the author to further develop the

focus points of the research to ensure it was centering on the relevant issues in the Finnish context.

The data for this study was collected through interviewing subjects from Finnish startups and growth companies. The interviewees from these companies were selected based on their appropriate knowledge on the company's organizational culture from some sort of a leadership position. That is, they are actively involved in leading the culture or they have been involved in founding the culture in the beginning and therefore, they are in a position where they have a say on how some issues are handled in the company. As was mentioned earlier, many growing companies have discarded traditional HR roles and titles, and this could be witnessed from the variety of the interviewees in this study. The interviewees' positions ranged from CEOs and founders to persons being responsible of the culture or job well-being, several of them having several different roles within the company (see Table 3). These individuals in different positions may view organizational culture in slightly different ways but for the purposes of this thesis, the determining factor was that each of them were seen as having the ability to have an impact on shaping their organizational culture and had knowledge on how the culture was managed in their company.

Interviewees' positions in the company, in no particular order:	Sales Manager / Employee Well-being Representative
	CTO / Co-Founder
	COO / Co-Founder / HR Manager
	CEO
	Business Development Manager / Responsible of HR and Culture
	COO
	Director, Culture and Competence
	CEO / Co-Founder
	Responsible of Communications and Culture

Table 3. Interviewees' positions in the company.

The interviews were conducted face-to-face by visiting the company offices during April 2018 to June 2018. Through this, the author was also able to detect the physical environment of each organization which serves as one part of organizational culture. The interviews lasted on average one hour and were conducted in Finnish as each of the interviewee was Finnish. Each interview was also recorded and afterwards transcribed.

The interviews were conducted as semi-structured interviews. In semi-structured interviews, the researcher has an outline of interview questions prepared but they have the possibility to change the order and wording of the

questions during the interview (Eriksson & Kovalainen 2008). This allows a more flexible interview structure and a conversational tone, where topics can be discussed in a more natural manner. The interview questions can be found from appendix 1 in the original Finnish language and from appendix 2 as translated into English. The questions covered a wide range of topics in order for the researcher to get as comprehensive view of the company culture as possible in one interview. At first, a few basic questions were asked for background information of the company and the interviewee. Then, topics of culture, values, organization, work community, leadership, and recruiting were covered. The topic of culture began with the question of *How would you describe what organizational culture means*, even though the interviewer understood the difficulty of the question, but to witness what are the first characteristics that come to the interviewees' minds without any preparation. The interview questions were formed in a way that the interviewees would be able to give their own interpretation as freely as possible, without the researcher overly guiding the direction of the answers.

The aim of the questions or this study is not to create a list of measures of organizational culture that would be used in comparing the different companies but instead, the intention is to approach the companies with an open perspective and giving them the freedom to explain what their view on organizational culture is. This allows a more in-depth understanding on how each organization views their own culture and organizational culture in general.

3.3 Data analysis

According to Eriksson and Kovalainen (2008), there are three models how research can be implemented: through deduction, induction, or abduction logic. In inductive reasoning, general statements are drawn from the data and theory is created as a result of the findings. On the opposite, in deductive reasoning, theory and hypotheses work as the starting point and data is explained through them. Abduction then again combines these two and allows the researcher to move between models as some researchers may use them both in the duration of their research. This study will use the abductive reasoning, which thus allows using both the descriptions coming from people and theoretical concepts as the basis of the phenomenon and analyze by combining these both.

The analysis process proceeds as following: first, each case will be analyzed on its own, which is called within-case analysis, after which a cross-case analysis will be conducted, in which the different cases will be compared and searched for some similarities and differences (Eriksson & Kovalainen 2008). This will be done through coding of the interview data. In coding, data will be sorted according to different themes or topics (Stake 2010), which arise from the data and allows the researcher to gather similar information from the interview data under same themes and therefore create a more comprehensive look of the issues. In Figure 3, the data analysis process of the current study is explained. First, the

raw 166 pages of transcribed interview data were carefully read through. While reading, different topics and themes were highlighted with different colors, such as similar answers regarding culture's characteristics, mentions about leadership or culture connected to growth. After this, all highlighted and color-coded data was divided into respective categories to provide an organized view of each interviewees' thoughts on the same matters. Throughout this, new smaller themes

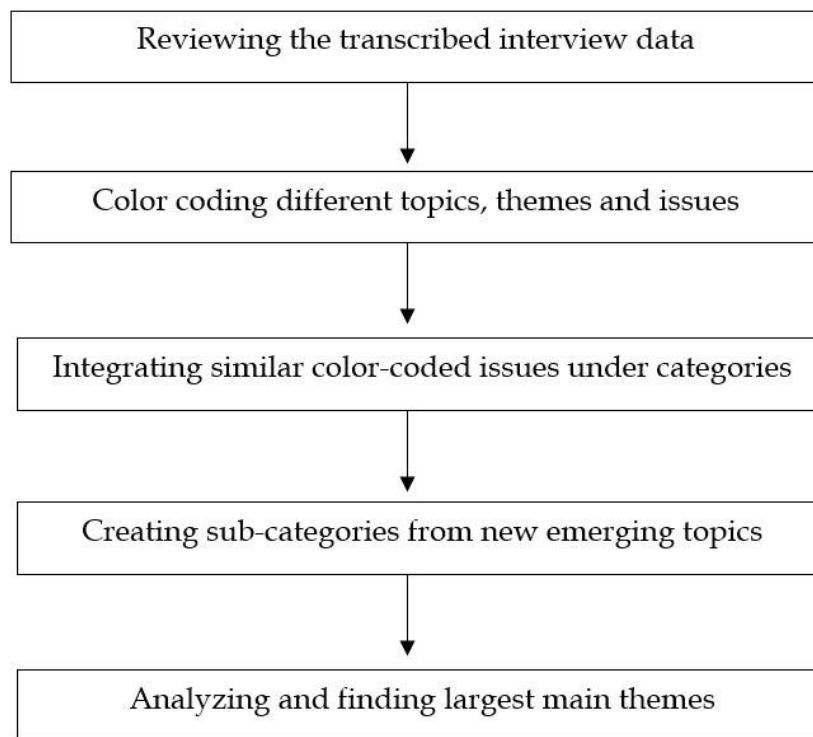


Figure 3. Data analysis process.

were also discovered and therefore, sub-categories were created as well. Finally, the categories and coded data were analyzed to find the largest themes across the whole study, which became the main findings of the study.

Through coding such as this, the researcher can see how different interviewees described similar themes and therefore create comparison between the cases. However, as comparing can easily lead to stereotyping and ignoring the complexity of the differences (Stake 2010), the aim of this study is not to solely focus on comparing the different cultures of the studied organizations but instead, to create an overall understanding and view of the phenomenon and each cases' unique perspective on it.

3.4 Case companies

For this study, ten case companies were selected and interviewed. In Table 4, the case companies are listed, with their main area of business, year of founding, and number of employees at the time of the interview. The criteria for choosing the case companies were intentionally left quite broad. The aim was to choose companies which has their origins in Finland and can be described as a startup or a growth company. Most of the studied companies fall into the category of being less than 10 years old, many being founded in the 2010s. However, to provide a wide range of variation on the company circumstances, the case companies range in age from newly founded to over 15-years-old, also providing large variety in personnel size. These variations increase the range of perspectives on organizational culture by including companies with less than 10 employees to one with several hundreds employees, which serves the purpose of this study to reach a deep understanding of the issue. A young age of an organization does not mean either that they would not have any culture yet, as Schein (1990) states, if an organization has had any experiences together, there will have formed some culture.

Company	Business	Founded	Employees
Naava	Health technology / cleantech	2011	~ 60
Paytrail Oyj	Online payment service	2007	50
Northbound Oy	Supporting B2B sales	2017	6
Transfluent Oy	IT / Translation services	2011	15
Meiko Oy	IT	2011	24
Adafy Oy	IT / Software	2012	13
Gofore Oyj	IT / Software	2001	400 +
MEOM Oy	IT / Software	2012	~ 20
Zaibatsu Interactive Inc.	IT / Games	2014	10
Prasos Oy	IT / Money transfer service	2012	20

Table 4. Case companies used for the study.

Companies in this study were not chosen according to any specific percentage of growth in sales or employees, which is a common method of defining growth companies. As Delmar et al. (2003) state, there is no certain type of growth pattern and growth can occur in many different ways. For example, high-tech startups might have fast growth in their number of employees but might not accumulate sales until in a later phase (Delmar et al. 2003). It would be therefore

highly difficult to apply same measurements both to very young startups and older growth companies as they illustrate growth in different ways.

Additionally, the case companies were chosen through different methods. The work by Great Place to Work (2018) was used as one data source for detecting which Finnish companies have been proved of placing particular emphasis on their organizational culture and employee well-being in the recent years. Great Place to Work announces annually the best workplaces in Finland in three categories (small, medium-sized, and large organizations) according to the data from the companies' employees through their own Trust Index questionnaire and ranks the top companies in each category. A few of the case companies in this study ranked in the top 5 in their categories while some were in the top 30, indicating a focus on their organizational culture. Additionally, several of the case companies were also chosen from the Central Finland region by the author's personal knowledge of suitable companies.

These case companies will be from now on after this chapter referred to anonymously as Company A, Company B, Company C et cetera, in a randomized order, in order to protect the privacy of the companies and prevent that any information could be connected to a specific company.

3.5 Limitations

When conducting research, one must ascertain that certain quality characteristics are met. Two main issues to evaluate are the study's reliability and validity and whether they come true in the research (Eriksson & Kovalainen 2008). According to Farquhar (2012), reliability indicates whether the research is repeatable and therefore, if another researcher would repeat the same research, they should arrive at the same conclusions. Thus, transparency of the research process and clear research strategy are important. In the current study, to accomplish reliability, the research process was documented carefully and explained in the methodology chapter of the study and interview questions were provided. If the data collection through interviews would be repeated on a later stage, similar answers would likely appear, but a complete replicate may be difficult to reach as the topic focuses on the interviewees' subjective perspectives of a complex subject and their thoughts and opinions may be subject to a change over time.

Validity of research, on the other hand, refers to evaluation of whether the research in fact studies what it claims to study (Farquhar 2012). This means that the research findings are a true depiction of what the studied phenomenon is, and that the description of the findings are correct (Eriksson & Kovalainen 2008). In this study, the aim was to analyze the perceptions of organizational culture by startup and growth company leaders and the interviews were designed to acquire information in this regard. Thus, also the findings of this research depict this phenomenon truthfully and are thoroughly explained and supported by literature, which would indicate the validity of the study.

However, a central limitation in this study is the fact that organizational culture is being studied from one-person perspective. As mentioned before, organizational culture is a shared phenomenon and to truly get a deep understanding of what each culture consists of in each company, one would need to interview several members of the organization. Each individual sees issues from their own unique perspective and one view cannot be generalized to cover the views of the whole organization. For this reason, the objective of this study is to focus on the perspective of leaders and study only how they describe the phenomenon. Interviewing an employee of the same organization might result in slightly different results. Thus, the perspectives of the leaders might not offer the complete truth and their views will be treated as their subjective views on the matter, not as a general truth. Cultural analysis cannot be done completely objectively (Schein 2010) and to get a real and in-depth view of an organization's culture, one should analyze on the unit-level while many culture researchers before have made the mistake of focusing on the individual-level (Hartnell et al. 2011). However, the author acknowledged this limitation right from the start of the study and included this in the research objective, not with the intention to provide a general view of the cultures based on individual's subjective comments.

Additionally, it should be noted that interviewees might not always reveal every aspect of truth to an outsider researcher. They can hide some information they do not feel comfortable sharing or make something appear in a better light than it truly is (Schein 2010). What the interviewee says can differ from how they truly behave, as was described in the article by Baron and Hannan (2002) that, in their study, it was not unusual for a founder to describe employees as the most important asset for their company but, in reality, they spent more time focusing on the scalability of the business instead of the people. Thus, as the results of this study will be presented according to the descriptions of the interviewees, one should keep in mind that it is only one depiction of the culture.

4 FINDINGS

After interviewing 10 different leaders in Finnish startups and growth companies, a quite large range of viewpoints could be acquired. In this chapter, different themes that were raised from the interviews will be analyzed and hopefully answers will be found to the original research questions. This analysis will aim to give an overview of different viewpoints on what organizational culture is, how it has been created, what kind of a role does it have in these companies, to what extent it can be led, and why these particular companies see it as important.

First in this chapter the focus will be on how these different interviewees defined organizational culture from their own perspective. In the second section, the reasons why these leaders view organizational culture as an important topic will be discussed. Lastly, findings related to leading a culture will be introduced.

4.1 Describing organizational culture

As researchers over the years have debated over how to define organizational culture and what it truly means, it comes as no surprise that the interviewees in the case companies struggled to define the term as well. In each interview, after straightaway asking what they think organizational culture means, the interviewees were truly pondering what it is, and many made the remark that it is such a large and vague concept that it is difficult to phrase into a short answer.

However, after asking what organizational culture in their opinion is, one feature was mentioned by 8 out of 10 of the interviewees (taking into consideration that the rest 2 interviewees might consider this feature as well, but it simply did not come to their minds at the moment). That is, that it means the common ways of doing things and working inside the company. Nearly everyone mentioned how culture means the ways of working, how people act and behave inside the organization, what is the common way of doing things, what habits do they have, and if there are some unwritten agreements on how to act. This was mentioned in several different ways, but the consensus seemed to be that the behavior of people inside the organization is a key factor in determining what the culture is like. This can be seen either through general codes of conduct or how work can be done. Interviewee from company B, for example, specified that culture means what sort of working hours the employees are expected and able to do, where and when one can work, and is the work done mainly independently or are there more common activities. Interviewee G also mentioned what kind of freedom and responsibility one is given. On the other hand, interviewees E and G also mentioned that culture guides how one can behave at work, meaning what is the appropriate way of behavior. This portrays two different approaches to the topic, both of which guide the ways of working inside an organization. On one hand, there is the company's guidelines on where, when and how work can be

done. Thus, it could be seen that it is part of the culture whether there are flexible working hours, if work can be done remotely, and is it mostly independent or group work. This is a topic that emerged also on the later questions during the interviews. On the other hand, there are also perhaps more unconscious rules on how one is free to behave at the workplace; is formal manner for example required and how one is expected to behave around coworkers. This is one way of describing ways of working but is also linked with the next characteristic of culture.

As additionally, another common factor among the interviewees' answers were the social dimension of culture, that is the people in the organization. Several people described culture as the way of understanding others, how one treats others in the organization, how people communicate and generally interact with each other. As interviewee I said, organizational culture is something that is created in interaction but is also shown in how the employees communicate with each other and how they communicate with their customers. This is an aspect that has been emphasized in literature as well, as mentioned earlier in this study, that culture is created in interaction (Schein 2010). Interviewee D defined culture in the following way:

“It is built by the people who are part of the company and from that common work that prevails between them”

This answer describes people as the main core of culture as they are the ones who build it with their common ways of working. Interviewee J described it as a community and culture as the way of how people in the community work. Furthermore, several interviewees mentioned the atmosphere at work as part of culture and people as part of creating the atmosphere. Interviewee F, for example, mentioned being part of culture whether the common spirit is good or not and how does one perceive one's own work (as in is everything terrible or not). These answers seem to highlight that culture is deeply connected with the people inside the organization, how they act towards each other and what sort of an atmosphere they create at the workplace, which is in line with the organizational culture literature.

However, in addition to the ways of working and the people in the organization, when asked what organizational culture is, several interviewees also mentioned the values of the company. This was described as that culture represents what sort of values the company's actions are based on (by interviewee B), culture overall being extremely close to the company's values (interviewee C), describing what the people see as important and what they are devoted to doing (interviewee E), and even that the foundation of organizational culture is the company's core values and that they are a concrete matter at the bottom of culture (by interviewee I). As one can see, several interviewees view company's values as truly essential to their culture. However, this is a view that was not shared by every interviewee. As will be discussed later in this chapter, not everyone saw the importance of concrete company values or at least did not possess such clearly defined values.

Moreover, when asking what organizational culture means, some interviewees mentioned organizational factors such as hierarchy and leadership. For example, as mentioned by interviewee A, a part of culture is whether the organization has a hierarchical model where the leader makes the decisions and there is a clear upwards command chain or whether it is more of a flat structure where anyone can make suggestions and teams have more power on decisions. The form of hierarchy and how the company is being led was also mentioned by interviewee F, but it is noteworthy though that most of the interviewees did not in fact mention these factors in their answers. At least when it comes to these characteristics that come first to their minds when asked about organizational culture, the company's hierarchy and leadership style appear only on few answers. It is an interesting question whether this is the case because they do not see these as key factors in defining organizational culture or whether it is something that they do not realize being part of their culture, hence representing the more unconscious side of the culture.

One final common theme that appeared from some of the interviewees' answers was culture encompassing also the goals the organization has and the reasons why people are working there. As interviewee C describes organizational culture being:

“What motivates people to work. It sets the common goals that everyone in this company aims towards.”

Therefore, the reasons why people are in fact working in the company can be also seen as an essential part of culture. What motivates them, what goals do they have, and as also mentioned by interviewee C, especially whether the employees have the same goals and the same reasons for working. This factor of *why* people work, what is the main reason people work together, was mentioned by interviewee I as well. It is worth noting that most of the other interviewees described organizational culture as something that is done (how work is done, how one treats other people, how one is being led) but only two mentioned culture being the why behind these. This might reveal how culture can truly be often seen only on the surface level, as described by literature, and the true underlying reasons are much more difficult to recognize by people. This seems to be an exact example of when asked to define organizational culture, the answerer easily focuses on the visible factors and does not think to reflect on the reasons behind these factors. The same interviewees C and I also in fact mentioned values in their answers, which indicates that these two interviewees might especially take note of the slightly deeper levels of culture.

In conclusion, all the interviewees clearly saw the question of somehow defining organizational culture as difficult to do, which did not come as a surprise. There were several common themes that could be found from the answers (summarize in Figure 4): culture meaning the ways of working inside the organization, involving people and their interactions and communication, depicting the hierarchy and leadership of the company, being in link with the organization's values, and also including the ultimate reason why people work in the company.

Interviewee I summarized these points quite well by saying that culture is ultimately reflected on everything one does. However, it became quite clear that there were differing viewpoints on this issue as different interviewees highlighted clearly different aspects (such as some pointing out hierarchies while other focused on values) and provides an interesting starting point for this study to gain a more comprehensive look on these different viewpoints of organizational culture.

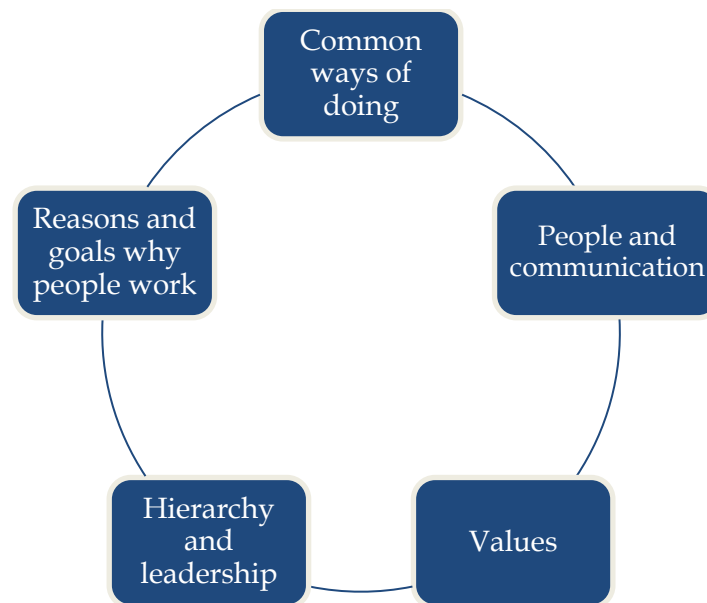


Figure 4. Defining organizational culture according to the interviewees.

4.2 Why culture is important

Each person in this study had their own image of what organizational culture means and what it might be like in their company, but it is crucial to also understand the reasons why anyone should focus on organizational culture and what do they think they will in fact gain from investing in it. For this reason, the interviewees were first asked whether they see focusing on organizational culture as important and each 10 interviewees answered yes, most of them emphasizing its importance by superlatives, describing it as extremely necessary. Thus, it seems quite clear that each of them considers the topic as something worth investing in, but the question then remains in the why: why do they see it as important? There were several different factors that could be found to be the reasons why and naturally, each interviewee had numerous reasons and implications, and they could be divided into five main themes: well-being, attracting people, working conditions, company performance, and supporting growth. These major themes will be next discussed in this following section.

4.2.1 Well-being

Among the answers, there was distinctly one common topic that each interviewee highlighted as one major reason for focusing on organizational culture and this was the well-being of their employees. For example, interviewee G described culture as the basis for well-being and satisfaction at work and interviewee B stated how important it is for them to focus on their culture as they unquestionably want that their employees feel good about doing their work. Also, interviewee A mentioned that it is important to have a good spirit at the workplace and because of this, culture is one of the most important issues to take care of. Additionally, interviewee I even stated the following:

“For example, what kind of a workplace we have wanted to make Company I to be and been aiming to do is that people would feel good. And that people would enjoy their job. Preferably would be actually even happy.”

It thus seems that companies truly wish that their employees would feel good about their workplace and enjoy their work, even to the extent of considering their level of happiness. This is straight correlated with organizational culture in their minds and all the interviewees unquestionably make this connection between culture and employee well-being, suggesting that culture has a clear impact on how the employees in the organization feel. This theme carries throughout all the answers as the interviewees hope that their culture would enhance their employees' well-being, ranging from wanting that people would have a sense of understanding and trust within the company to simply not hating coming to work every morning. Therefore, it seems that the interviewees from these case companies consider it as a high priority matter that their organizational culture supports their employees' sense of well-being and truly aim for people enjoying their work.

Besides organizational culture having an impact on overall employee well-being, several interviewees also mentioned this in relation to employees' reasons for working in the company. Interviewee C stated how culture gives their people the purpose for doing the job and helps to maintain interest, especially as they work in the IT industry where competition for skilled workers is tough. He continued to explain:

“We don't want to burn anyone out, we don't want to overwork anyone. We want to offer that sort of an established place where people get to work out of interest and passion.”

Evidently, in this case, it is not wanted that employees simply come and do their work but instead, they should have the opportunity to work with something they feel passionate about and have a reason or a purpose as to why they work. One might consider this as an advantage that some employers might use to fight for workers in the IT field by offering that sort of work or a work environment that

truly motivates their people. However, on the other hand, it might also diminish the number of suitable workers if one seeks only people with a true passion or high interest towards the specific work instead of hiring also people who simply get the work done. This topic was brought up by another interviewee as well as at both companies C and F they emphasized that one needs to have the right motivation to do the work, as interviewee F describes:

“If you think about our coders, they would get more salary right away from anywhere, from any job, when they just go to SharePoint to build some intranets for companies. So, if that motivates you, then you probably seek to work there. So motivation really is number one”

This example showcases well how it is not the salary that drives everyone but instead, the ability to work with something you are truly interested in and thus, you receive your motivation through this. In this example company, they cannot compete with salaries but instead they offer a workplace where their employees can work with something they feel passionate about and see as important for them. This describes their culture as well as this company seems to have such a culture in place where they have people working together with passion towards what they do, and this seems to be also in relation to the industry they work in.

Employees' well-being both on the sides of feeling positive about one's work and enjoying it and having the right motivation to do the work seemed to be a large common theme amongst the interviewees when discussing the reasons why culture seems important to them. These issues were strongly related to culture as the interviewees saw that organizational culture can have a deep impact on whether employees are happy at the workplace and are doing the work for the right reasons.

4.2.2 Attracting people

As was mentioned in the previous section, the competition in the IT industry can be quite tough nowadays and IT companies need to fight for their employees. This topic arose from the answers as well of building such a culture that it would attract the best employees to the company. Interviewee C said that they have a large shortage of skilled workers and even admitted that attracting people is not the most ideal starting point for building a culture but saw its clear benefit in recruitment:

“Every single applicant that has come here to visit the office, they haven't really known beforehand what to expect. But when they have come on-site, we have managed to recruit everyone, so that no one has left like sorry, not interested”

In the company C, therefore, their culture seems to be an influencing factor in recruiting new employees for them, especially as they are struggling to find the skilled workers they need. As soon as they have managed to bring possible

candidates to visit their office, they have managed to recruit them. The interviewee himself was a great example of this as well, as he told that when he was being recruited to the company, he had not at first even replied to the CEO's attempt of contacting him. Only later on, when he was asked to come by the office to have a coffee, he went and consequently, was recruited. Thus, the problem in this case seems to be in attracting these candidates in the first place to visit the office. The company culture might be well visible in the office, but this should be somehow shown outside the company as well, in order to make the possible candidates interested and wanting to visit the office in person.

Also, interviewees H and I mentioned attracting new people as a reason for building a company culture. In company H, they are constantly aiming to strengthen their culture and creating new ways to upkeep their employees' well-being, in addition to taking care of their current employees but also so that they would attract the best people to work there in the future as well. Interviewee H mentioned this in a very straightforward manner that this is a clear goal for them, when again interviewee I's viewpoint was that if they focus on their culture and do it well, then perhaps suitable people will seek to work for them and that they would seem interesting to the best people. These indicate two a bit different approaches to the issue: one with a clear goal of attracting the best people by creating an attractive culture and one with taking care of the culture and believing that it will in a sense attract the best people by itself.

In addition to mentioning culture regarding attracting the best employees, a few interviewees also mentioned it as a separating factor or a competitive advantage against other companies. Interviewee J told frankly that their organizational culture is a clear competitive factor for them. He also sees it as a separating factor, even though he acknowledges that there are many other companies as well in the IT industry who have clearly now realized the possibility of standing out with their organizational culture. Interviewee H mentions this as well by stating that they are trying to create such a culture that would be unique in their area and that no one else would have the same benefits and other characteristics as they do. In other words, these companies aim to create such cultures that do not only serve their employees but also would be positively different from other cultures, creating a competitive advantage. Thus, at least these two cases prove that organizational culture can be considered to be a true separating factor for some companies as they are competing against others and trying to create a unique culture in order to distinguish themselves from the competition.

All in all, one could conclude that several of these case companies consider organizational culture as also influencing their recruiting abilities and processes and for this reason, perceive it as an important issue. Organizational culture may be visible in the company office and work as a turning point in convincing applicants to accept the position or it might be part of employer branding where it is used to lure suitable individuals to apply and work for them. In many of these cases, it is one way of separating oneself from other companies, especially in the competitive IT industry where most of these case companies work in, and they have realized to use organizational culture as a separating factor in attracting new employees.

4.2.3 Working conditions

At least half of the interviewees mentioned as well organizational culture's impact on working conditions and work efficiency. As for example, interviewee A mentioned that it is highly important to take care of one's company culture in order to have a well-functioning organization. This might mean several different aspects but factors that appeared from the answers were, for example, well-being improving work efficiency, working teams, and formulating a culture suitable to the company's specific needs.

A few mentioned this topic in connection with well-being. According to interviewees B and G, as culture is the basis for well-being at work, when people feel good, they are also more productive and efficient in their work and are thus able to build a successful service or a product. Interviewee D also stated that culture is a great way to further achieve bigger organizational goals. He gave an example of work efficiency in a case where the company is aiming to reach a new market area within six months, and this would require quick action and large leaps in order to come true. Whether this would work or not boils down into whether the employees truly have the common vision to be in this new area within six months and is it inside their culture that they want to grow considerably and quickly. Thus, as was mentioned earlier, organizational culture has an impact on how people work, and by creating a suitable culture, the leader might be able to guide employees into working in a similar fashion towards common goals.

Additionally, this idea of teamwork, cooperation and being part of the company was also brought up by several interviewees as something that culture has an impact on. Interviewee F made the notion that culture is strongly related to how one builds the teams in the company and do the teams truly work, because if one part does not work in the team, then soon the whole team does not work. Therefore, culture has an impact on how teams work together, how they have been created, and how do they solve problems. Interviewee D mentioned this same issue that everyone in the company is in the same boat, taking it into the same direction and each has an important role in it. Thus, culture has an important role in having everyone aiming towards the same vision and enabling cooperation to achieve the common goal. One way how this could be realized inside the company is to have the employees feel that they are truly part of the company. This was mentioned by interviewee G that the employees should not be simply doing their work blindly, focusing on filling the required hours of work, but instead having the sense that their work matters, that they are part of the company and that they are also part of developing the company. Creating this sense of attachment and commitment therefore seemed to be one aspect that organizational culture could create inside the company from the interviewees' perspectives.

Moreover, often cultural factors were simply considered as something that suits the company's specific needs well and that they need to be a well-functioning organization. For instance, when asked why does one enable flexible work in their company, a simple answer most often is that it is the most effective way of

working. As interviewee A said, it is simply practical to give their employees a great deal of freedom to do their work as, for example, their company has employees all over the world and simply because of time differences, it would always take a great deal of time to ask for a permission or an opinion on every issue. Interviewee E also talked about how with experience from previous companies, she knows what she wants to focus on in their company culture and find the ways of doing and the good practices that suit them and their company specifically. By having a culture that is truly fitted according to their needs, they are able to bring out the best out of their employees. This is an interesting point to consider that the organizational culture should truly be thought to suit its specific needs and what their employees need, as every culture type does not suit every way of working. A flexible and relaxed culture may work in some companies but if it is not what the employees truly are in need of, it may not be of any help. This is why each company should consider individually what sort of a culture supports their work and would bring the best out of their employees.

4.2.4 Company performance

Besides employee well-being, recruiting, and working conditions, one common reason more why the interviewees in this study thought focusing on organizational culture matters was its impact on the company's performance. This is a topic that has been discussed in literature as well and evidently some of the interviewees clearly agree that these two have a correlation. As interviewee A quite clearly stated:

“Well it affects first of all the end result very much. Like for example if there is a very top-down operating model like for example in the army, then there doesn't come any innovations and no one does anything unprompted, so it also then affects the company's success, so in that way it is a really critical issue”

Therefore, in a company that requires innovation and people's own initiative to be successful, a culture would not work where orders come top-down, and employees would not have that freedom to execute what they see fit. Along the same lines were interviewee B, who said that their culture aims towards employee satisfaction and well-being and believes that this further supports their results, and interviewee E, who said that they also believe that if their employees enjoy themselves and feel that they are developing, it can be seen in their clients as well. This all was well summarized by interviewee J, who described their culture such that they aim to have people who enjoy doing their work and a culture that supports development, which then leads to happy customers and which in turn then turns into a positive success for the company. This is a circle that seems to be agreed by other interviewees as well. Satisfied employees work better in many ways and this is then experienced by the customers, who become happier customers and generate better results for the company.

However, interviewee H described this circle working in a bit different way as well. He described this as that as long as the company is doing well financially and growing, everyone is enjoying themselves and have money to spend on the fun aspects of work. But if they would stop succeeding, the employees would not have much fun anymore. Therefore, this way the company is urging people to work hard for the company in order to be able to keep all the benefits and other enjoyable factors of the workplace, as they realize that they might lose them if the company would start doing poorly. This is one way to motivate employees by making it clear that all the benefits and other fun aspects of the culture should not be taken for granted and will not necessarily be there unless people truly work for the good of the company.

4.2.5 Culture supporting growth

In addition to these previous four main reasons why these case companies saw organizational culture as an important topic, another additional issue emerged among the answers. As all the case companies are either startups or growth companies, growth is a major issue for them and several of them in fact mentioned organizational culture's role in supporting their growth. It was not seen as a reason per se as to why they want to focus on culture, but it was seen as having a supporting role and for this reason, it will be also now briefly discussed.

As each of these companies are going through a growing phase, having a culture that supports these efforts is valued. Interviewee A gave an example by saying that as they are in their growth phase, it is very important that everyone in the teams feels that they fit in, gets feedback, and has an impact on issues. He saw these as necessary matters to take into account and take care of in the growth phase through previous experience he had of startups. Several of the interviewees mentioned as well that as their headcount is increasing over time, the same practices and structures will not work anymore with a larger group. According to interviewee B, with a small number of employees, there is no need for hierarchical structures but when the size of the organization grows, they without a doubt need to add some levels of hierarchy. Interviewee C states in a similar fashion that after they now have employees in three different cities, it requires considerably more organizing. And that overall, they have recently started to develop their structures to support their company's growth in the coming years by cutting off some of their smaller clients and developing their board's operations to gain a more structural frame. Therefore, there seems to be a consensus among some of the interviewees that as their company grows, they need to also develop their culture towards a more systematical one to support the growing number of employees. As interviewee E mentions, growth, more people, and more moving parts bring with them change. Thus, these companies need to be able to adjust to these changes and because of this, culture has an important role in being flexible enough that it will allow the changes and adjust accordingly.

4.3 Leading culture

By far, this study has now discussed how the ten case companies define and describe organizational culture and the many reasons they see it as a valuable topic, and next the discussion turns into the topic of leading this culture. One of the issues raised in organizational culture literature is the discussion how culture is formed: can it be intentionally created or led by leaders? As was mentioned earlier in this study, according to Schein (2010), culture can be created through the beliefs and values of the organization's founders, through the shared learning experience of the organization's members, or through new beliefs and values brought in by new members. In this section, this topic of leading organizational culture through different ways will be discussed. What different ways are used in these companies to guide their organizational culture in a certain direction, how do they in fact create the culture within the company, and lastly, can culture truly be led or managed?

4.3.1 Leaders' influence

In organizational culture literature, a common consensus is that culture is created through interaction and people, but it is still quite debatable what is the role of the leader in the process. This was one of the key issues in this current study to investigate what do different leaders in startups and growth companies think about the topic and do they see that culture has been created by itself in their companies or do they have some sort of a say in this.

Among the interviewees, the common consensus seemed to be that culture is seen to be mainly created by the people in the organization, but also that one can have some degree of influence on it. As interviewee D aptly described:

“I personally believe that it can't be even much artificially created, that you can support it by creating those common rules through which you start to create the organizational culture, but it is always that you can only set up the spine for it and it will then be built by the people in the company”

In other words, as interviewee D sees this, a person can create the basis for organizational culture but in the end, it is the people in the organization who will then create the actual culture. Thus, a leader may have an effect on the culture by putting forth certain guidelines on how for example work is done in the company, who is hired, and what the company values might be, but it is then up to the employees to create a culture out of these pieces. As interviewee I also mentioned, people create the culture and one can do only a limited amount towards it. Interviewee J gave an example of this by telling that he for instance intervenes if he sees that something is not done according to their values and that he represents the cultural viewpoint in their management team. Hence, through these sorts of actions he has some effect on their culture. This can be also connected to

the often heard saying which interviewee I also recited that “culture eats strategy for breakfast”. This means that culture can have such a power that it guides the organization’s actions far more than a strategy might. Additionally, interviewee J made also the following observation when asked whether culture can be led:

“A bit like yes and no. That you can have an effect on it and at least through leading you are able to ruin it.”

Interviewee J thus made an interesting remark that as a matter of fact, besides having the ability to have some influence on culture, leaders are also able to ruin the culture. This is an interesting thought as it may well be possible that some leaders try to manage culture too forcefully, make it their own way without taking into account what would suit others. A leader might have a certain vision of what the culture should be like but if it does not actually serve the employees, they might force a culture that others do not want to follow.

Additionally, interviewee J said also that he thinks it is wrong that one person would know what the culture should be like. Even though he is the head of culture in their organization, he does not think that he defines what the culture is. This is in accordance with the idea that leaders may create some basis or guidelines for the culture but in the end, are not alone responsible creating it or defining what it is like. However, even with the basic guidelines for culture, a leader should be wary of not imposing an unsuitable framework and thus end up ruining the culture. Instead, the process of creating a culture should be more based on discussion and common agreement. Here one might also see the difference between leading and managing a culture. Managing commonly means a more controlled way to reach a certain goal when again leading is more about motivating and enabling others. Therefore, managing a culture in a controlled way might be quite difficult and for this reason, what leaders might be able to do with culture is specifically to lead it. However, as interviewee J mentions as well, culture truly is a difficult entity to lead.

Several of the interviewees in fact mentioned this same opinion that people build the organizational culture. Interviewee F told that in the beginning of their company, he being a founder, they did not have a clear vision on what their culture should be like as they believe that the people dictate it greatly and consequently, their culture has been forming over the years through the individuals. Interviewee D commented as well that one of the reasons why people might commit to a culture is because they know themselves that the culture starts with them. Thus, it highlights everyone’s behavior and how they treat other people when they realize that everything they do is part of creating their culture. This is an issue that not every employee or even every company possibly realizes. Each act of everyday behavior has an impact and a culture is being created as the sum of every employees’ acts. As said, a leader might create the spine for the culture, but each employee should realize their role in the process. Because this current study’s viewpoint is on the leadership aspect, one cannot conclude what the employees in these case companies think of this issue or whether they realize their

role, but this would be a topic for another study to find out do the employees in growing companies know of their role in creating organizational culture.

One of the topics raised in the interviews was also the issue of culture being created and changed over time. Even though leaders have a possibility to impact culture to a certain degree, culture is not something that is created by once and stays the same throughout the years. As interviewee J states, culture is not static but instead constantly changing and evolving, and this is in line with the organizational culture literature as well. This topic is connected to leading a culture by noting that leaders should remember to view culture as changing and evolving through the people and throughout the years. Culture exists whether one wants it or not and for example in the case of company C, where for a long time they were busy working and not paying any attention to their culture, they did still have a culture in place, they simply did not think about it. This is where leaders' role should come to action as they might realize the lack of focus on their organizational culture and start the process of focusing on it. In a case where culture has been born and it is somehow a dysfunctional one, it should be of great importance to the leader to try to start fixing it. However, as the literature says, culture is extremely difficult to change. If several years go by and a culture is being born without any paid focus on it and then, if problems emerge, it may be extremely difficult to start changing it anymore. For this reason, even though leaders cannot actively modify culture to be an exact type, by paying attention to what it is like and to which direction it is going to, can have an impact and possibly prohibit detrimental culture from appearing.

To summarize, according to the interviewees, organizational culture is something that a leader can have a limited impact on, and it is the people in the organization that in the end determine what the culture is like. A leader may create a basis for the culture by, for instance, providing some base rules or guidelines for work and making sure that the cultural viewpoint is overall taken into consideration in the company. However, a single leader should not try to take control of culture all on their own as they also have the ability to ruin it. Instead, they should recognize that the people inside the organization create the culture and that they can impact this for example by recruiting people who suit the existing culture or who could take it into a right direction. Employees should also be made to realize that they in fact have a major impact on their own culture as they may not realize their power at all. Often culture is seen simply as something that exists, not as something that anyone has an impact over. Leaders are in the role of being able to inform and educate others, and as will be discussed in the next section, they can for example start the process of everyone defining together their organizational values.

4.3.2 Guiding values

The topic of values emerges from organizational culture literature quite frequently and for this reason, it was an interesting issue to investigate what are the perceptions of these case companies when it comes to values as a part of their culture. Each interviewee was asked about their company values and quite

surprisingly, this generated a clear division between the companies with opposing approaches. Part of the case companies had very clear and particular values in place and the interviewees were glad to discuss them, when again the other part of the companies did not have any defined values and the interviewees could only describe what issues they see as important and what perhaps could be close to values. This was an interesting finding as most of the case companies are quite similar when it comes to their age, number of employees, and industry, but for some unknown reason there appeared a clear division between the companies in whether they in fact have defined values or not.

Case companies with defined values

Four of the ten case companies could immediately list their main organizational values and a fifth one was able to somewhat explain what they are. In this section, the main focus will be on these four companies as the fifth one had a relatively bit more vague perception on the issue. When it comes to the number of values these four case companies had, company C had seven values, company D had five, company I four, and company J only two. Common themes across all these 18 values were working with other people (trust, caring, better together), going forward (pioneering, development, bravery, dare to think, try and execute), and ways of working (passion, quality, responsibility, openness). One can thus see some similarities across these four companies with clearly defined values as they all seem to appreciate roughly similar themes, even though each of them had phrased them differently.

When it comes to how these values were born in these four companies, in all of them they were the result of a thought process of several people, although it differed from company to company at which stage of their growth these values had been born and in what way. In company D, the founding members had coined the values in the beginning and started to build the company on the basis of those values. Also, in company J, the values stem from the original founding members during the early years of the company and according to interviewee J, did not require much thinking at the time. In companies I and C, however, the values were quite a new discovery. In both cases, it was in fact the result of a process made within the last year at the time of the interview, after several years of the company's existence. Meaning, neither of these companies had clearly defined values for several years until they made the decision to define them. This was a quite interesting notion as well, considering how these case companies with clearly defined values, half of them had had their values most of their company's lifecycle and half had only recently defined them. In company I's case, they simply had made the decision to uncover their core values and then started the process, in which all employees were included through different exercises and at the end of almost a year-long process, they had finally phrased their four core values that everyone in the company shared. Company C had a quite similar story, only executed in a much shorter timeframe, where they went through the process together with everyone in the company as well, discussing which values

they all can truly share and agree on. Interviewee C admitted that they in fact had not truly thought about organizational culture much before, stating:

“Let’s say still a year ago, it wasn’t really talked about. That we’ve been just working here, plainly”

Thus, after years of simply doing one’s work and not truly thinking about why the company exists, they finally started to focus more on the culture, their values and their reason for working there. As a matter of fact, during the process, they had noticed that some people had been doing the work for different reasons. This had consequently sparked the conversation whether they can share the same values and if in reality there are some common values beneath it all. Interviewee C continued to explain that it is important for them that every employee has the same starting point and sees the same issues as important, and as a result of this process, their values were then born.

All in all, it is intriguing to note that some companies have had the same values from the beginning produced by the founding members and with some companies they are the result of a thought process that involved the whole company after several years of existence. It is an interesting question to consider if this makes a difference when it comes to the values itself. This would require a further study to take a deeper look into what sort of an influence it might have when the values stem from the early years of the company against when they are being created on a later period. Do people resonate (or comply) more with the values they have been a part of creating or is it a more consistent vision for everyone if the values come originally from the founding members? And as was discussed in the previous section, culture in general is created by the people in the organization with leaders having a limited say on it, hence the question remains if the values should be created in a similar manner as well. Should all company values always be the result of a process involving each current employee or do the founders have the power to dictate their values that others should then follow? These are fascinating questions and unfortunately this current study is not able to answer them but another study on values might find some insights on the topic.

Values in the daily working life

With these four case companies with distinct core values, another interesting point of discussion is how these values can then be seen in the daily working life. Both companies D and J mention that they talk plenty about their values during their recruitment processes and onboarding. Interviewee D describes the use of their values during recruitment in a following way:

“It’s used either as a sort of lure that this is how it’s like in our company or correspondingly that this is what it’s like in our company that if you feel like you can’t enjoy being here, then this is what it is. We’re open about it what our company is like”

Therefore, in both cases, the values are used to describe the company's culture and what it would be like working there and what issues are important to them. This gives possible future employees a good glimpse into the company and may help them to evaluate whether they would enjoy working in this sort of an environment and if they personally agree with the company's values. As interviewee J also mentions, values help them to crystallize their core message and, in a way, to build their culture as well. Thus, it could be said that clearly defined values help both the company to guide their culture and current employees by stating clearly what is important to them but also possible future employees to consider whether the company would be a suitable fit for them. However, as was mentioned by both interviewees C and J, values need to be also truly in use in the company and not only mentioned during celebratory speeches. As interviewee C described this:

“It can be nice if the company wants to care about their employees, but if they don't then genuinely care during the actual work day, then it's like a beautiful idea but it doesn't get you very far”

It is therefore important for the companies to pay attention to whether their values are only beautiful words and aspirations or if they are in fact put into place in the everyday working life, as empty words often lead to nothing. As interviewee D said as well, their values can be seen during the normal working days and in people's behavior and that people follow the values almost in a subconscious manner. The fifth company with a bit more vague values spoke about this as well by stating that values should be seen at work every single day and no matter how clearly they would be written on the office walls, if it differs from the actual work, then they do not work.

Additionally, values can also guide the decision-making processes in the company. As for example in company J, always when there is a decision to be made, they often think whether it is according to their values. Interviewee J stated that it may not even be a good decision but at least it is true to their values. Moreover, as interviewee D phrased this issue:

“A bit like values are the founding member who is present when the founding member himself is not present. So, in a way you can lean on them when you're not completely sure on what to do next”

In other words, values act as a guiding light on what decisions and actions they should be making inside the company and especially in this case where the values come from the founding members, the values work as guidelines to others as to what would perhaps the founding members do in a certain situation. Naturally, this thought does not quite work in the companies where the values are the result of a company-wide thought process but perhaps in these cases, the values would work as a reminder as to what they all have agreed on and if a decision

would follow those values, then the whole company should agree on this decision as well.

Case companies with no defined values

However, on another note, as was revealed in the interviews, half of the case companies did not in fact have any clear set values in place. As was mentioned earlier, this was an interesting finding among these companies with otherwise similar features. All companies A, B, F, G, and H stated that they do not have written down clearly defined values. Each interviewee from said companies was nevertheless able to describe in longer words what matters to them, for example that they want to do good, or employees come first to them, or working together is important for them. However, none of them had a set of defined values that they could simply list or that would have been thought over thoroughly.

After being asked for a reason for this lack of listed values, each company had quite different reasons. Interviewee B, for example, said the reason as the following:

“There hasn’t been a need yet like for a small company to think that deeply in a large scale, in a way from the organizational culture perspective, that what sort of values should the company base their work on, but instead we’ve just gone actions first”

In this explanation, the reason is behind the company’s small size as they believe that such a small company does not necessarily need yet the values, as they are still simply focusing on simply working and developing their product. This seems like similar thinking as behind company C before they decided to define their values in their later years. Also, interviewee G was among similar lines that as they are still in their early stages, he feels that their small group of employees work from the same point of view by default and with the hustle of a growing company, other issues take priority over defining the values.

This is an interesting observation as one can see that at least in some startups and growth companies, values are not perhaps considered as a major concern in the early years of the company. With a small number of people and other more pressing matters to take care of, it is not seen as the most important issue to ponder over. This can be quite understandable as one does not typically simply produce a company’s values by the snap of a finger but instead it requires some time and effort (as was proved by the company-wide value processes made in the companies discussed previously). In these hectic growing companies, values have not therefore received the highest priority. As interviewee G also mentioned, when founding their company, they did think that they should create company values but then it was left behind by everything else, even though they still remember that they should think about them. Interviewee A made the remark as well that communicating values would take a part of their resources and the smaller the company is, the more one has to pay attention to how they use their time. Therefore, it seems also partly a prioritizing matter whether one

decides to use their time to create company values or use the time for other matters instead. Even though all the case companies considered organizational culture as an extremely important topic, evidently other more pressing issues often gain priority over values and as a result, values are born a bit more gradually over time. As one must take into consideration, most of the case companies in this study are considered still quite young and therefore, might develop and define their values still in a later phase.

However, even if some of these companies do not have a clear set of values listed, it does not necessarily mean that they do not have any values at all. For example, interviewee F mentioned that they do have values but when they were creating the company image, they felt that they did not want to raise up any specific values as they considered it perhaps a bit difficult to raise only a few. However, interviewee F also made the remark that maybe they in fact should. Also, interviewee H told that they do not have a clear list of values in place, but they do have a few company slogans that they go by and those in a way describe their values. He also mentioned that everyone who is involved in the daily work knows what they value and knows their slogans and it is not therefore needed to list them separately. Thus, not having created a list of values does not necessarily mean that there are absolutely no values in place but perhaps they simply have not yet been uncovered. Most of these case companies do recognize what sort of issues they value in their work but have not simply gone through the process of identifying their core values and putting them into words.

Another, a bit more surprising, reason for not having clearly defined values emerged from the answers as well. Interviewee A mentioned that if they would for example list their values as individual words on their website for everyone to see, it might raise many questions as to what they mean. Especially in their company, as they want to stand out from the crowd with their work and their culture, their values described in simple words would possibly cause some misunderstandings unless they would be described in a lengthier manner. In fact, interviewee F stated a similar concern. He pondered whether a list of values would profile them too much as a certain type and outsiders reading them from their website would immediately create some sort of an image of their company and how they work, which could then most probably result in a quite inaccurate image. These are quite interesting thoughts as these two interviewees seem to view defined values as a bit restricting when they consider outsiders' perspective. This could be seen as a somewhat valid concern as only a few words are often not enough to describe much larger concepts and ideologies and are under the risk of being misunderstood. However, having a list of values gives a person an overview over what the company sees as important and are quite often explained more thoroughly in other contexts. As a matter of fact, as both of these interviewees mentioned the example of values being written down in the company website, after visiting each of this study's case companies' websites, it could be seen that only two out of the ten companies in fact had written down their values on their websites. Meaning, out of the four companies with clearly defined values, two did not even have them written down on their website. Therefore, even if one has a set of clearly defined values, it does not necessarily mean that

they are written down somewhere publicly but instead, they might be used more in company presentations and other similar contexts where they are often explained more in detail.

In summary, the topic of values seemed to quite clearly divide the case companies. Four of the ten companies had clearly defined values that they could immediately list when asked but even they were divided between having values already from the early years of the company to defining them only in a later stage. One company was quite in the middle of having clear values but not having them in a clear stated form, when again five companies did not have defined values in place at all. As was mentioned earlier, they undoubtedly do have values, but they have not been yet discovered or described in an organized manner. This is an interesting finding as values can be seen as one large part of organizational culture and each of these companies described it as an important topic but still, values were an issue that was neglected in many of these growing companies because of hurry and other more pressing matters. This is naturally understandable in startups and growing companies as having clearly defined values does not translate straight into success, growth or money, but it is part of organizational culture and as some of the case companies mentioned, it may help in crystallizing the company message, having the employees working for the same reasons, and helping to make decisions. Thus, it might be beneficial for each of these companies to go through the process of defining their values even in a later stage of their company as then they might find out what their employees value, what are their common values they all can share, and what sort of a message they can send of their company to outsiders as well.

4.3.3 Recruiting

As was mentioned by several interviewees during the interviews, recruiting is viewed as one method to manage their culture to a degree as they are able to decide who they will bring into the company. It is truly an influential aspect as each new recruit brings something to the company and, as has been concluded so far, organizational culture is created by the people, which means that it has a clear impact who one decides to hire to the company. Therefore, recruiting surfaced as one way of leading organizational culture as the interviewees in their leading positions have the power to decide who to hire and consequently, what types of people they will bring and how they might affect the current culture.

One of the main topics that the interviewees mentioned regarding this was that they aim to recruit people who fit the culture. As interviewee E stated, company growth means also growing number of employees and sees recruiting in this in an important role as the main issue is finding the right people who fit the culture. Interviewee G mentioned also the fact that as the roles do not require it, they do not look only at a person's professional knowledge but instead, it is more important to them what type of a person one is. Additionally, interviewees D and J told that they want to see whether the recruit can align with their company values, interviewee J emphasizing that it is important that the person wants to act according to them. In other words, many of the interviewees considered

cultural fit as an important factor when recruiting new people to their company and aimed to recruit those types of people who clearly fit into that. Interviewee F even stated that if they have any of that type of a feeling that the person might not adapt, then they will not process to hire that person. Therefore, it seems that it is wanted to hire people who fit their specific type of culture straight from the beginning. This might be to make sure that the new employee will fit in and adapt into their new working place, which is highly important for the employee as well to feel that they belong. Also, when they are culturally fit, the new employee might have a better chance of getting along with the other employees and having similar ways of working than others in the company. If a person would be hired who would have the necessary professional skills but would not fit into the company culture, they could possibly face some difficulties in their work and learning the ways of the company. However, it is an interesting question how should one rate cultural fit against professional competence and to what extent a lack of cultural fit could be accepted? As interviewee H mentioned, with the lack of technical experts in the area, they need to hire the candidate with the right skillset instead of the candidate who everyone sees as an extremely nice person. However, does it perhaps somehow dilute the company culture if a great number of people are hired who might not be exactly a cultural fit? Or does the culture stay strong enough nevertheless?

Therefore, the next topic of discussion is how does one know whether a job seeker would be a suitable fit for the company. Many of the interviewees mentioned that they try to see the fit simply by having a discussion with the job seeker during the job interview. Interviewee C mentioned that they simply want to hear about the interviewee's interests in a free discussion and see what they truly are like as a person, instead of forcing them into a formal situation. Interviewee J uses discussions as well but makes a note that of course one cannot guarantee a flawless confirmation that the person fits into their culture but states that they have done previously quite good work in their own recruitment with quite few mistakes. He also mentioned that people have truly thanked them for their natural interaction during the interviews. Thus, many seem to aim to have more discussion-like interviews that would hopefully tell more about the person they are interviewing instead of simply asking them a formal set of questions about their qualifications. Nevertheless, many of the interviewees did still mention that they also aim to ask specific type of questions such as how the person is used to working and what sort of job tasks motivate them to help them to identify whether that person would fit into their style of working. In addition, several of the interviewees also mentioned that they always have several people interviewing. Many of them include for example possible future team members in the interviews or someone with a similar set of knowledge or skills. This way, they receive the opinions of several different company employees and as interviewee H mentioned, if every interviewer agrees that they should hire the person, it most likely also means that the person fits their culture. Several of these case companies thus come across as emphasizing finding people who already suit their culture and who they would like to work with and spend time with.

When asked about the most important issues they consider when hiring new employees, professional knowledge was a factor in many of the answers but mainly the answers were surrounding the person's characteristics, motivation, and interest in the field. Especially when it came to personal characteristics (such as having initiative, social skills, will to develop themselves, flexibility, and resilience), interviewees were looking for these specific characteristics that they know would fit their company's working style and their culture and thus, narrow the pool of possible recruits by looking for these specific characteristics. Through this, they might be able to find people suitable to their company culture but naturally, it is not a guarantee.

In fact, some of the interviewees mentioned that they also seek for people who would bring something new to the company. Interviewee A spoke about different types of backgrounds and told that they do not require from their employees a specific type of education or previous experience from their field. They aim to do their work in a different way than others in their field and for this reason, want to also hire people outside of their field to bring in new perspectives on how the work could be done differently. Additionally, interviewee D said the following:

“But most of all, regardless of the person, we look what this person brings that no one else has been able to bring before. So, in that way we want to enrich the work community by gathering here as different people as possible”

Thus, it is seen as a highly important factor in this company that employees should bring something new to the table. Also, they wish to have a large variety of people working there as this would richen the community and therefore their culture as well. However, this raises an interesting juxtaposition of recruiting people with specific characteristics and cultural fit against recruiting as different sorts of people as possible and bringing diversity. In one hand, one is looking for new recruits who fit the company culture and fill the list of demands and characteristics the leader is looking for and thus most likely is quite similar to the company's current employees. They might fit in but over time, there might be a problem of creating a bubble with only people with similar ways of thinking. In the other hand, one is actively looking for different types of people and persons who could bring something new to the company. They might be able to bring in new perspectives and fresh ideas to the business but there is also a danger that a very mixed culture is born where everyone thinks and works differently. Naturally, there is no right or wrong way and a company does not use strictly only one of these ways, but it is a balancing act for a leader to find a way of recruiting that would bring employees who fit the culture but also bring something new to the company.

Furthermore, the interviewees were asked whether they in fact ask the new employees of their opinions on the company culture. This yielded mixed responses but mainly the interviewees told that they do not systematically ask about this, even though they welcomed new ideas on how something could be

improved or changed. Company D was one of the few who said that they asked about this but admitted that often the answers were quite short as people simply said that the culture is good in their opinion. However, interviewee D said that questioning or challenging issues in a positive way is part of their ways of working and they aim to be always open for people's ideas and suggestions for change. Interviewee C was along the same lines by saying that one can always challenge and question issues in their company, explaining:

“In that way I think it's simply a good thing, because otherwise the whole company is lead only by how the CEO sees it as best. And then it might be the CEO's dream company, but I don't know if anyone else then enjoys being here.”

Hence, interviewee C makes the point that by challenging and questioning one can prevent the company being led by a single perspective and making sure that the employees also have a say in what could be the best practices for the company. Other interviewees mention as well that ideas for a change are welcomed in their company and thus, both new and current employees are encouraged to voice their opinions in many of the case companies but most of them do not actively ask for the opinions, they simply wait if someone has something to say. This might be a bit problematic approach as even if some people have the courage to speak their minds when they see something not working, there might be a large amount of employees who cannot say as easily their opinions, especially if they would be criticizing the leadership in some way. Many of the interviewees state that they want to encourage challenging ideas but none of them truly say how they are enabling this in practice. It might be in their minds but is it in fact communicated to the employees and are there any concrete ways for employees to bring in new ideas? If leaders simply state that they can be approached at any time with questions, in reality they might be busy, employees might be too shy to approach or too afraid that their challenging ideas are not received positively. Therefore, this is an issue that leaders might consider when thinking about leading their organizational culture and how to include new and current employees' thoughts and opinions on it as well.

In conclusion, recruiting was seen as one influential factor in leading one's organizational culture. By deciding who joins their company as an employee, leaders have the capability to strengthen the culture by hiring people who already fit the culture, and many of the interviewees seemed to choose this way of recruiting. Naturally however, the problem lies in how a leader can know during the recruitment process whether the job applicant is a cultural fit or not. Job interviews may be more conversational or there might be possible future teammates present interviewing, but in the end, it is not guaranteed whether the person would truly suit the company culture. Another point of view is to look for people who bring something new to the company and possibly to the culture, and even as many of the interviewees said that they encourage change and new ideas, it was left quite unclear how this is done in practice.

5 CONCLUSION

This study has discussed the topical matter of organizational culture in a quite unique context of startups and growth companies in Finland. In this last chapter, the research questions will be revised and answers discussed, and the findings which rose from the data will be connected to the theoretical background. In the first section, these theoretical implications will be discussed, after which some future research avenues will be suggested.

5.1 Theoretical implications

Even as organizational culture as such is a widely researched topic, its role in a new and emerging context of fast-growing companies of startups and growth companies is still relatively unexplored. This study aimed to fill this research gap by joining the theory of organizational culture and the theory of fast-growth ventures and study how this issue is perceived by the leaders in these companies themselves.

As was discussed in the theoretical framework, creating a common definition for organizational culture has long been an issue among researchers. Because of this lack of unanimity, one of the sub-research questions of this present study was the following:

How do Finnish startups and growth companies define organizational culture?

The aim of this question was to witness how the companies themselves perceived this topic of company culture and in which way the leaders would approach it. From theory, for instance, the definition by Hartnell et al. (2011) said the following: “culture is a unified pattern of assumptions, beliefs, values, norms, and behaviors” and the definition by Schein (2010) focused on culture as a shared experience among the organization’s members. As the researchers disagree on the definition, it came as no surprise that the interviewees of this study’s case companies had a quite difficult time in defining the concept as well. However, common themes could be found.

First of all, most of the interviewees agreed that culture means the common ways of doing and working inside the company, which could be referred to as the unified pattern of behaviors that researchers such as Hartnell et al. (2011) mention as well. The interviewees mentioned this including factors such as people’s behavior, habits, unwritten agreements, general codes of conduct, rules and guidelines, and appropriate behavior. This is much in line with what researchers have written in previous research as well and indicate that actual practicing managers agree on these definitions of organizational culture, verifying these aspects of this debated issue.

Secondly, the interviewees also mentioned the social aspect of culture: how others are treated in the organization and how people communicate, interact and understand each other. This has been largely emphasized in literature as well, especially by Schein (2010) who has stated that culture is in fact created in interaction. Several other factors were also included in this dimension, such as communication, the work community, and atmosphere. The interviewees of this study mentioned in combination all these different issues but each of them quite separately, meaning that none of them quite managed to raise each one of these factors as part of their culture. This proves the magnitude of the topic as most understand the role of people and social interaction as part of creating the culture but might not necessarily realize all the different aspects this truly contains. As mentioned in literature, other additional aspects in this regard are, for example, the use of language, humor, stories, and myths (Martin 2002; Pettigrew 1979). Thus, some leaders of organizations might not realize for instance what kind of a role does the use of language have in creating their culture, as this includes factors such as how people are addressed, what sort of humor is accepted, and what unconscious rules they might have in regards to what one is allowed to say and what they are not. These issues are often buried quite deep in the unconscious natures of the people inside the organization and would require much more time and thought to uncover.

Thirdly, other factors the interviewees mentioned as being a part of organizational culture were values, hierarchy and leadership, and goals and reasons to work. The role of values is strongly confirmed in literature and became a larger topic later in the study as well and thus, will be discussed further later in this chapter. The issue of hierarchy and leadership was mentioned by a few of the interviewees and can be considered to be one of the basic parts of organizational culture. According to Schein (2010), visible artifacts such as organizational charts are often seen at first when examining an organization's culture and can therefore also be seen as one of the quite easily seen manifestations of culture. However, hierarchy and leadership were often mentioned by the interviewees as compared to larger and more traditional organizations, drawing the difference between these and startups and growth companies. This might indicate that many of these smaller growing companies wish to separate themselves by disclosing that they have a flat organizational hierarchy, where everyone is treated equally, as often older and more established corporations are branded as being stiff and overly hierarchical. Therefore, while defining what organizational culture is, part of these case companies might emphasize slightly more the role of flat structures and flexibility as they see these as an important part of their culture in comparison to other companies.

Lastly, only a few of the interviewees described organizational culture as including the reasons behind why people in fact work in the organization. As was discussed in the findings chapter, it seemed that many of the leaders of this study easily thought of the more visible artifacts of culture while defining the vague term and only a few discussed slightly more deep and underlying factors. In relation to the Schein's multilayered approach to culture (1990) described in the literature chapter, the most visible layer of culture of artifacts and the second

layer of espoused beliefs and values were mainly covered by the interviewees' answers, but the third and the lowest level of basic underlying assumptions were in fact mostly left unconsidered. This might be a result of the short time period of an hour when the interviews were conducted or simply the surprising request to define organizational culture, but nevertheless, this proves the idea of culture encompassing such unconscious levels which would require much more time and effort to reach and realize. Thus, generally when discussing organizational culture, one should not stay at the top two levels of culture but instead try to take a deep dive into the taken-for-granted assumptions and beliefs which truly are behind the actions of the organization.

In summary, the interviewees of these case companies discussed several defining factors of organizational culture which were also mentioned by literature, with some aspects such as language and humor, the physical environment, the meaning of history, and the underlying assumptions and beliefs quite often missing (see Figure 5). This does not necessarily mean that these factors would

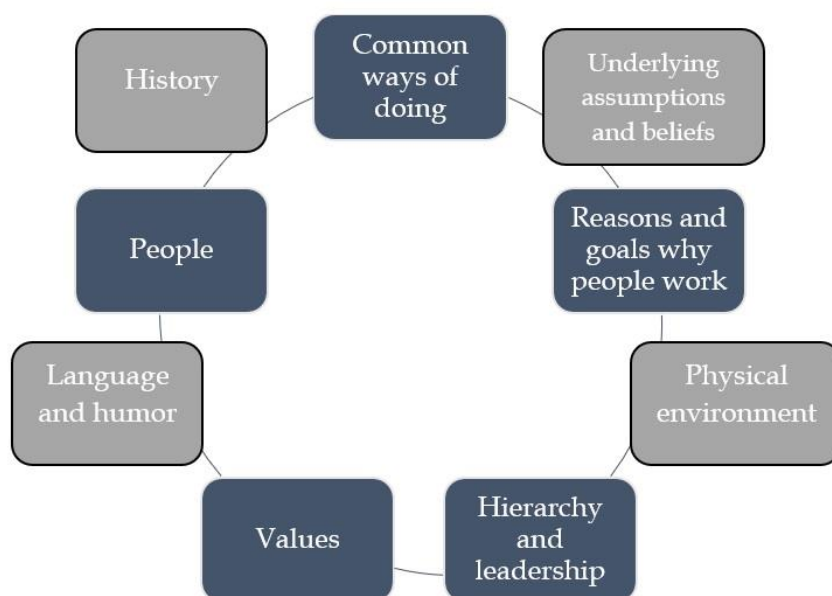


Figure 5. Interviewees' definitions of organizational culture with theoretical aspects added.

not be clear parts of their culture but rather, noting how many different aspects this topic includes and showing the difficulty of reaching a fully comprehensive description of organizational culture.

The second sub-research question of the study was as following:

Why is organizational culture considered an important topic in these companies?

Even though organizational culture can be such a widely researched and discussed topic, it was worth examining the true reasons these startup and growth

companies in fact saw it as important. The underlying question was why do these case companies see organizational culture as something to pay attention to and what do they think to gain from doing so. According to literature, there are numerous reasons for companies to invest in their cultures. First of all, getting employees committed to their organizations can have several positive outcomes, such as decreasing employee turnover and enhancing performance (Mathieu & Zajac 1990; Bartlett 2001) and employee commitment has been seen especially important for new ventures (Pettigrew 1979). Secondly, organizational culture can impact employee satisfaction as employees who feel a strong and positive connection with their organization are also more satisfied with their jobs (Karanika-Murray et al. 2015). Lastly, researchers have also made a connection between organizational culture and company performance. Certain cultures can have a positive impact on a company's financial performance (Sackmann 2010) and they may be possible to change to increase company performance (Kotter & Heskett 1992), and a framework for effective company cultures was even presented in the literature review chapter of this thesis.

Most of these theory-based benefits of organizational culture were also confirmed by the findings of this research. The most frequently mentioned factor was employee well-being and satisfaction as most of the interviewees correlated quite automatically culture with these issues. It could thus be concluded that in these case companies, one of the main reasons why they want to focus and improve their company culture is to create a good working place for all their employees. This does not come as a great surprise but proves that these fast-growing companies in unstable work environments aim to create such a workplace where their employees would be satisfied with their work, would feel connected to the company, and ultimately would not hate coming to work every morning. As there has been a research gap on the connection between organizational culture and startups and growth companies, these findings truly help to bridge this gap. Particularly as the findings showed also that in some of these companies, they aim to have employees who can work with their topics of passion and through this truly enjoy their work and therefore they offer such a culture which enables this. As startups and growth companies struggle with a lack of resources and smaller salaries than their more established counterparts (Katila et al. 2012; Ouintet & Zarutskie 2014), an especially interesting finding was that by providing work with employees' passions and interests, they are able to compete against higher salaries and more stable corporations and through this, attract employees.

This issue of attracting employees was also one of the most often raised issues as to why these interviewees saw culture as an important topic. This did not emerge from the theoretical literature as much and therefore, brings more light to the topic in this specified context. One of the reasons why many startups and growth companies have gained widely attention in the public eye is that many of them work in the IT industry where there is a lack of skilled workers and many companies are fighting over for instance software developers. Thus, this can be seen as one of the main findings gathered from the study that many of the interviewees mentioned attracting new employees and gaining competitive advantage by offering a great company culture, indicating its true purpose

in recruitment and in the competitive IT sector. Even as one of the interviewees mentioned, they are not the only ones who have discovered this connection. However, as long as each and every IT company does not offer the same great company culture, it is something they can compete with and use as an advantage. This would therefore indicate that at least some companies appeared in this study use their culture as an attracting factor to win over future employees. Yet, this works only as long as the culture they offer is truly unique and separates them from others, as if this trend continues to develop, more and more companies may be expected to develop their cultures to become more attractive. This can already be seen in some older corporations as they start to realize their stiff hierarchical ways and their aims to learn from these younger and more agile companies through cooperation on how to improve their company cultures to become more similar. As a result of this development, companies might be required to innovate constantly new ideas to stand out from the crowd, and issues that at this time are considered as great benefits, might be seen as the standard in the future.

Lastly, the findings of this study supported also the research on organizational culture's role in company performance and effectiveness. A few of the interviewees mentioned the cycle of culture having a clear role in creating employee satisfaction, which would then lead them to create better services and products and happy customers, and thus in the end lead to a positive impact on the company's performance. As the connection between company culture and performance has been a bit vague in past research, these findings would indicate that at least part of these startups and growth companies regard this as a true cycle of consequence and believe in its effectiveness. Some research studies have tried to classify certain types of cultures which would enable this sort of effectiveness, but at least this current study did not confirm nor deny that only certain types of cultures would have had these thought processes. In the end, therefore, part of the case companies witnessed organizational culture as having an important role in creating successful companies and saw employee satisfaction as being in the root of starting this positive cycle.

The third sub-research question of this study focused on the leadership aspect of organizational culture and asked:

How organizational culture can be led?

Alongside the issue of organizational culture in this specified context of growing companies, this thesis also focused on the leadership aspect by investigating whether culture can be in fact somehow led by the leaders in the organization and through which methods this could be done. To acquire this information, all the interviewees of this study were in some leadership position within their company (such as CEO or HR manager), where they had a view on leadership issues and could address cultural aspects from this viewpoint.

The main takeaway from the interview data was that culture was seen as something that leaders can lead only to a certain degree and in the end, all the people in the organization truly create the culture the way it is. Several interviewees mentioned that leaders can establish a spine for the culture by for example

giving guidelines on how work should be done and speaking up if something is not done according to the company values. However, leaders cannot define what culture is like in their company and they should avoid of trying to forcefully mold the culture into a specific type. As one interviewee aptly described, leaders have the power to ruin a culture. What they can do, however, is to make their employees realize that everyone's actions are in fact the key issue in creating their culture as everything that is done day-to-day in the organization, has a part in creating the culture. Whether it is how people speak to each other, what rules are broken, how employees assume others should behave, or what kind of humor is allowed at the workplace. All these issues are often highly subconscious, and most do not realize their effect. Therefore, leaders can aim to make everyone aware of their role in this but also take note if culture has been in fact neglected in their company. As was discovered through the interviews, in some growing companies other more pressing company issues take priority over cultural discussions and it can be left to the side, only to be discovered years later. Leaders can thus try to make sure that culture is not being neglected because as the years go by, it is possible that toxic cultures are born. Afterwards, it is a highly difficult and slow process to change a culture, as research has proved, and for this reason, it is highly more beneficial to focus on the topic on a more constant basis.

Additionally, the topic of values strongly appeared from the interview data. A number of the case companies had a clearly defined set of values which they were able to recite, when again the other half of the companies had not formalized their values into defined wordings. This was an interesting notion as values are frequently referenced in organizational culture literature either in defining organizational culture (Martin 2002), in explaining how cultures are formed (Schein 2010), in describing different levels of culture (Schein 2010; Kotter and Heskett 1992), discussing employee commitment (Mowday et al. 1979), enforcing the company's goals and strategy (Hartnell et al. 2011), or even separating completely different cultures from each other (Cameron & Quinn 2006). In other words, values can be seen as an important factor in organizational culture and the fact that not all these case companies had deeply reflected on them, was quite surprising. The interviewees who had these defined values, seemed to consider values as an integral part of leading their culture, as their values defined issues such as how they do their work, what do they see as important, or what issues they want to emphasize in their company. By having crystallized values, they could easily describe the key factors of their culture to anyone. They also work as a tool to communicate to their employees as to what should everyone strive for (to produce quality for example or take care of their coworkers) and remind everyone of the common reason why they all work in the company. Shortly, some of the leaders of this study saw values as a way of leading their culture when again some others viewed the issue in a different light.

The third main discovered factor of leading culture was the topic of recruiting. As the interviewees in their leading positions had an impact on who they hire to the company, this was seen as a major factor in creating and leading their culture. As Schein (1990) states, organizational cultures grow through new members as they may enhance the values, behaviors, and assumptions of the

culture already in place, or then bring new perceptions and challenging ideas into the company and have the possibility to bring change. For this reason, recruitment can be viewed as one of the main tools how leaders are able to influence culture and should be therefore carefully considered. As the findings showed, most leaders aim to recruit people who already fit their culture and as this will help to strengthen certain aspects of the existing culture, it also brings some problems. First of all, knowing certainly during the recruitment process whether the candidate will fit the culture is almost an impossible task. Secondly, if every employee has a similar mindset, this can easily create a bubble effect where everyone thinks in a same way and new out-of-the-box ideas can be extremely difficult to produce. Thus, leading culture through recruitment should be executed in a way that culture's different sides are taken into account. This would mean that leaders should consider which aspects they wish to strengthen within their culture (for example, self-driven work, pushing boundaries, diligence, following rules, or perhaps good relationships). By hiring individuals who bring with them useful characteristics to the organization, a leader can have an impact on which direction the culture may change. However, this is not a straightforward method, and there is a dilemma as leaders need to think whether to prioritize substance knowledge over cultural fit, as finding individuals with both can be a truly difficult task. There are no clear answers to this, but the findings overall highly suggest recruitment being one of the major ways to lead an organization's culture.

To summarize these different methods for leading organizational culture according to the findings of this study, Figure 6 was created. The figure shows

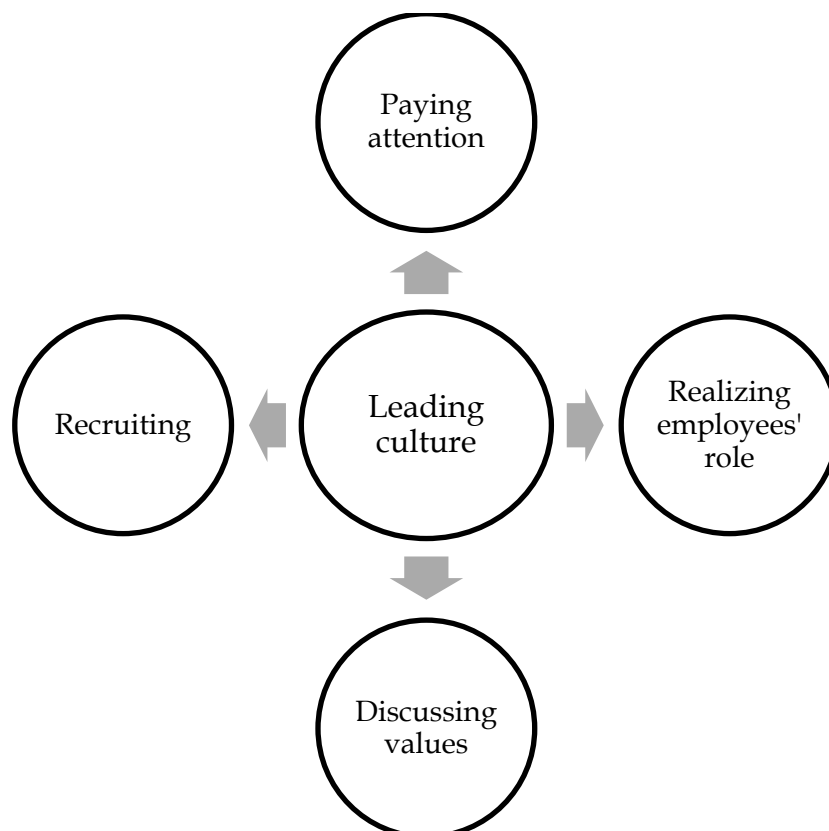


Figure 6. Four ways to lead organizational culture.

the four different methods how leaders can lead and impact their organization's culture. First, by paying attention to the culture and making sure that it is not being neglected. Second, realizing themselves and making employees realize that they all are together responsible of creating their culture. Thirdly, possibly discussing their company values and crystallizing the reasons why everyone is working at the company. And fourth, through recruiting influencing on what type of individuals do they bring into the company and realize that each new employee brings with themselves their habits and perspectives into the culture.

Finally, the main research question of this thesis will be discussed. It was formulated as:

How organizational culture is managed in Finnish startups and growth companies?

This question covers the whole data of this study and also the previous sub-research questions. The main objective of this study was to examine how organizational culture is perceived in Finnish startups and growth companies and how do leaders in these organizations manage this vague topic. People in leadership positions must consider the topic of organizational culture as it has such a wide impact on everything from employees' satisfaction to company performance, but with the difficulty of trying to understand what culture in fact means or contains. This current study aimed to shed some light on this uncertainty and discovered that leaders and companies vary between how much they pay attention to their cultures. In some of the case companies for instance, they had clearly defined individuals whose task was to pay attention to their culture when again in other companies this topic had been left a bit unconsidered. The fast-paced tempo and large pressure of startups and growth companies was seen as one of the influencing factors as especially highly young companies must reserve all their resources on focusing on the core business.

Therefore, the findings indicated that similar aged companies in the same industry differ in their level of commitment to organizational culture and in the way it is being managed. The reasons behind this is manifold and would require further research. The entrepreneurs behind the businesses may have fundamental differences in whether they perceive culture as a key factor to focus on or not, and each company differs in how they progress during their growth. A few of the case companies, for instance, had coined their values in the beginning of their company lifecycle, when again in few others this process had been done only at a later stage, while in some others they had not gone through this at all by the time of the interviews. An influencing factor in this specific study is however the age differences of the companies as the research focused on a quite large variety of different aged companies. Differences could also be found in how deeply the leaders had thought about organizational culture. It is easy to stay on the top levels and consider only aspects such as hierarchy, working hours, or how people are dressed, as they are the most visible artifacts of culture. However, it was rarer to find leaders go deeper into the phenomenon to consider the true reasons

behind why they work the way they do or why their culture is as it is. As theory has shown, to find these unconscious levels is not an easy task but delving into the topic for example through company-wide discussions of common values may help leaders to understand better their culture.

Moreover, the way interviewees defined organizational culture gave a glimpse into how they also manage it, as while defining the term, they also revealed what they connected to it in their minds and showed what they most probably also pay attention to themselves. Among the answers, culture was most often connected with employee well-being factors (such as flexible working hours, health care, or employee benefits) and their working conditions (how teams work or what habits simply work). This indicates that some of the leaders mainly manage their culture by providing their employees such a work environment where people enjoy being in and can give their best efforts. On the other hand, in few of the case companies which mentioned the role of culture supporting company performance, managing styles may differ to create such cultures which nurture suitable behavior to reach this goal. Therefore, the scope is large as to what leaders aim to reach by focusing on culture and which methods they use to achieve this goal.

Overall, to research how these Finnish startups and growth companies under study managed their culture resulted in a large data source of various practices, perspectives, and opinions to add to the research field. This thesis aimed to help to fill the research gap of organizational culture in Finnish startups and growth companies and managed to confirm the suitability of some theoretical factors in this new context but also provide new information. The topic is extensive, and one thesis is not enough to go deep enough into the cultures, but this study provided additional information of a topic that has not yet been studied widely and hopefully encourages more research to be done. Organizational culture will surely continue being under discussion of company leaders and representatives and the topic of news headlines, and companies will most likely continue their work on improving their cultures and finding new ways to separate themselves from other companies. As this thesis pointed out, leaders do have a role in creating and leading their company culture, and for this reason, many leaders would benefit from approaching the topic on a deeper level and examining the true underlying reasons for why their culture is as it is.

5.2 Suggestions for future research

As the scope of a master's thesis restricts how some issues can be studied, several issues were raised which would require more in-depth research in the future to gain more information. Firstly, as the current study focused solely on the leadership perspective of organizational culture, more research would be needed also from the point of view of employees. Especially as one of the findings of this study claimed that leaders might not realize their impact on culture, future

research would be required to examine whether the employees of the company in fact realize their role in formulating organizational culture. This could be an interesting topic of research to investigate if employees in startups and growing companies know how cultures are born and what their own role in this is, as the theory and findings of this thesis might predict that some employees may not in fact realize their role.

Secondly, the field of recruitment in regarding organizational culture could be further studied as well. How can recruiting leaders truly know person's cultural fit and what impact it might have if substance knowledge is constantly prioritized over cultural fit? These intriguing questions would require more research and more light on how recruiting habits truly modify the company's own culture.

Lastly, the topic of values raised an interesting future research avenue as well. As was seen in the findings, companies differed in what stage of their lifecycle they had created their company values. This would offer a place for further research to investigate if this has some sort of an impact on the company, whether their values came from the founding members in the early years or whether they were the result of a company-wide process years later. Research on this would bring highly useful information for company value creation and further managerial implications on how this issue perhaps should be handled in organizations.

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APPENDIX 1

Interview questions in Finnish.

TAUSTA

- Millä alalla yrityksenne toimii ja lyhyesti mitä yrityksenne tekee?
- Mikä sinun toimenkuvasi on ja kuinka kauan olet ollut täällä töissä?
- Milloin yritys on perustettu?
- Kuinka monta työntekijää teillä on?
- Kuinka monta toimistoa teillä on ja missä?

KULTTUURI

- Kuinka kuvailisit mitä organisaatiokulttuuri sinusta tarkoittaa ja mitä siihen kuuluu?
- Koetteko yrityksessä organisaatiokulttuurin tärkeäksi aiheeksi? Miksi?
- Mitä tavoittelette sillä, että panostatte yrityksenne kulttuuriin?
- Osaatko kertoa, millainen yrityksenne organisaatiokulttuuri oli yrityksen perustamisen alussa ja onko aiheeseen panostettu alusta lähtien? Onko kulttuuri muuttunut ajan saatossa?

ARVOT

- Mitkä ovat yrityksenne arvot? Ovatko ne nähtävillä jossakin? Jos kysyisin keneltä tahansa työntekijältä, osaisivatko he nimetä nämä arvot?
- Miksi juuri nämä arvot? Miten nämä on valittu?
- Kuinka nämä arvot voi nähdä käytännössä?

ORGANISAATIO

- Millainen hierarkia yrityksessänne on? Miksi tämänlainen?
- Millaisessa roolissa johtohenkilöitä pidetään?
- Voivatko työntekijät tehdä ehdotuksia parantaakseen työtään, kulttuuria tai yritystä? Miten? Odotetaanko heidän tekevän ehdotuksia ja tuovan uusia ideoita?
- Onko työntekijöillä yksi tietty työnkuva vai muuttuvatko ne? Onko heillä mahdollista vaihtaa työnkuvaa yrityksen sisällä?
- Tehdäänkö työtä pääasiassa itsenäisesti vai tiimeissä vai molempia?

TYÖYHTEISÖ

- Miten kuvailisit työyhteisöänne ja sitä, miten ihmiset työskentelevät ja tulevat toimeen keskenään?
- Järjestetäänkö yrityksessä mitään normaalista työarjesta poikkeavia tapahtumia tai aktiviteetteja? Miksi?
- Juhlistetaan yrityksessänne joitain tapahtumia? Jos kyllä, mitä? Miksi?
- Onko työpaikan fyysiset tilat ja ympäristö suunniteltu erityisesti tukemaan yrityksen kulttuuria?

- Käytetäänkö yrityksessänne mitään tietynlaista sanastoa, jota ulkopuoliset eivät ymmärtäisi?

JOHTAMINEN

- Kuinka pidätte huolta työntekijöiden hyvinvoinnista?
- Tuetaanko työntekijöiden kehittymistä jollain tavoin?
- Palkitaanko yksittäisiä työntekijöitä erityisen hyvästä suorituksesta? Jos kyllä, miten ja missä tapauksissa? Miksi?
- Onko työntekijöiden välillä kilpailua?
- Onko työntekijän mahdollista kehua/palkita toista työntekijää? Miksi?
- Millä perustein työntekijöitä arvioidaan suoriutuvatko he työstään hyvin?
- Mitä tapahtuu, jos työntekijä ei suoriudu tehtävistään standardien mukaisesti? / Kuinka suhtaudutte epäonnistumisiin?
- Mikä on pahin virhe, jonka joku voi tehdä?
- Minkälaiset ihmiset todennäköisemmin menestyvät täällä?

REKRYTOINTI

- Mitkä ovat tärkeimmät asiat joihin kiinnitetään huomiota, kun rekrytoidaan uusia työntekijöitä? Työhön vaadittavan tiedon lisäksi, minkälaisia ominaisuuksia etsitte?
- Kuinka varmistatte rekrytointiprosessin aikana, että henkilö sopii teidän kulttuuriinne?
- Kuinka uusi työntekijä oppii tuntemaan organisaatiokulttuurinne? Mitä heille opetetaan?
- Kysyttekö uusilta työntekijöiltä mitä mieltä he ovat teidän kulttuuristanne?
- Oletetaanko uusien työntekijöiden sopeutuvan täysin kulttuuriinne vai voivatko he tuoda esille muutosehdotuksia?

LOPUKSI

- Onko yrityksestänne mitään tarinaa, joka kuvastaa sitä tai sen kulttuuria?

APPENDIX 2

Interview questions translated to English.

BACKGROUND

- What is your company's field of business and shortly, what does your company do?
- What is your job description and how long have you been working here?
- When was the company founded?
- How many employees do you have?
- How many offices do you have and where?

CULTURE

- How would you describe what organizational culture means in your opinion and what does it entail?
- Do you see organizational culture as an important issue in your company? Why?
- What do you aim for by focusing on your company's culture?
- Can you tell what was the company culture like in the beginning of the company and did people pay attention to it right from the beginning? Has the culture changed over the years?

VALUES

- What are your company values? Are they somewhere to be seen? If I would ask any employee, could they name these values?
- Why these values? How have they been chosen?
- How can these values be seen in practice?

ORGANIZATION

- What kind of hierarchy does your company have? Why this?
- In what kind of a role are the leaders seen in?
- Can the employees make suggestions on how to improve their work, the culture, or the company? How? Are they expected to make suggestions and bring new ideas?
- Do the employees have only one specific job description or do they change? Is it possible to change your job description inside the company?
- Is work done mainly independently or in teams or both?

WORK COMMUNITY

- How would you describe your work community and how people work and get along with each other?
- Are there any events or activities arranged that differ from the normal work day? Why?
- Do you celebrate any occasions in the company? If yes, what? Why?

- Are the physical spaces and the environment designed to specifically support the company culture?
- Do you use any special jargon that only you inside the organization understand?

LEADERSHIP

- How do you take care of your employees' well-being?
- Does the company support employee development in some way?
- Are individual employees awarded for exceptional performance? If yes, how and in which cases? Why?
- Is there competition between the employees?
- Is it possible for an employee to compliment or award another employee? Why?
- How are employees evaluated whether they are doing a good job or not?
- What happens if an employee does not do their work up to standards? How failures are dealt with?
- What is the worst mistake someone can make here?
- What kind of people are most likely to be successful here?

RECRUITING

- What are the most important things you focus on when recruiting new employees? Besides professional knowledge needed for the job, what kind of characteristics are you looking for?
- How do you make sure during the recruitment process that the person will fit into your culture?
- How does a new employee learn the ways of the culture? What are they taught?
- Do you ask the new employees on their opinion of your culture?
- Do you expect new employees to fully accept your culture or are they allowed to suggest changes?

LASTLY

- Is there a story of your company that describes it or its culture?

APPENDIX 3

Direct citations used in the study in their original Finnish form:

Company D: "Rakentuu niistä ihmisistä ketkä on mukana siinä yrityksessä ja siitä yhteisestä työstä mitä niitten välillä vallitsee"

Company C: "Mikä motivoi ihmisiä tekemään töitä. Se asettaa ne yhteiset tavoitteet mihin kaikki täällä firmassa pyrkii."

Company I: "se miks, se vaikka minkälaista työpaikkaa ***:ist on haluttu tehdä ja niinku pyritty tekemään on se et ihmisil ois hyvä olla. Ja ihmiset viihtys työssään. Olis mielellään niinku oikeesti jopa onnellisia."

Company C: "Ei me haluta polttaa ketään loppuun, ei me haluta ylityöllistää ketään. Me halutaan tarjota semmonen vakavarainen paikka, missä ihmiset pääsee tekeen töitä kiinnostuksesta ja intohimosta."

Company F: "Että kylhä jos miettii meidän koodareita, ni he sais enemmän palkkaa heti mistä vaan, mistä vaan hommasta kun menee Sharepointilla rakentamaan jotai intranettiä yrityksille, että että. Jos se motivoi, ni varmaan sitte hakeutuu sinne. Et kyl se motivaatio niinku iha ykköne"

Company C: "Joka ikinen rekrytoitava joka on tullu tänne käymään toimistolla, ni ne ei oo etukäteen oikein tienny mihin varautua. Mut sit ku ne on tullu paikan päälle, niin ollaan kaikki saatu rekryttyä, et kukaan ei oo lähteny että sori, ei kiinnosta"

Company A: "no sehän vaikuttaa niinku ensinnäki lopputulokseen hyvin paljon, että niinku tota jos on semmone hyvin niinku ylhäältä saneltu toimintamalli esimerkiksi niinku armeijassa, ni eihän siellä niinku tuu silleen innovaatioita eikä kukaan tee oma-aloitteisesti mitään että se sitte myös vaikuttaa siihen firman menestykseen et siinä mielessä se on niinku se on hyvin kriittinen asia"

Company C: "sanotaanko niinku että vielä vuos sitten, niin niistä ei oo puhuttu juurikaan. Et täällä on vaan tehty töitä, yksinkertaisesti"

Company D: "Käytetään joko tämmöisenä houkuttimena että tämmöistä meidän firmassa o tai vastaavanlaisesti että tää tämmöstä meidän firmassa on jos koet että et voi viihtyä täällä, niin tää on semmonen, ollaan avoimia siitä asiasta että tämmönen meidän firma on"

Company C: "Eihän sillä oikeestaan oo väliä minkä kokee tärkeeks, jos se ei niinku näy siinä varsinaisessa työssä. Et voi olla kivaa, et jos yritys haluaa välittää"

työntekijöistä, mut jos ne ei aidosti välitä sitten niinkun siinä varsinaisessa työpäivässä, niin se on niinkun kaunis ajatus mut sillä ei pääse kauheen pitkälle”

Company D: ”Eli vähän niinku arvot on se perustajajäsen joka on paikalla sillon kun se perustajajäsen ite ei oo paikalla. Eli tavallaan niihin voidaan tukeutua silloin kun ei olla ihan varma että miten tässä tehtäis seuraavaks.”

Company B: ”että ei oo ollu tarvetta vielä niinku pienelle yritykselle niinku miettiä niin syvällisesti semmosia laajan mittakaavan niinku tavallaan sitä organisatiokulttuurin näkökulmasta, et minkäläisten arvojen pohjalta yrityksen pitää toimia, vaan menty just niinku se tekeminen edellä”

Company D: ”mä ite henkilökohtaisesti uskon että sitä ei voi hirveesti keinotekoisesti ees rakentaa, et sitä voi edesauttaa sitä et laaditaan niitä yhteisiä pelisääntöjä, minkä kautta sitä yrityskulttuuria lähetään rakentamaan, mut kyllä se aina on et sä pystyt vaan sen selkärangan sille asettamaan, ja se rakentuu sit niistä ihmisistäki ketkä siinä firmassa on”

Company J: ”No vähän niinku joo ja ei. Että siihen pystyy vaikuttaa ja ainakin sen pystyy johtamisella niinku pilaamaan.”

Company D: ”Mutta kaikkein eniten me katotaan niinku henkilöstä riippumatta sitä että mitä tämä henkilö tuo mitä kukaan muu ei oo aiemmin pystynyt tuomaan. Et siinä mielessä me halutaan rikastuttaa sitä työyhteisöä haalimalla tänne mahdollisimman erilaisia ihmisiä”

Company C: ”siinä mielessä mun mielestä se on vaan pelkästään hyvä, koska muuten se koko firmaa johdattaa ainostaan se miten se toimari näkee parhaimmaks. Ja sitte se on ehkä toimarin unelmafirma, mutta emmä tiiä viihtyys kukaan muu täällä”