

## **Empirical investigation of the relationship between cultural orientation and leaders' ability to implement strategy**

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**Abstract.** This study investigates the relationship between the pre-existing culture norms of individuals and leaders' ability to create the appropriate organisational culture to attain success. It hypothesises that there is a substantial relationship between the cultural inclination of individuals, the ability of leaders to implement strategy, resultant organisational norms and subsequent business success. Using an ethnographic approach, cultural frameworks and Pearson's chi-squared test to correlate the relationship between variables, the study investigates the link between the cultural orientation of key individuals and its impact on the ability of leaders to achieve business objectives. This is done in relation to newly created, fast paced, high growth UK micro-businesses with no over-arching or evolved cultural norms. The results of this study indicate that there is a significant connection between business success and the habituated norms of individuals. A stance which confirms the conceptualisation of culture theory: that people are not aware of their own socialisation and value orientations, (Trompenaars & Hampden-Turner, 2012). Research indicates that businesses should conduct audits of the cultural norms of both potential hires and existing employees before attempting to implement strategy. They should also consider concrete and identified steps, as a part of that strategy, to enculturate individuals.

**Keywords:** culture, strategy, norms, traits, characteristics, normalisation.

## **1 CHAPTER ONE – INTRODUCTION & OBJECTIVES**

If you don't understand the culture of the company, even your most brilliant strategies will fail. Your vision will be resisted, plans won't get executed properly, and all kinds of things will start going wrong.

Isadore Sharp, Chairman & CEO, Four Seasons Hotels, (cited in Burns, 2008:1).

The array of challenges faced by small businesses is great. The litany of trials is familiar to many business leaders: financial pressure, rapidly broadening information and choice available to customers, changing demographics, competing values and an unprecedented rate of technological innovation. Yet, leadership difficulties faced by many small firms have accelerated beyond the coping skills of staff, managers, leaders and business owners.

Human behaviour within organisations is complex. It both influences and is affected by a wide range of factors, including managerial actions, decisions and the ability to implement strategic objectives. Strategies essential to overcome human challenges often fail. Current models are not exceedingly helpful to start-up ventures and often lack a systematic correlation between the ability of leaders to implement strategy, and the importance of understanding the cultural norms of employees and potential hires.

Effective leaders should possess the skills of psychologists to appreciate human behaviour, social psychologists to incorporate organisational actions, sociologists to understand social structures and anthropologists to explore the culture and other factors that influence social groups. To understand, explain, predict and control human behaviour, and, therefore, better implement strategic objectives, modern leaders must also possess the skills of political scientists to appreciate the impact that individuals have on organisations, (Smith, Farmer, & Yellowley, 2013).

### **1.1 Gap in Current Research**

Trompenaars & Hampden-Turner (2012) illustrate how the pre-programmed norms of leaders and followers can influence relationships with groups, and the associated challenges they face in embracing, developing and setting the cultural tone (Table 1). However, the cultural norms of individuals and their impact on leaders' ability to implement strategy within small-scale technology companies (the specific focus in this Dissertation) has received little empirical analysis. Whilst there are numerous references to the links between culture and strategy and how organisational culture impacts individuals, there is little research into how the past experiences, traits and normal patterns of behaviour of individuals influences group culture - phenomena which, as they play out in concrete situations facing such firms, are likely to impact an organisation's ability to implement strategy.

Table 1: The Basis of Cultural Differences  
How the Given Norms of Leaders & Followers Impact Group Culture

<b>Universalism</b>	<b>Vs.</b>	<b>Particularism</b>
What is good and right can be defined and always applies		Friendships have special obligations and hence may come first
<b>Individualism</b>	<b>Vs.</b>	<b>Communitarianism</b>
Do people primarily regard themselves as individuals?		Or part of a group?
<b>Neutral</b>	<b>Vs.</b>	<b>Affective</b>
Should the nature of interactions be objective and detached?		Or is expressing emotion acceptable?
<b>Specific</b>	<b>Vs.</b>	<b>Diffuse</b>
Relationship prescribed by contractual negotiation (technical engagement)		People relating to people not (emotional engagement)
<b>Achievement</b>	<b>Vs.</b>	<b>Ascription</b>
Judged on recent accomplishments		Status attributed to birth, kinship and education

Source: Adapted from Trompenaars & Hampden-Turner, (2012)

There is a significant body of work that has researched the numerous paradigms of organisational culture and strategy. However, identifying the culture and associated normal behaviour of individuals, together with its impact on the ability of leaders to create successful teams (able to implement strategic objectives), has not been empirically investigated, although it is often assumed. More specifically, the resultant organisational cultures, as defined by Cameron & Quinn (2011) within their Competing Values Framework (see Appendix A) - namely: *Adhocracy*, *Clan*, *Hierarchy*, and *Market* - have not been convincingly correlated to the strategic intent of entrepreneurs and new business leaders.

Cameron and Quinn (2011) detail characteristics of each of their culture types, together with strategies for changing group and personal behaviour - but they do not explore in detail how an individual's pre-disposed culture impacts the ability of leaders to create teams which are capable of implementing strategy. The Competing Values Framework (CVF) places a degree of emphasis on the importance of those competences necessary to reinforce the dominant or desired culture, but research on the relationship between an individual's pre-dispositions and the desired strategic intent is largely wanting.

## 1.2 Why Research is needed

Current literature relating to the cultural norms of individuals and the ability of leaders to create an appropriate culture capable of implementing strategy, provides mostly generalised theories about what is effective: collaborative versus authoritarian processes,

transformational versus transactional leadership, clan versus hierarchical cultures, achieving buy-in by communicating a noble vision etc.

However, these approaches can seem meaningless to small business leaders and are often presented as 'either/or', mutually exclusive alternatives. Can these theories be used in newly created, fast paced, high growth micro-businesses with no over-arching cultural norms?

### **1.3 Statement of the Problem**

*Organisational Culture* and *Business Strategy* are two principal constructs that have been individually studied at length. However, their effects upon the governance of UK -based, business ventures in the *Information Technology* sector have not been extensively researched. The cultural norms of individuals and their impact upon the ability of leaders to implement strategy have received little empirical analysis. What is more, the applicability and meanings of business strategy and cultural norms have not been specified in such situations. They are recognised to be contingent, but the substance of that contingency has not been specified.

Johnson, Scholes, & Whittington (2011) argue that the culture of both individuals and groups can be extremely difficult to change, in part because people are often unaware of their own behaviour and values. Accordingly, businesses experiencing the condition called *Strategic Drift* may identify strategies to achieve their goals, yet lack people with the correct values (culture) to achieve them. The intent underlying strategy is then lost, as the longer term dissolves into a fragmented present. Knowing where an organisation needs to be in order to remain competitive, or to deliver quality products and services, is not the same as being able to achieve it. Effective leaders must question whether group members have the right cultural fit to achieve business goals and ask the questions: can people change, be manipulated (through behavioural strategies) to provide the desired culture, or should the people themselves be changed?

### **1.4 Purpose of the Study**

The purpose of this study is to investigate the relationship between the cultural norms of individuals and leaders' ability to create organisational cultures capable of successfully implementing strategic objectives.

Other researchers have identified the need to understand the relationship between individual culture and business strategy (Argyris & Schon, 1999; Collins, 2001; Alvesson & Sveningsson, 2008). This study attempts to identify if there is a relationship between the cultural pre-disposition of both the individual's and the leader's ability to create teams or other ontologies capable of implementing strategy. It evaluates how an individual's cultural traits impact strategic business decisions and goes on to recommend success criteria. It further aims to understand the need to recruit the correct people into the team (first who), before deciding what the team aims to achieve – the how (Collins, 2001).

### **1.5 Research Objectives**

In order to investigate the relationship between an individual's influence on group culture and the subsequent ability of organisations to implement strategy, the study seeks to explore the following research objectives:

- *Ro1*: Identify if there is a relationship between an individual's pre-disposed cultural inclinations and the ability of leaders to implement strategy.
- *Ro2*: Evaluate if leaders of newly created, fast paced organisations with no overarching or pre-existing cultural norms, can benefit from the inherited cultural alignment or understanding of those within it.
- *Ro3*: Critically assess the challenges that leaders of new businesses face in relation to the pre-disposed cultural inclinations of individuals and suggest best practises in relation to implementing strategy.

## 1.6 Hypotheses

The following hypotheses are posited to help guide the achievement of the research objectives:

- *Hypothesis 1:*

*Ho1*: There is no significant relationship between an individual's pre-disposed cultural inclinations and the ability of leaders to implement strategy.

*Ha1*: There is a significant relationship between an individual's pre-disposed cultural inclination and the ability of leaders to implement strategy.

- *Hypothesis 2:*

*Ho2*: There is no significant relationship between the success of a business and the cultural alignment of those within it.

*Ha2*: There is a significant relationship between the success of a business and the cultural alignment of those within it.

- *Hypothesis 3:*

*Ho3*: There is no significant relationship between an individual's habitual inclination and the organisational resultant culture.

*Ha3*: There is a significant relationship between an individual's habitual inclination and the resultant organisational culture.

## 1.7 Researcher's Mandate

The researcher's interest in this topic stems from his desire to be a more successful leader and business owner. Following the advice of Foote, Eisenstat, & Fredberg (2013), the researcher wishes to create the conditions for a sustained competitive advantage by connecting organisational strategy with the sensibilities of staff. In his past work, the researcher's lack of cultural understanding has caused significant conflicts with some individuals hired for their cognitive and technical skills. Individuals that have subsequently presented unseen and impenetrable obstacles to implementing strategic

objectives; challenges which have on occasion, been beyond the skills and experiences of the researcher and his leadership team.

## **1.8 Dissertation Structure**

This Dissertation contains five chapters, including this introductory chapter. The second chapter sets out the literature review. The third chapter is the methodology used for the study. The fourth chapter presents and analyses the quantitative and qualitative data obtained. The fifth chapter draws conclusions, critiques the findings, and analyses the implications of those findings in relation to limitations and future research.

## **2 CHAPTER TWO - REVIEW OF THE LITERATURE**

This Chapter reviews literature related to culture and strategy and investigates how strategy is influenced by cultural behaviour. It highlights gaps in the current research, and focuses on the link between the culture of individuals, subsequent organisational culture and the ability of leaders to implement strategy.

The information used for this review was obtained from different sources. These included past research work, the Internet, online library resources, books, journals, websites and periodicals. Recognised authorities within the area of study provided valuable material, as well as useful references to aid search routines.

This chapter is divided into three major sections. The first section discusses the nature and components of culture. The second section is a review of theory surrounding factors influencing and implementing strategy. The final section examines literature studying how strategy is affected by culture.

### **2.1 Introduction to Culture**

There is little chance of success for a leader who starts a business or transformational change process with a poorly aligned culture (Beer, 2009). Culture must then be deemed to be important as a contributing factor in determining a firm's survival and growth prospects.

#### *2.1.1 The Nature of Organisational Culture*

Kanter (2011) reflects that even with continued awareness, nothing lasts forever: winning streaks end, strategies run their course; competitors emerge to challenge the status quo, ideas fade, contentment sets in and both individuals and teams feel entitled to success, rather than motivated towards it. Accordingly, for long term success, Logan, King, & Fischer-Wright, (2011) rank organisational culture above all else. They hold that developing values to underpin culture is so critical that it trumps everything - even strategy.

Kotter & Heskett (1992) found that a distinguishing factor of high-performing firms was the strength and harmony of their culture. In extending Kotter & Heskett's hypothesis, Deal and Kennedy (cited in Cameron and Quinn, 2011) assert that a strong culture has always been the driving force behind continuing success. This theme is echoed by Flamholtz & Randle (2011) who posit that substantially varied economic performance can be found in comparable organisations with minute differences in cultural 'DNA'. However, these works lack in-depth analysis of how people's pre-existing cultural norms

impact the ability of leaders to create organisations, which are capable of achieving strategic objectives.

A successfully managed culture becomes second nature to group members and forms part of their fabric of being, (Johnson, et al. 2011). In continuing the metaphor, this strength may also be a weakness - especially if a culture weaves everything so tightly that it becomes impossible for leaders to implement strategies.

### *2.1.2 Components of Culture*

Culture is not principally 'inside people's heads, but somewhere in between the heads of a group of people', (Alvesson 2002:4). These shared notions of 'who we are'... [and] 'how things as are done around here' (Schein, 2010:15), become fundamental components of a team's culture: unwritten rules of the game, which restrict development options for leaders. Trompenaars & Hampden-Turner (2012) argue further that culture pervades and radiates meaning into every aspect of an enterprise. They suggest that pervasive group norms (normal patterns of behaviour) shape the pre-existing culture and behaviour of individuals to the extent that, over time, individual's change (normalise) to fit in with the crowd, otherwise they are rejected or resign.

For entrepreneurs creating new ventures, or businesses creating new departments, pervasive group cultures do not exist, since normalisation requires repeated rounds of social interaction and these have yet to happen. Accordingly, it is not possible to audit the present culture and decide if it aligns with strategic objectives. To create high performance team cultures, which are capable of achieving strategic objectives and long-term success, such leaders must understand the pre-disposed culture of team members, (Brooks, 2009). This builds on McGregor's, (1960) work, where he argues that true effectiveness is a result of group members' orientation and attitude, not simply the traits of its leaders.

Within their influential Competing Values Framework (CVF) Cameron & Quinn (2011), outline a model consisting of four opposing elements which express the conflicts or "Competing Values" that they assert exist within all organisations. In combination with their Organisational Culture Assessment Instrument (OCAI), it provides a framework that strives to codify primary and distinguishing characteristics of individuals and organisations (Appendix B).

Alternatively, Hofstede's (2001) framework considers five autonomous components of values and culture, which are identified as existing at both the individual and collective level (Table 2).



Table 2: Components of Culture

**Five Independent Dimensions of Cultural Differences**

Power Distance:	Relates to the different solutions to the basic problem of human inequality
Uncertainty Avoidance:	Relates to the level of stress in a society in the face of an unknown future
Individualism vs. Collectivism:	Relates to the integration of individuals into primary groups
Masculinity vs. Femininity:	Relates to the division of emotional roles between men and women
Long-Term vs. Short-Term:	Relates to the choice of focus for people's efforts: the future or the present

Source: Adapted from Hofstede (2001)

Understanding these traits, referred to as programmed conditions of the mind (relating to explicit or implicit preferences for one state of affairs over another), greatly aids leaders in assessing how people and groups interact. These characteristics are essential in helping leaders build like-minded teams that are capable of resolving common problems and implementing organisational objectives. This is especially the case if Johnson, et al. (2011) are correct and the individual's own experiences, carried along from the past, combine with the culture of an organisation, to separate ideas that appear not to fit. This is a system, which filters and constrains which ideas go forward and therefore shape the basis of how an organisation operates.

### 2.1.3 *Cultures Hidden Rules*

In their anthropological study of cultural variance, Hall & Hall (1990:xiii) reflect that each culture 'has its own way of seeing and doing things, based on unstated rules'...[and observe that] 'hidden rules make cooperation difficult'. Such rules, principles, ethics and standards normalised by one culture (or subculture) are often abnormal to others, (Hofstede, 2001). Trompenaars & Hampden-Turner (2012:13) further the analogy and advance that 'the American dream is the French nightmare'. For example, they identify parallels within cultures where time is perceived as a crucial path, one that passes in a



straight line and is scheduled into uniform and measurable units. In such sequential cultures, being late is considered discourteous, as it adversely impacts others. Conversely, synchronic cultures (such as India, Africa, The Caribbean and Southern Europe) place importance on parallel activities. To a synchronic person, sequencing events within planned time slots at the expense of giving time to others represents a cultural abnormality.

Such causative theories identify (in part) how the pre-existing norms of individuals present challenges to leaders, and underscore the value and worth for leaders to identify the pre-existing cultural norms of individuals - or at least those aspects which act as influencing factors in determining their capacity to achieve strategic objectives. Where the needs of the individual and the requirements of the group are incompatible, this usually leads to mutual dissatisfaction, (Mullins, 2007).

#### 2.1.4 Dynamics of Culture

In the same way that different individuals react to the same situation in different ways, groups exhibit different behaviours based on the age, personality, life experiences, background, expectations, beliefs, attitudes and culture of their constituents. Consequently, effective leaders need to be aware that individuals differ on a number of levels and are not passive machines that employers can simply influence and manipulate as they see fit, (Schein, 1990; Brooks, 2009).

Schein (1990) holds that norms, assumptions and artifacts within organisations can be identified as 'Multi' or 'Action Company' behaviour. The Multi Company paradigm (Figure 1), exhibits high levels of status, deference and formality. Power distance is high (Figure 2), and emphasis is placed on carefully laid plans, implemented through bureaucracy and hierarchy. To achieve consistent results, leaders require significant management controls to ensure individuals follow processes, do repetitive tasks well, manage time and pay attention to detail.

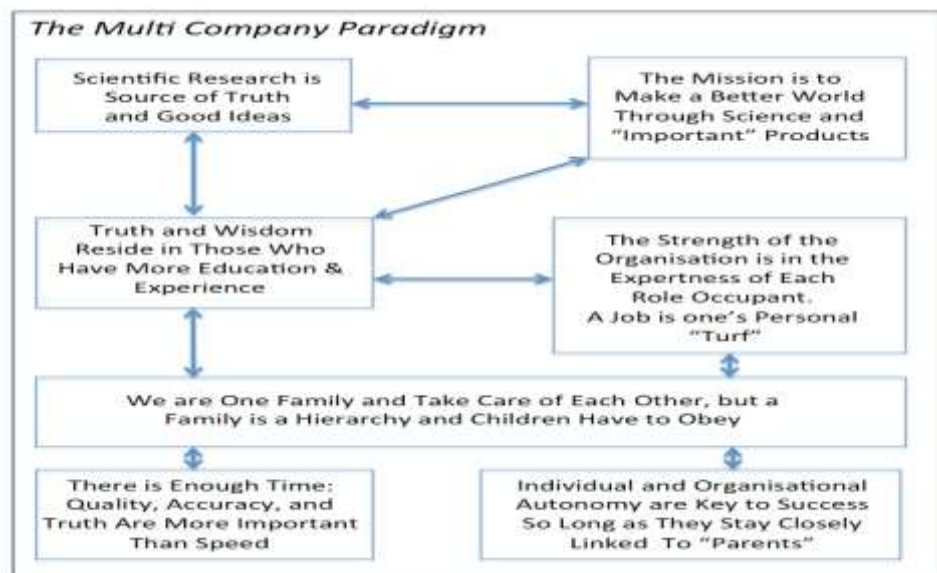


Fig.1. Multi Company Dynamics

Source: Adapted from Schein, (1990)

### Characteristics of High and Low Power-Distance Cultures

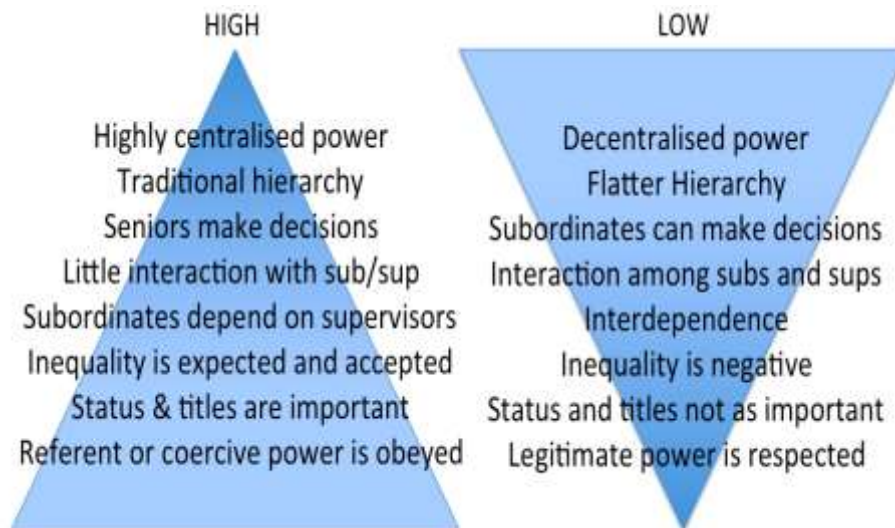


Fig. 1. High & Low Power Distance

Source: Adapted from Hofstede, Hofstede, & Minkov, (2010)

Similar to Schein's Multi Company theory, Handy, (1995) identifies a model, which should be highly rational and efficient. He defines this as 'Role Culture' - one where it is supposed that the future will be very much like the past: where 'yesterday can be examined, pulled to pieces and put together again in the form of improved rules and procedures'...[an environment where] 'stability and predictability are assumed and encouraged', (Handy, 1995:17). Although, as Mullins (2007) highlights, rules, procedures and paperwork often become goals in their own right, rather than a means to an end. Yet, one advantage of these highly tiered group structures, as cited by Barak & Michalle (2011:194) is the harmony between 'centralisation and formalisation'...[with the benefit of] 'reduced levels of stress' for team members.

Individuals exposed to these 'High Context' cultures become acclimatised to minimal autonomy, habitual routine and greater levels of stability than is usually found within high growth, start-up or micro ventures, (Handy, 1995). This situation is likely to present significant challenges to leaders wishing to implement change programmes or create new business ventures, with individuals accustomed to such structured environments.

Conversely, Action companies are characterised as valuing high levels of intense activity and informality. Acclimatised to conflict, confrontation and heated debate, individuals combine energy, emotion and passion to fight their position. To onlookers, levels of stress appear high, arguments are common, but are considered normal and merely mirror the enthusiasm and importance of a person's contribution. Status symbols and hierarchal artifacts such as dedicated parking spaces, toilets and dining rooms are notable by their absence. This is a paradigm (Figure 3) that resembles Cameron & Quinn's (2011) *Clan*

*Culture*, where power distances are low (Figure 2) and individuals work well within self-managed, decentralised and intimate teams.

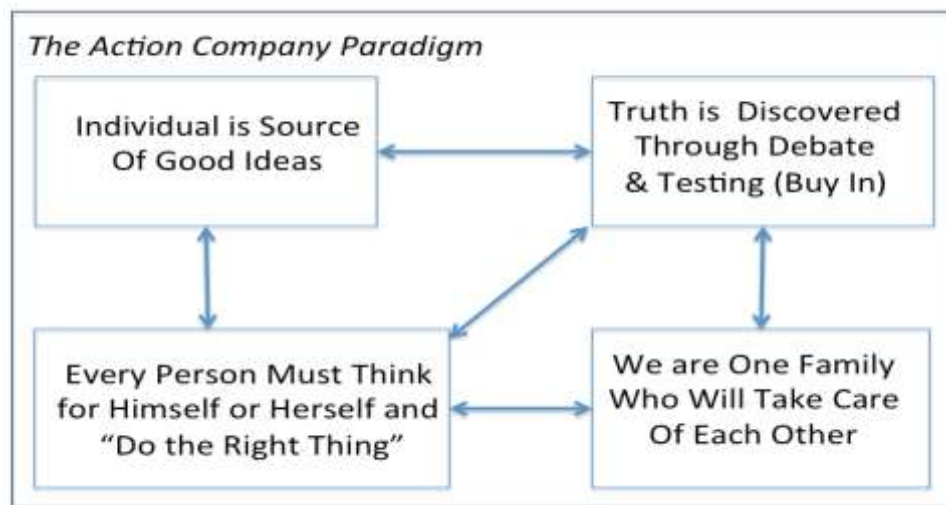


Fig. 2. Action Company Dynamics

Source: Adapted from Schein, (1990)

Where an individual's normal behaviour focuses on continuous development and finding solutions to problems, clear parallels can be drawn with Schein's (1990) Action Company dynamics. Such low power, low context, individualised cultures are common in Special Forces units, where individuals form tightly linked, self-contained Commandos. Such teams are able to manage time and resources, follow procedures and focus on the task at hand, (Hall, 1989; Handy, 1995). Each person shares the same beliefs, values and goals, and is expected to think for himself. Leaders are able to focus on the strategic mission and objectives, whilst leveraging a sense of common purpose, cohesion and participation.

### 2.1.5 *Micro and Sub-Cultures' Influence on Performance*

All organisations are made up of a collection of people, each with their own personality, background, attitudes, skills and attributes. In suggesting that 'the 20th century was the age of the machine'...[and that] 'the 21st century will be the age of the people', Kanter (cited in Smith, Farmer, & Yellowley, 2013:29) emphasises the primacy of people in respect to organisational effectiveness and performance.

Pfister (2009) highlights how traditional studies of culture's influence on performance focuses primarily on the function, design and control mechanisms of organisations – then, to a lesser extent, on the behaviour of people. Ford & Ford (2009) point out that leaders wishing to enhance performance and achieve strategic objectives should be cognisant of the influence that an individual's personality and traits have (at the micro level). Schein (2010) expands these points and articulates how an individual's strengths and weaknesses impact sub-cultures and subsequently influence overall team performance.

By necessity, organisations are comprised of varied professional teams, each of which may operate distinct practices and norms. These conditions can challenge inexperienced leaders, particularly where strong social and cognitive boundaries exist. Such boundaries amongst professionals (at the micro level) create messy pathways between groups and

subgroups, which in turn impact the ability of leaders to implement strategic objectives, (Ferlie, Fitzgerald, Wood, & Hawkins, 2005).

## **2.2 Introduction to Strategy**

Having a great strategy will not necessarily produce great results, but a poor one will usually prevent them. Get the strategy right and business may thrive, but get it wrong, and even if the business survives, it will forever be like pushing water uphill, (Rigby, 2011).

Strategy forms the nucleus of a business, shaping its daily actions and articulating the direction and scope of an organisation over the long term. Management strategies focus on resources, processes and people; executive strategy focuses on the overall purpose and vision of an organisation and business-level strategy articulates how to compete successfully, (Johnson, et al. 2008). However, Brooks (2009) argues that, when making decisions, organisations do not have either perfect knowledge or perfect rationality, and suggests that teams suffering from ‘groupthink’ believe they possess both. Such teams suffer from strategic drift, which is caused by myriad phenomena and gives rise to a false sense of purpose, uniformity and consensus:

- Groups feel invulnerable; excessive optimism and risk taking pervade the air.
- Warnings that things might be going awry are discounted and rationalised away.
- There is an unquestioned belief in the group’s mortality.
- Those who oppose the group are ridiculed and stereotyped as stupid, corrupt and weak.
- Pressure is applied to anyone who opposes the prevailing mood of the group.
- An illusion of unanimity develops; silence is taken as consent.
- Members of the group censor themselves if they feel they are deviating from the group norms.
- Self-appointed ‘mindguards’ are established who protect the group from information and individuals who would disrupt consensus.

Brooks, 2009:136 – Based on Janis (1972)

### **2.2.1 Factors Influencing Strategy**

If Beer & Nohria (2000) are correct and planning is only one element that influences strategy, then leaders have to consider other influencing dynamics when implementing strategic objectives. These factors include not only environmental considerations, but also forces internal to the organisation, including the pre-existing cultural norms of employees.

To implement deliberate strategies, Mintzberg & Waters (1985) and Hill & Jones (2009) assert that leaders must incorporate elements of both formal and emergent planning (Figure 4) - approaches which constitute essential elements of strategy formulation, particularly for newly established teams and unstable environments. Hill & Jones (2009:25) further contest that leaders need to ‘recognise the process of emergence’...[and] ‘intervene when appropriate, killing off bad emergent strategies, but nurturing great ones’. For strategies to emerge from ideas within a group, McKelvey (cited in Johnson, et al. 2008) stresses the importance for leaders in harnessing the distributed intelligence of the group.

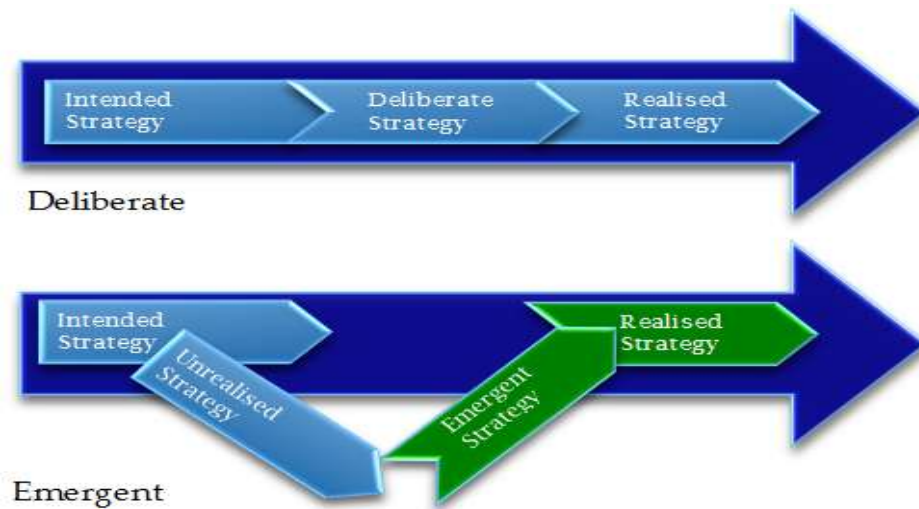


Fig. 4. Deliberate &amp; Emergent Strategies

Source: Adapted from Mintzberg &amp; Waters (1985)

### 2.2.2 Developing Strategy

Within a business, leaders must ensure that everyone understands the business strategy, and how their organisation creates value when compared to rivals: Although, as Phillips (2011) suggests, detailed long-term plans are useful, but the more flexible the approach, the more likely it is that leaders will cope with future uncertainties.

A well-articulated strategy should align individual behaviour within a business. The central purpose of strategy planning is not simply to match opportunities with resources, but rather to push an organisation beyond what most believe is possible. A well-developed strategy should empower like-minded individuals to make choices, which reinforce one another and render the group exponentially more effective, (Prahalad & Hamel, 1990). Accordingly, the key challenge, and essential step for leaders implementing business strategy, is to understand how to create a team of like-minded individuals with different (but complementary) skills and abilities, (Cohen & Holmsen, 2008).

Handy (1995) advances that the proficiency with which organisations use their inputs and the value customers place on their outputs, appreciably assists leaders in understanding the direction and development of attendant strategies, (Figure 5). Moving forward towards objectives in small, logical and incremental steps, as suggested by Holbeche, (2011), helps leaders resolve conflicting views and reduces risks. This process of logical incrementalism benefits from flexibility, and enables leaders to capitalise on knowledge gained during the process, although, it is likely to be time-consuming and inefficient.

### Relationship Between Purpose, Process and Context

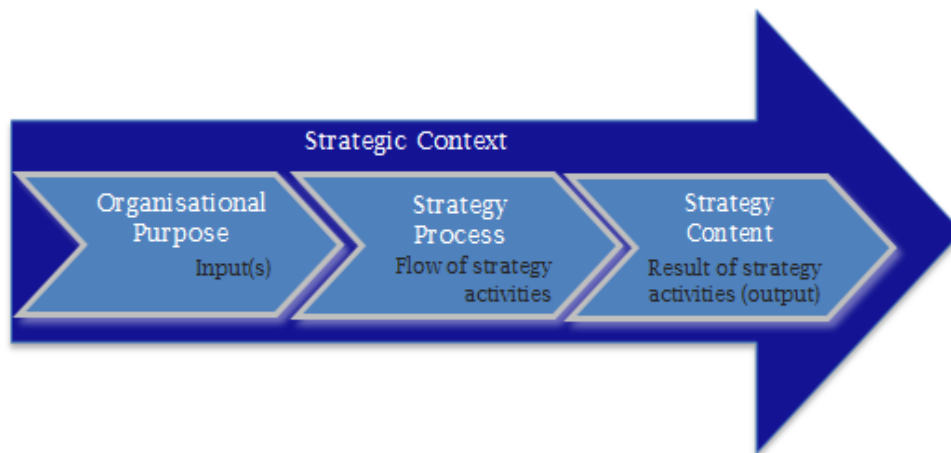


Figure 3: Strategy Development

Source: De Wit & Meyer, (2010)

#### 2.2.3 Implementing Strategy

‘How business really gets done has little connection to the strategy developed at corporate headquarters’, (Bower & Gilbert, 2007).

Both Collins (2001) and De Wit & Meyer (2010) agree that the first step in implementing strategy is the planning processes itself - one where objectives are established to determine the direction. In progressing these strategies, De Wit & Meyer propose that the second step is defining and implementing cross-functional activities: Financial planning to define operating budgets, operational planning for monitoring and control, and human resource planning for incentives and motivation. Yet, Mintzberg, Ahlstrand, & Lampel, (2012) question if strategies must always be deliberate and planned and ask whether they can simply emerge from individual actions.

Functional, operational and business-level strategies communicate ‘How’ strategy will be implemented. Such strategic development is therefore, germane to decisions that revise the purpose of the organisation. These decisions shape how the business does what it does, in which verticals it operates, the services the company offers, whether to enter or exit markets or add new products or features, (Porter, 1985; Mintzberg, 1987; Schein, 1990). Conversely, higher-level strategic decisions concerning the business as a whole, formulate ‘Why’ questions, or more specifically: why the business exists, and why anyone should care, (Sinek, 2009). This is a factor which is arguably the key element in attracting and retaining like-minded employees, customers and suppliers; key ingredients for any business, but critically important to new ventures wishing to implement strategic objectives.

Heavily influenced by the military, a rational or linear approach to strategy implementation follows a logical and consistent pattern, (Whittington, 2001). Here, having a plan - any plan - is better than having no plan at all, (Mintzberg & Waters, 1985). Once people begin to act, they generate tangible outcomes, which help leaders understand what is happening, what needs to be changed and what to do next. Johnson, et



al. (2008) consider that once leaders understand where the team is heading, choosing the right course to steer becomes less esoteric. These are sound sentiments, but not particularly helpful for new business ventures considering whether the results that will matter are those that will be accomplished, or those, which were planned.

Whittington (2001) argues that leaders first need to understand and analyse their environment, determine a course of action and then, literally or metaphorically, implement a plan of attack. Faulkner & Campbell (2003) counter that strategies conceived in a planned, linear or classical way are often adapted before or during implementation and therefore change over time. Leaders actions are still aimed at delivering the overriding strategic objectives; however, well-intentioned plans become affected by the bottom up, as well as the top down. Where intentional strategy planning requires leaders to formulate plans so that others can execute them, von Stamm (2008) counsels that knowledge gained from adaptation and experimentation (which in turn influences future action) is equally valid and should form part of emergent strategy.

De Wit & Meyer (2010) articulate a process-orientated approach to implementing strategy. They highlight a number of premeditated linear steps which, they maintain, exist within the implementation process - a hierarchical approach where leaders communicate a vision, delineate responsibilities, monitor and control output, build consensus and position staff into the correct roles. This approach conflicts with Collins' (2001) earlier work, where he advocates the primacy of ensuring the right people are in the right roles, before attempting to implement strategic objectives - a tactic particularly salient for new business ventures. Collins opines that the core of any implementation programme revolves around people not processes, and asserts the necessity of having the right people engaged in vigorous dialogue and debate.

### **2.3 How Strategy is affected by Culture**

To drive the vision and strategy of an organisation, Shukla (2011) identifies that leaders must be aware of the relationship between business strategy and culture.

Flamholtz & Randle (2011) assert that the cultural tone of a group is transmitted by the day-to-day interaction of people with the founding team leaders. They further argue that people mimic the founder's behaviour, (mimetic isomorphism in neo-institutionalist terms), especially during the early stages of development and that culture can be managed by informal methods, principally personal leadership. However, if these hypotheses are wholly accurate, then any pre-existing cultural traits will have little bearing. Theories, which fail to reconcile the problem of culture and individual differences.

#### **2.3.1 *The Relationship between Culture and Strategy***

Without a clear strategy, a business will flounder or fail, (Rigby, 2012). At its core, strategy should be easy to articulate and understand. Conversely, culture is human and means different things to different people. Where strategy is logical and rational, clear and simple, culture is ever changing, emotional, and complex. Culture can be nebulous, frustrating and intimidating, and being human, is as susceptible to the forces of change as those who define it.

Poorly equipped leaders often discount, or worse still, ignore the impact of culture - yet, many businesses are run by people whose experience and expertise are biased to the logical, financial, and legal side of the equation. As a result, culture is often subordinated, misjudged, or undervalued.



In addition to contextual circumstances, including the industry, market conditions and size of an organisation, Hoffman & Hegarty (1993) and Pedler, Burgoyne, & Boydell's, (2010) contend that culture directly moderates business strategy, specifically in relation to its influence on innovation and change. Cultural norms, such as, knowledge sharing, open communications and involvement in decision-making are identified by Hofstede (2001) as additional factors impacting strategic development. Alvesson (2002) builds on these insights and posits that cultural dynamics - including job descriptions, role expectations and access to knowledge and information - are additional factors in understanding why strategic implementation might differ amongst outwardly similar organisations.

### *2.3.2 How Cultural Alignment Stimulates Strategy Execution*

Effective strategic execution depends on everyone doing the right thing; so leaders must understand what those right things are, and decide how to execute them correctly, (Hrebiniak, 2005). The key to executing strategy, according to Bower & Gilbert, (2007), is to focus on aligning all internal activities on a unified path - including what the company does (and what it does not do), how the company does it, and the culture of those within it. An important output of these total engagement models is synergy, via alignment throughout the organisation. The theory is that homogeneity and integration allows the whole to become greater than the sum of its parts.

What is missing from research on strategy execution, and what the author intends to address, is a comprehensive analysis on how it is influenced by people and their pre-disposed cultural baggage.

### *2.3.3 Manipulating Culture to Achieve Strategic Objectives*

A deterministic view of competitive advantage suggests that success is often driven by external circumstances beyond the control of an organisation. This assessment, outlined by Caves (cited in Leavy & Wilson, 1994), emphasises the primacy of structure in achieving strategic objectives. This is a theory which projects organisations as being at the mercy of forces beyond their control - for example, the invisible hand of capital markets. It is a stance which echoes aspects of Skinner's (1971) earlier work, where he suggests that people are simply the product of the stimuli they receive from the external world; by deduction he infers that if leaders specify the environment completely enough, it is possible to predict an individual's actions.

By contrast, Selznick (cited in Peters and Waterman, 2012) argues that to create a successful business, leaders rely on many techniques for creating group norms and injecting day-to-day behaviour with meaning and purpose. Peters & Waterman (2012) describe good leaders as value shapers, who are concerned with the informal social properties of an organisation. They compare them with managers, who manipulate formal control and reward systems, usually to deal with the narrower challenges of short-term efficiency.

## **2.4 Theoretical Frameworks**

Cameron & Quinn's (2011) Competing Values Framework and the associated Organisational Cultural Assessment Instrument, profile those core attributes of an organisation that reflect its culture.

This is a model that highlights the benefits of ensuring elements of each of their four cultural classifications, is represented within established organisations. Trompenaars & Hampden-Turner's (2012) graphical depiction of cultural norms (Appendix C) provides a

visual representation of cultural congruence and variation, and likewise will be referenced within this Dissertation.

## **2.5 Conclusion**

This chapter examines literature relating to the dynamics of culture and strategy. The focus of the review is on how the nature and components of culture impact organisations: specifically how business strategy is dependent upon such influencing factors.

Organisational culture may be characterised as a common set of shared assumptions, values and beliefs, (Schein, 1990); however, businesses are comprised of dissimilar individuals who operate their own practices and norms; a dynamic, which influences strategic development, (Cohen & Holmsen, 2008). The literature has identified that a better understanding of the relationship between culture and strategy would improve business performance.

## **3 CHAPTER THREE - RESEARCH METHODOLOGY**

### **3.1 Introduction**

In studies of this nature, the reasoned arrangement of materials is vital. This Chapter explains how data will be collected for the study. To support the initial statement, the chapter details the procedures adopted in carrying out the study. It outlines the research design, source of data, instruments for data collection, establishment of research questions, sampling and sampling methodologies, population for the study, sample size and data analysis techniques.

### **3.2 Research Design**

Research design embodies the blue print for the collection, measurement and analysis of data related to research questions and hypothesis. The mixed methodologies used for the collection of quantitative and qualitative data are explanatory in their attempt to explore causal relationships, the broad nature of which are already theorised, (Malhotra & Birks, 2007). The researcher takes an anti-inductivist and objective approach to focus on facts, look for causality, and reduce phenomena to their simplest elements in order to formulate and test hypotheses, (Popper, 2005).

Survey questions will be divided into three sections. All three sections (Demographics, Cultural Pre-Dispositions and Strategy) will be administered through eSurveyPro, a web-based Internet survey and data analysis tool. This analysis will test the stated hypotheses to a level of 0.05 significance. Further information is gathered using qualitative interviews. Accordingly, this study uses both quantitative and qualitative data to validate and triangulate data. Empirical findings show the level of significance and qualitative information explores and interprets the phenomena.

### **3.3 Sources of Data**

To measure the cultural norms of individuals in a way that might impact the ability of leaders to create a culture capable of implementing strategy, the data used for this research was obtained from numerous resources - including observations, questionnaires, and personal interviews. Field study included questionnaires and interviews, which were used to obtain, reinforce and cross check quantitative data obtained for this research.

Primary data was generated directly from the originators, with the aim of collecting first-hand information about the research topics. Most primary data was obtained through questionnaires and direct, depth interviews, which were designed via information gleaned from a secondary (desk) survey.

- *Survey Questionnaire* - Information gathered from survey questionnaires constitutes most of the primary data used in the study. Data acquired via this source was obtained through a survey questionnaire, which was constructed by the researcher and approved by the supervisor.
- *Data Collection* - Data was collected through eSurveyPro (an online survey tool) together with visits to selected individuals.
- *Depth Interviews* - In addition to the use of survey questionnaires, a number of structured interviews were conducted with leaders and employees of high growth Information Technology companies. Face-to-Face, depth interviews were conducted to add profundity to the quantitative survey and also to solicit information that was not in the questionnaire but was thought to be of assistance to this study. For example, the rates at which new hires leave due to a clash of cultures.

Both the quantitative questionnaires and qualitative interviews were structured to elicit information relating to the individual's normal patterns of behaviour - specifically in relation to cultural pre-dispositions and their subsequent impact upon the ability of leaders to implement strategic objectives and subsequent business success. These measurements are then used to help determine the link between the cultural and the success of a business.

### **3.4 Research Instrument**

The primary data collection instrument employed to obtain quantitative data was a thirty-five-item questionnaire (see section 4.1). The design included multiple-choice questions and questions that were preference-scaled. The questions were simplified and structured in a manner intended to avoid ambiguity. The questions required respondents to tick (x) against a response that best represented their experience and judgement.

Clark-Carter, (1997) posits that a robust pilot allows the researcher to assess the validity of questions, together with basic aspects of the design and procedure. Saunders, Lewis, & Thornhill (2009) hold that an initial pilot survey should be conducted to ensure that respondents have no issues answering the questions. It is equally important to ensure that participants understand the instructions, the questions and the length of time required to complete the interviews and survey. Accordingly, the survey and interview questionnaires were pilot tested - as a whole or in parts - by ten managers and employees known to the researcher.

To obtain qualitative data, ten businesses (which met the sampling criteria) (see section 3.5) were contacted via email and asked to assist (Appendix D). Of these, five responded with mutually convenient dates and times and five failed to respond. The three businesses chosen for interview were selected against geographic proximity to the interviewer. A series of structured, depth interviews were then conducted using open questions (Appendix E). These questions related to demographics, cultural pre-dispositions, strategy and business success.

Three interviews were conducted with business owners (Bo1, Bo2, Bo3). A further six interviews were conducted with individual employees (E1 – E6). Each employee had been employed for less than two years and was selected using heterogeneous sampling, (Pierre, 1992). The researcher, through mail, meetings, and telephone calls, previously knew the interviewees. As a pre-requisite to the qualitative interview, interviewees also undertook the quantitative survey questionnaire.

The interviews, conducted during office hours, were semi-structured, and anti-inductivist, (Popper, 2005). The interviews did not strive to uncover all the facts, merely those facts relevant to the hypothesis and research objectives. The interviews were non-directive and aimed to create a relaxed and empathic relationship between the interviewer and interviewee - one objective being to reduce response bias and uncover any hidden issues of interest. All interviews were conducted in person and audio was recorded with the permission of the interviewee. The same open questions were asked of all interviewees, each of which were encouraged to contribute their own thoughts, to allow other relevant ideas to emerge, (Wengraf, 2004). The interviews were later uploaded to “Deedoose” - [www.deedoose.com](http://www.deedoose.com) - an online Mixed Methods research application, where they were transcribed, coded, excerpted and analysed.

### **3.5 Sampling and Sampling Technique**

The sampling criteria included the following:

- The Company must operate within the Information Technology sector
- The Company must employ a minimum of ten staff
- The Company must be privately owned
- The Company must be based within the UK
- The Company must have high-growth ambitions

The sampling technique used to select respondents for face-to-face interviews involved the stratified random sampling method. This was done to ensure equal chances of respondents with shared attributes or characteristics.

### **3.6 Determination of Survey Sample Size & Population**

In order to give the research design the chance to support the hypotheses, the research population for the quantitative survey included a database of one thousand business owners and employees of companies operating within the UK IT industry (Appendix F). This list has been built up over the years by the researcher from personal contacts, marketing initiatives and other “opt in” sources.

### **3.7 Means by which the Research was evaluated**

The cultural pre-dispositions of individuals was evaluated using the Competing Values Framework, designed by Cameron and Quinn (1999) and Trompenaars & Hampden-Turner’s (2012) Cultural Distribution chart.

### **3.8 Ethical Considerations**

The researcher considered ethical issues that could arise while conducting both qualitative and quantitative research involving human participants. It was important to ensure

anonymity of the participants and confidentiality of the information, and also to ensure that the research was ethically justifiable, (Wengraf, 2004).

The objectives of the research were explicit and made clear to the sample group throughout the process, (Saunders, Lewis, & Thornhill, 2009). Permission to conduct the interviews with employees was obtained from business owners and the research objectives were outlined at the beginning of each interview. Research objectives were also made explicit within email communications, and within the survey pre-amble. All surveys were conducted anonymously and the interviewees were made aware that their responses would be anonymised. Each interviewee was asked to confirm that they were not coerced into undertaking the interview, and a copy of each audio recording was made available to the interviewee, (Denscombe, 2010).

### **3.9 Research Credibility & Limitations**

Robson, (2011) opines that it is not possible to know whether a piece of research will stand up to close scrutiny, however he suggests that sound research design can reduce potential errors. Accordingly, close attention to reliability and validity are identified as key elements in reducing the chances of wrong answers. A number of threats to this research project are identified in Table 3.

Table 3: Threats to Research Reliability &amp; Validity

Threats to Reliability		Possible influence of threat to this research project
Participant error	The degree to which the performance of participants might fluctuate widely, or are enthusiastic or motivated at the time of the research may influence the results.	Tiredness due to traditionally long work hours of participants within the industry could produce changes for responses completed at different times of the day.
Participant bias	A common problem in research is that participants often respond in a way that they think their superiors would want them to. This is particularly true in organisations that are run in an authoritarian manner.	To minimise potential bias in this regard, all surveyed participants were guaranteed anonymity and were not coerced into taking part.
Observer error	Research conducted by more than one person has the potential to elicit differing approaches to obtaining answers.	Only one researcher was involved in this project, thus negating potential observer error.
Observer bias	Different researchers may interpret participant responses in different ways.	Only one researcher undertook the interpretation of results, thereby negating the possible threat of bias.
History	Research conducted around the time a significant change or event takes place in an organisation may have a dramatic and misleading effect on results.	Macro environmental changes within the IT industry could impact the sector and influence results. No changes were noted during the research.
Instrumentation	If some aspects of the way participants were measured changed, or if participants were surveyed in more than one group, it is possible that instructions may have been issued to work in a different way between the times the first and subsequent groups were tested. Consequently, answers may differ.	Only one researcher was involved in this project, interviews were conducted face-to-face at a time of each participant's choice and online questionnaires were all issued simultaneously, thus negating potential instrumentation error. Research was conducted over a short period (four weeks) with no change in methods.
Mortality	Participants dropping out of a study can be problematic, particularly if the research is conducted over a long period of time.	Selective dropout of interview candidates due to high work commitments could impact the research project. No participants dropped out of this study.
Maturation	Unrelated events occurring during the course of the research can have an effect on participants' answers to surveys and questionnaires.	No significant events were noted.

Adapted from Robson (2011)

This study is subject to several limitations. First, each unit of measure is one responder who completed the survey and interviews, and describes their own position and organisation. In the case of quantitative surveys, a responder may be the only respondent from their organisation, and one response may not accurately reflect the median. However, it should be noted that the responder reports their perception of how pre-

disposed cultural norms impact the ability of leaders to implement strategy and it is precisely their perception that is of interest.

Other possible limitations of this research have been recognised and are carefully factored into recommendations and conclusions. These include:

- The impact of the researcher interpreting data through his own bias, experiences and value systems.
- The limited size of the interview group and questionnaire respondents.
- The focus of this research is limited to those involved in the information technology sector, and specifically small to medium enterprise sized businesses formed within the past ten years.
- Personal agendas of interviewees and respondents, which may influence their input.
- Acculturation processes of cultural and psychological changes resulting from the meeting of cultures normalised over time.

If the study is fatally flawed by these limitations, the research could be reframed as a pilot study, laying the groundwork for a more comprehensive research project.

## **4 CHAPTER FOUR – EMPIRICAL ANALYSIS**

### **4.1 Presentation and Analysis of Quantitative Data**

Chapter Three outlined the design used for this study, together with the procedures to be used, population size and source of data. This chapter focuses on collected data and analysis of that data, together with the presentation and validation of the research objectives and hypothesis, as detailed in chapter one.

A content analysis of the empirical data was performed to reconstruct the subjective perspectives of the interviews towards the study's objectives. The data was organised into meaningful categories and themes; interview and survey responses were then analysed against existing theories. Outcomes are subsequently used to support existing models or used to develop new theories in support of the research hypotheses.

A sample group of one thousand people were contacted via email and asked to assist with the online survey (Appendix G). Of these:

- 74 emails failed to deliver
- 112 "Out of Office" auto-responses were received
- 7 emails were received from potential respondents declining to participate
- 89 emails were received from respondents having completed the survey and requesting a copy of the completed survey report and / or dissertation.

A total of 224 participants completed the survey – the results of which are detailed over the following pages.



Table 4: Sex of Respondents

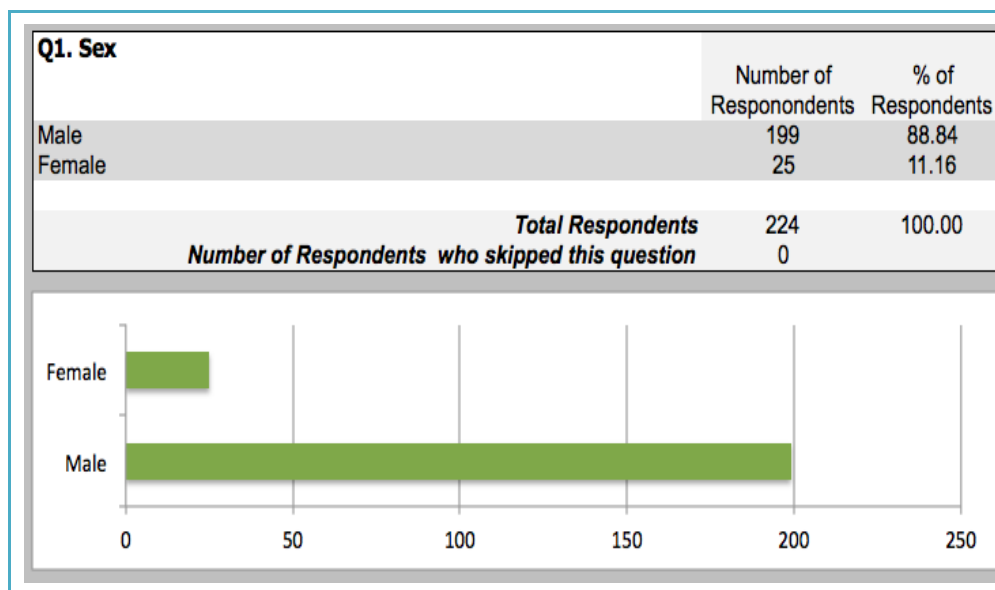


Table 5: Age of Respondents

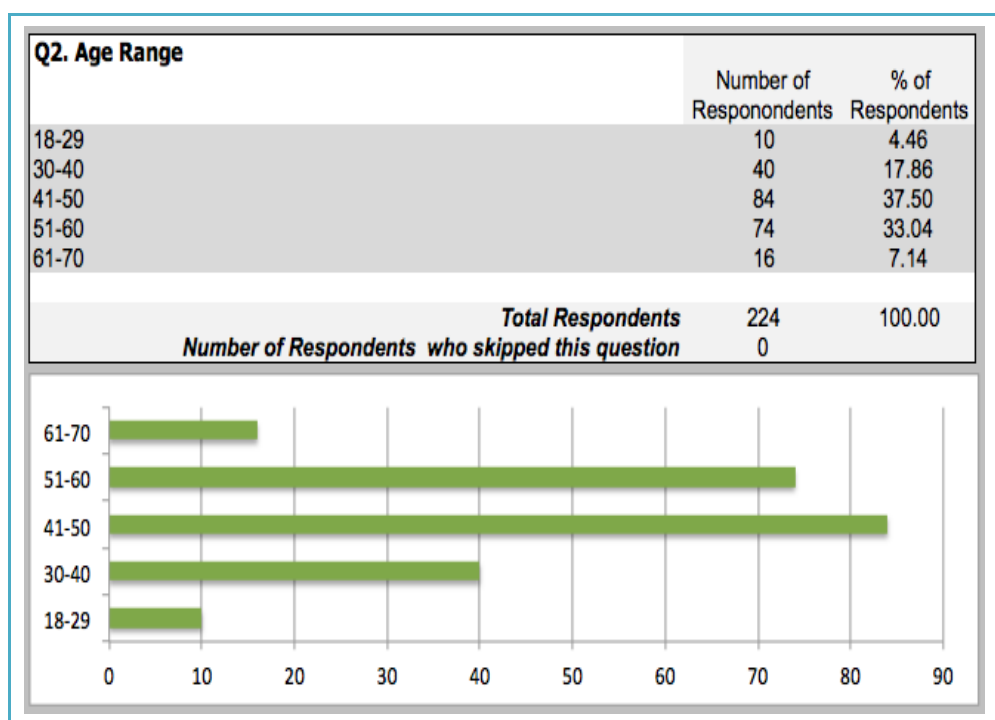


Table 6: Education of Respondents

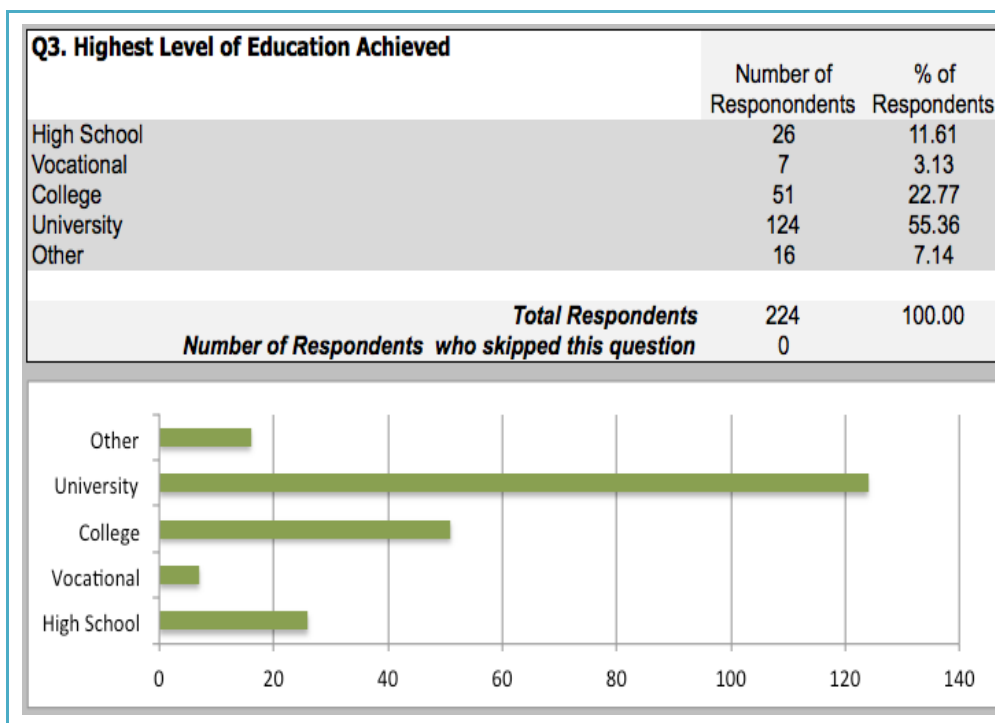


Table 7: Longevity of Service

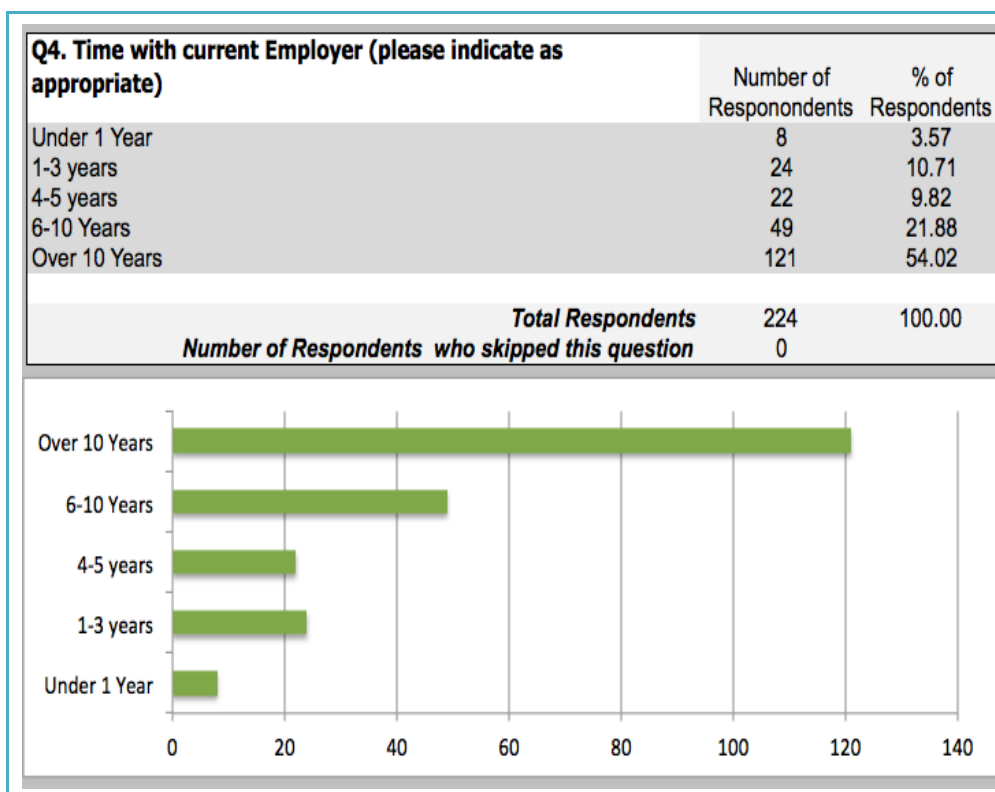
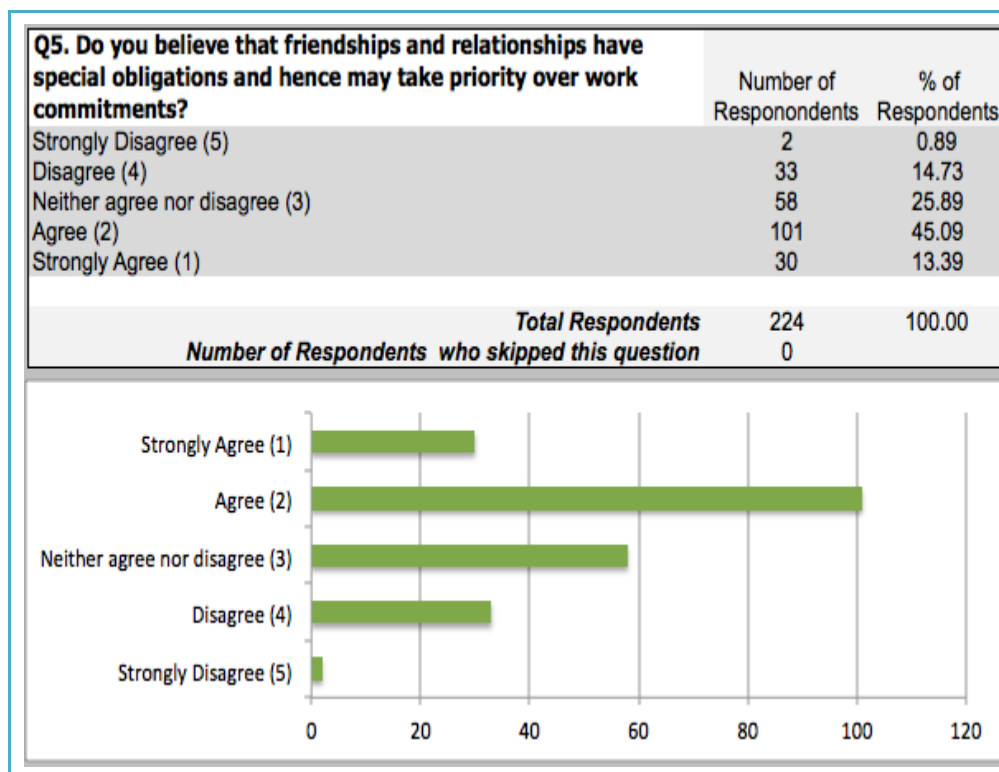


Table 8: Friendships, Relationships, Obligations &amp; Commitments



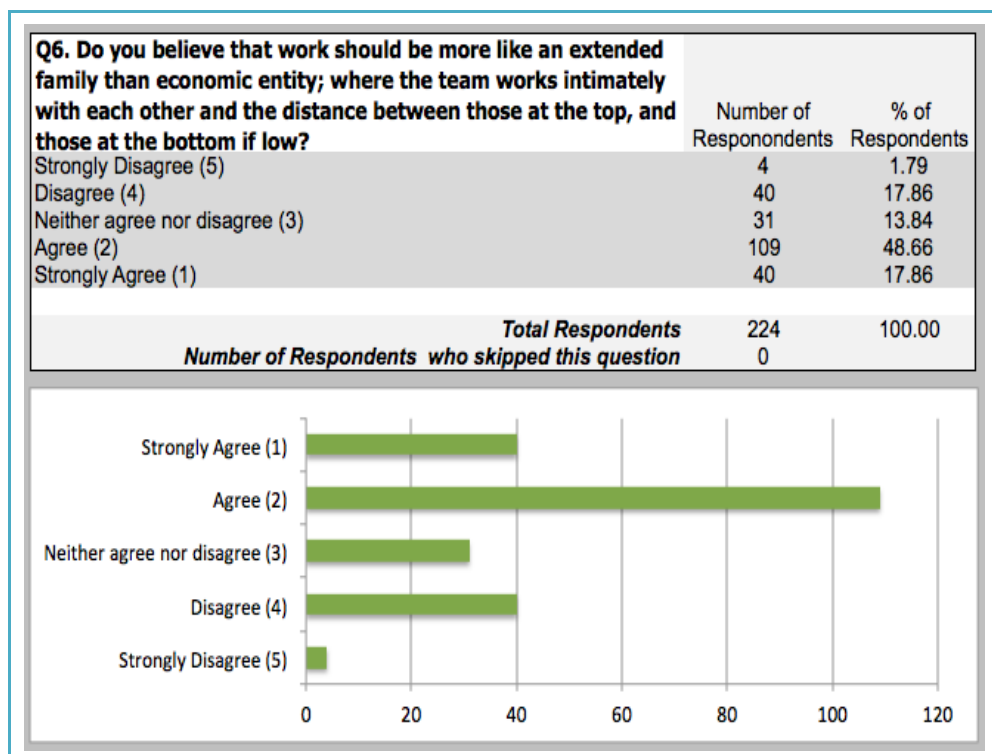
Analysis against *Ha3*:

58% of the sample group displayed a preference for the mannerism detailed in question five, which is widespread within collaborative clan cultures, (Cameron & Quinn, 2011). Such teams value commitment, communication, human development and participation, where leaders act as facilitators, mentors and team builders; 'where the business of management is to empower employees and facilitate their participation, commitment and loyalty', (Cameron and Quinn, 2011:70).

Accordingly, it is probable that the habitual inclinations of the majority of this sample group will have an impact on the resultant culture of their respective organisations.

See section 4.2.3 for quantitative analysis.

Table 9: Intimate Family Culture or Economic Entity

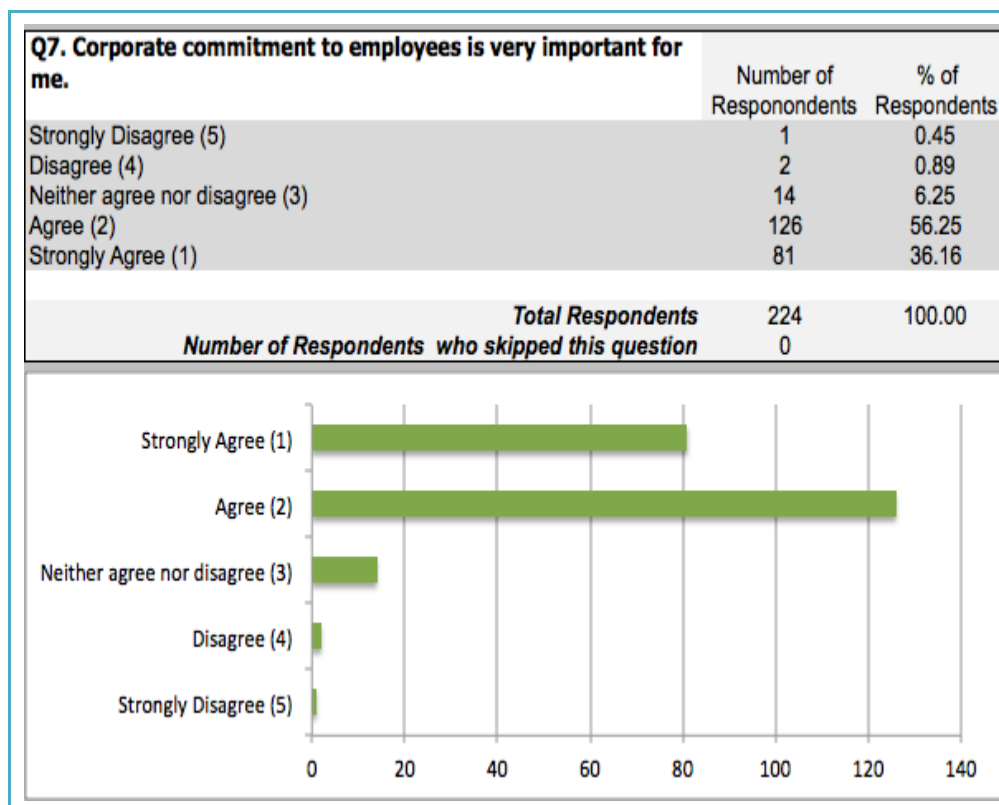


Analysis against *Ha3*:

66% of the sample group displayed a predilection for the trait detailed in question six, which is common in collaborative clan cultures where the organisation acts more like an extended family than economic entity, (Cameron & Quinn, 2011). Such groups are held together by loyalty and tradition, where commitment is high and success is defined in terms of internal climate and concern for people. Therefore, it is probable that the habitual inclinations of the majority of this sample group would have an impact on the resultant culture of their respective organisations.

See section 4.2.3 for quantitative analysis.

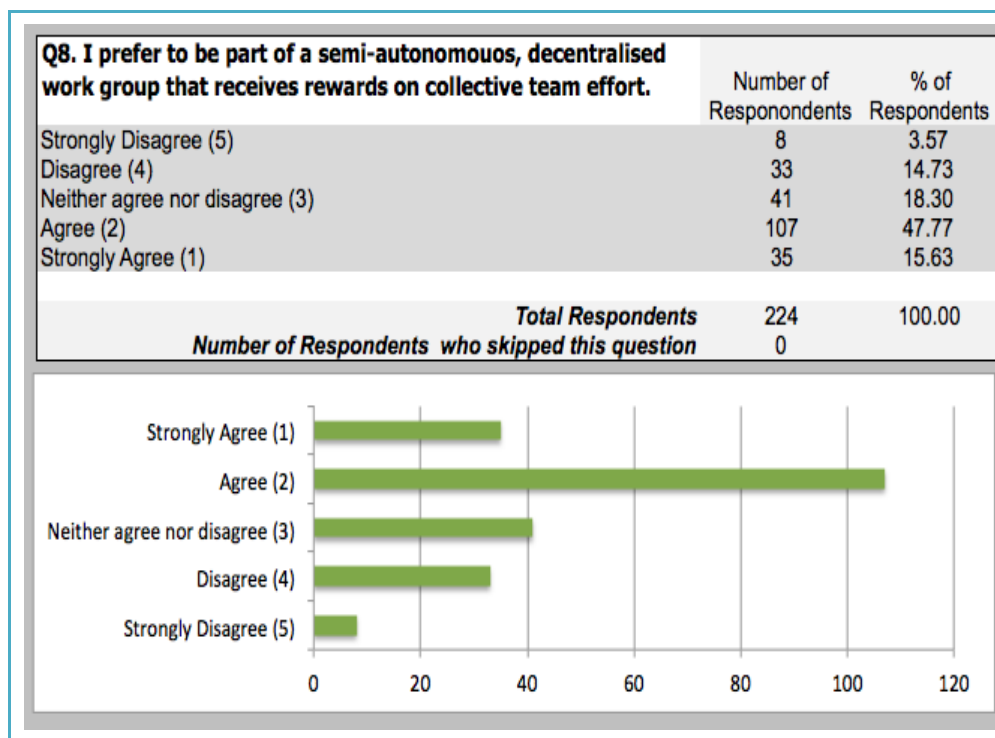
Table 10: Corporate Commitment to Employees



Analysis against *Ha3*:

Over 92% of the sample group displayed an inclination for the trait detailed in question seven, which Cameron & Quinn (2011) suggest is commonplace within collaborative clan cultures. Such characteristics are often found in cultures where a major task of management is to empower employees and facilitate their participation, commitment and loyalty. It is likely that the habituated inclinations of the majority of this sample group would have an impact on the resultant culture of their respective organisations.

Table 11: Decentralised, Collaborative - Team Effort



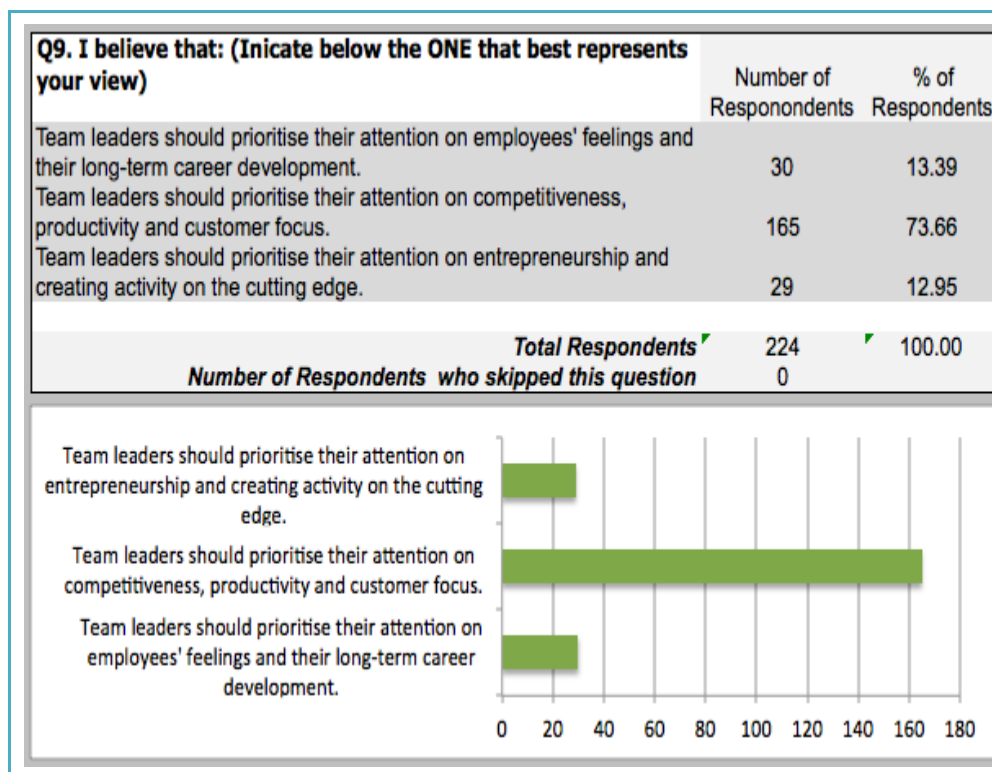
Analysis against *Ha3*:

Over 63% of the sample group preferred being part of a semi-autonomous workgroup and receive rewards based on collective team accomplishments, not individual efforts. Such characteristics are common in collaborative clan cultures that are best managed through teamwork and employee development, (Cameron and Quinn, 2011).

Therefore, it is probable that the habitual inclinations of the majority of this sample group would have an impact on the resultant culture of their respective organisations.

See section 4.2.3 for quantitative analysis.

Table 12: Team Leaders Priorities

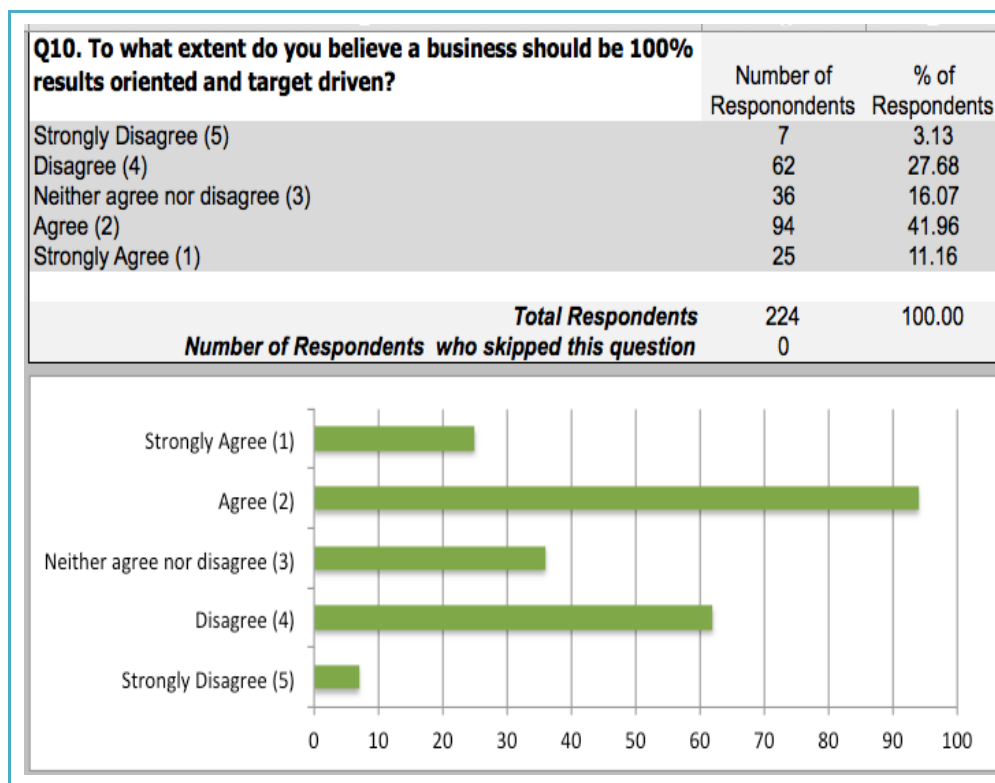


#### Analysis against *Ro3*

The overwhelming majority of respondents (almost 74%) think that leaders should focus on actions that Cameron & Quinn (2011) believe reflect a market driven culture: one that is orientated towards the external environment and transactions, rather than internal affairs. Leaders wishing to implement strategy in such market cultures do so through stretch targets, financial incentives and articulating the importance of winning in the markets in which they operate.



Table 13: Results Oriented and Target Driven

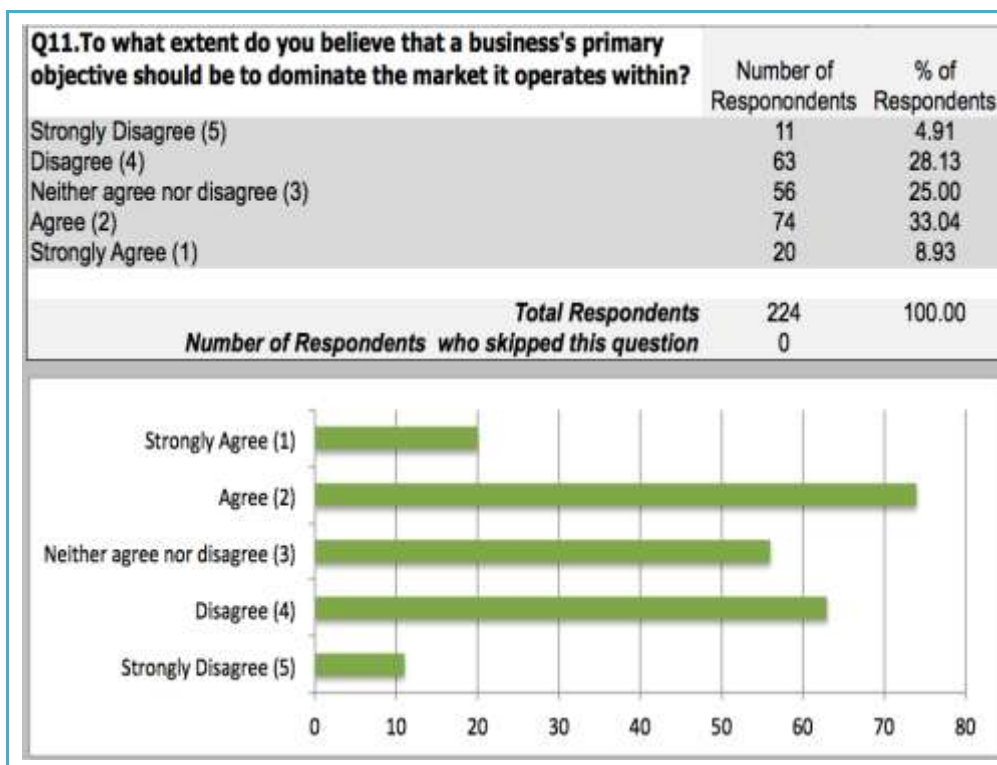


Analysis against *Ha3*:

The majority of respondents believe that businesses should be results orientated and target driven; characteristics common in market driven organisation that value market share, goal achievement and profitability, (Cameron and Quinn, 2011). Therefore, it is probable that the habitual inclinations of the majority of this sample group would have an impact on the resultant culture of their respective organisations.

See section 4.2.3 for quantitative analysis.

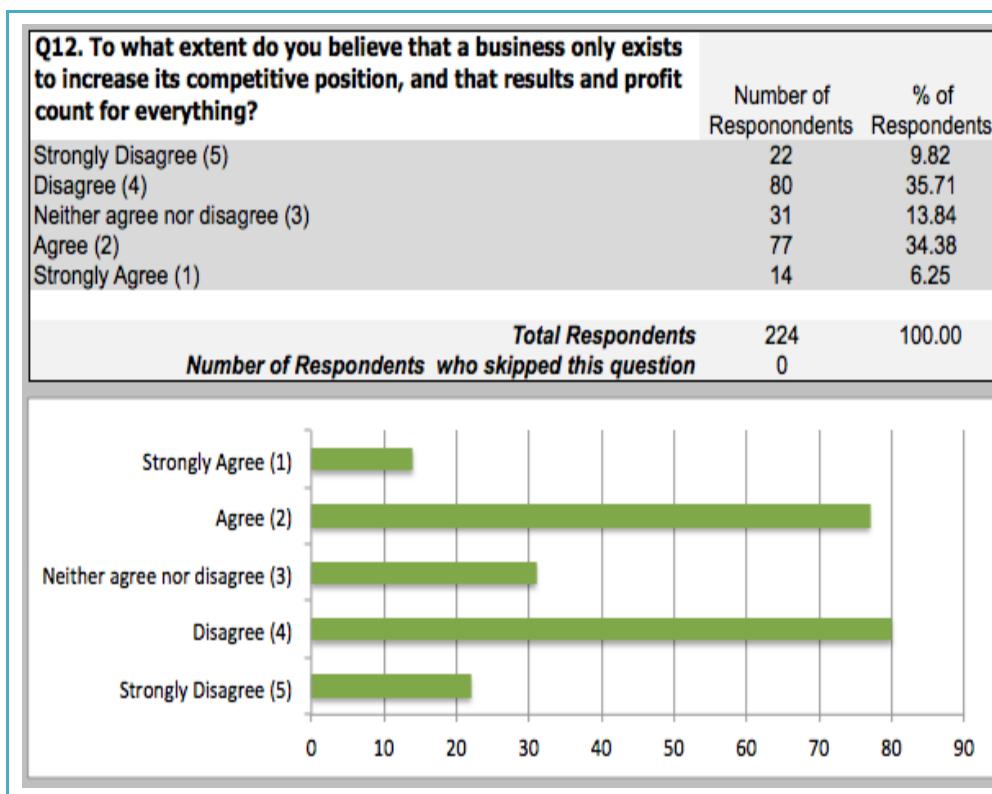
Table 14: Market Domination



Analysis against Ro2:

Responses indicate that the habitual inclinations of the majority of this sample group would have an impact on the resultant culture of their respective organisations. Leaders wishing to create a market driven culture would be well advised to interview, evaluate and select those individuals who either agreed or strongly agreed with this statement.

Table 15: Results and Profit

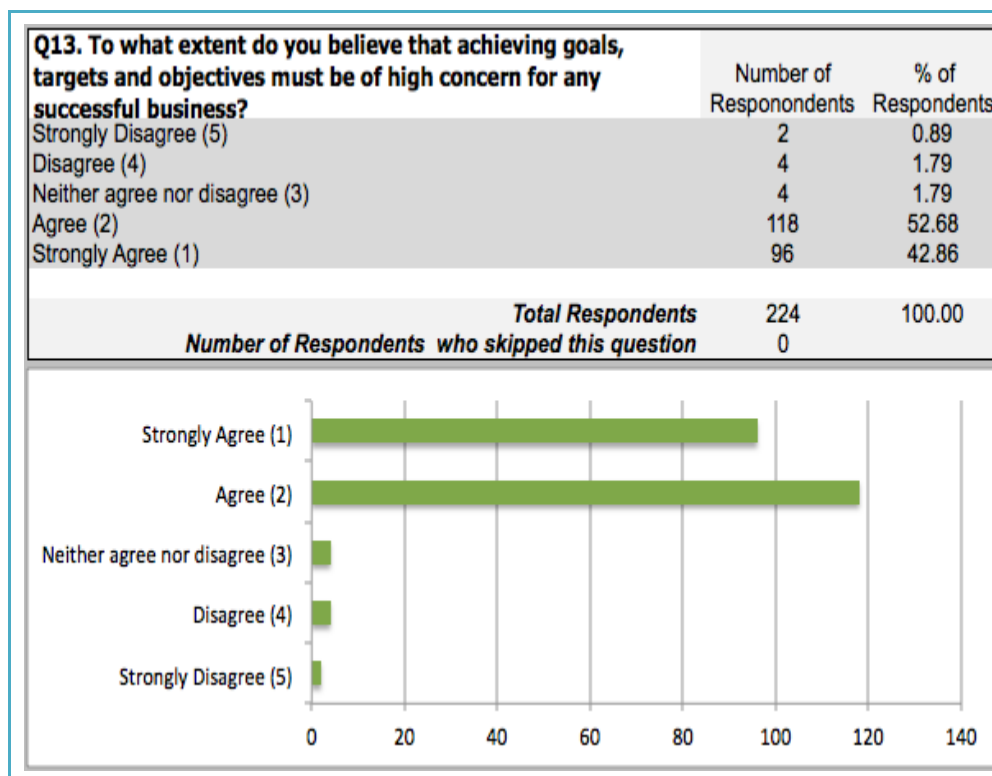


Analysis against *Ha3*:

A small majority of respondents disagreed or strongly disagreed with this proposition, which indicates other competing values are at work within the sample. Leaders should therefore be cognisant of these competing values and select out, or train in, according to their strategic objectives. It is highly likely that the habitual inclinations of the majority of this sample group would have an impact on the resultant culture of their respective organisations.

See section 4.2.3 for quantitative analysis.

Table 16: Goals, Targets and Objectives

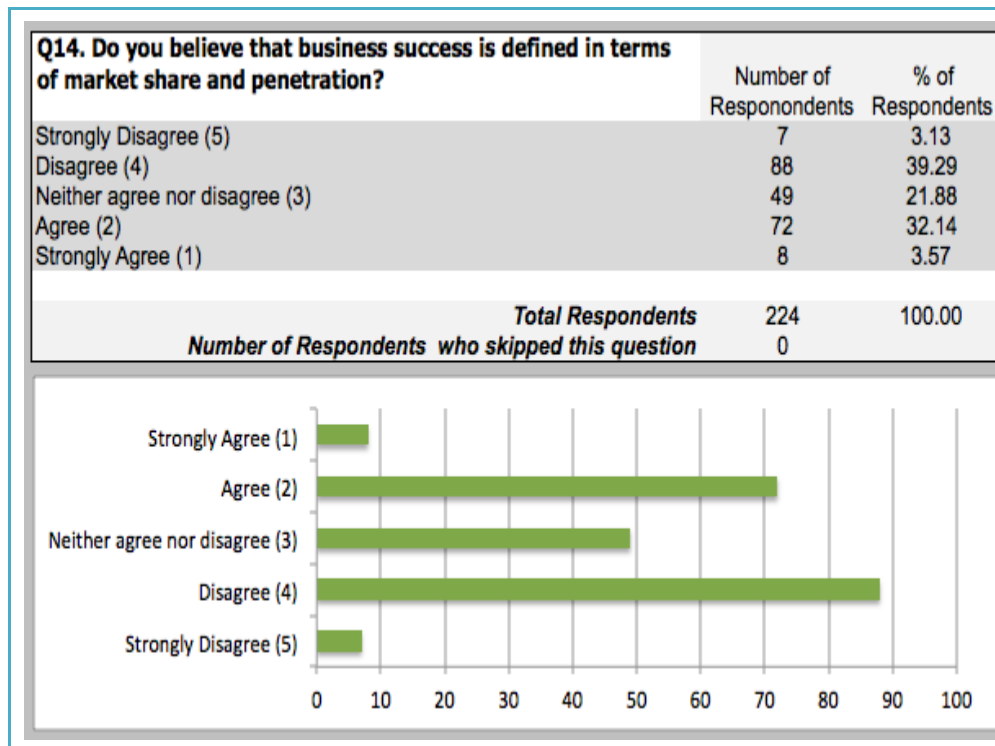


Analysis against *Ha3*:

An overwhelming majority of respondents agreed or strongly agreed with this proposition. Cameron & Quinn (2011) suggest this criterion for effectiveness is most highly valued in market driven cultures wishing to increase market share and outpace the competition. Resultant organisations will value profitability above consistency and uniformity; customer focus over human development and innovation. *It is therefore highly likely that the habitual inclinations of this sample group would have an impact on the resultant culture of their respective organisations.*

See section 4.2.3 for quantitative analysis.

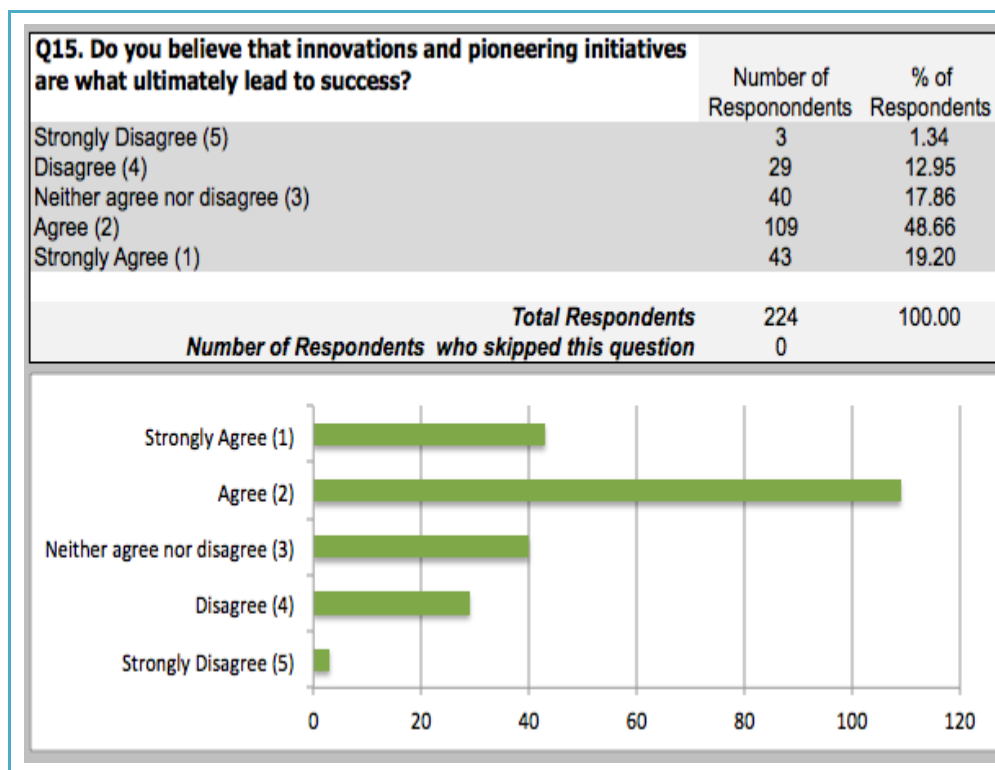
Table 17: Market Share and Penetration



Analysis against *RoI*:

Based upon the responses, it is probable that the pre-disposed cultural inclinations of the majority would have an impact on the resultant culture of their respective organisations. Leaders wishing to create a stereotypical market driven culture would be well advised to interview, evaluate, train in or select out, those individuals who disagreed or strongly disagreed with this statement.

Table 18: Innovations and Initiatives

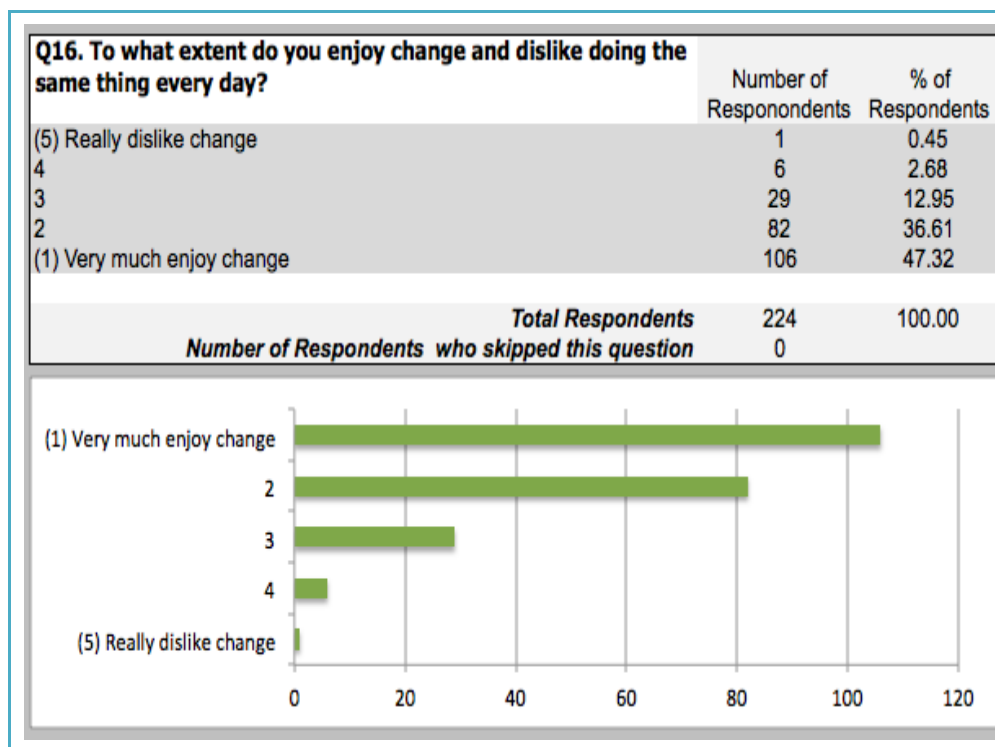


Analysis against *Ha3*:

A significant majority of respondents agreed or strongly agreed with this proposition. These are values, which Cameron & Quinn (2011) suggest are common in Adhocracy Cultures that are dynamic, entrepreneurial and creative places to work. Resultant organisations value risk, and a commitment to experimentation and innovation. It is therefore highly likely that the habitual inclinations of this sample group will have an impact on the resultant culture of their respective organisations.

See section 4.2.3 for quantitative analysis.

Table 19: Propensity for Change

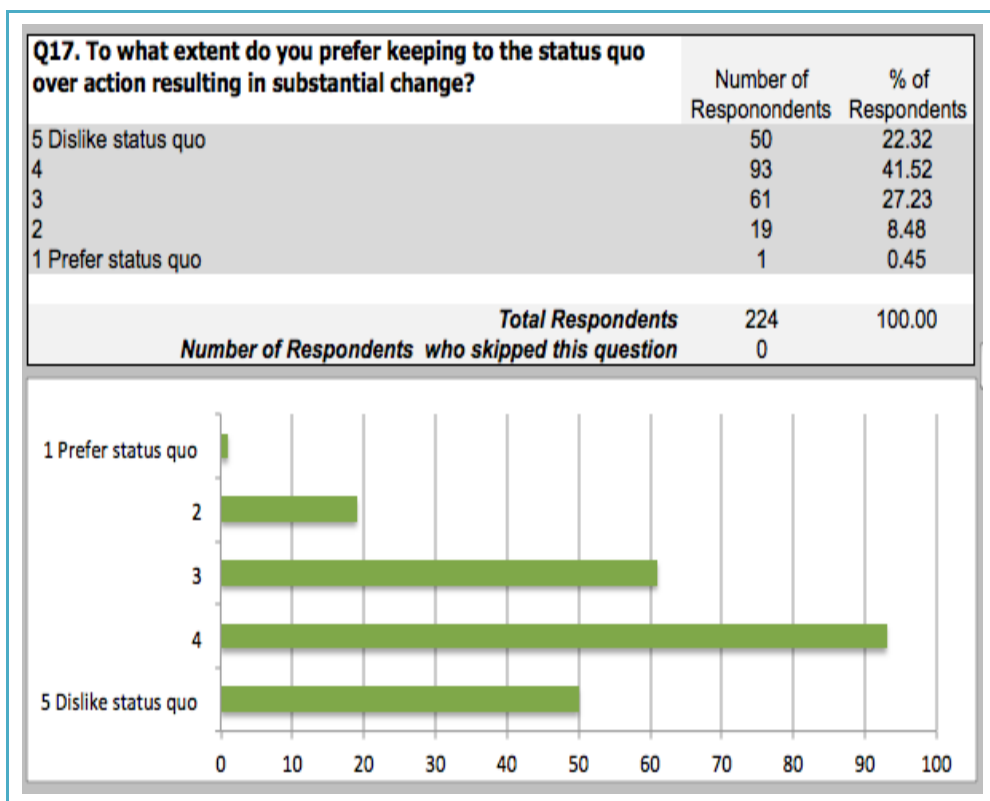


Analysis against *Ro2*:

The significant majority of respondents exhibited a preference for change, a trait which Cameron and Quinn (2011) suggest prevails within Adhocracies and Market organisations; accordingly, it is probable that the habitual inclinations of the sample group would have an impact on organisational culture. Leaders wishing to create a formalised structured and hierarchy group culture would be advised to carefully evaluate individuals exhibiting such a strong a preference for change.



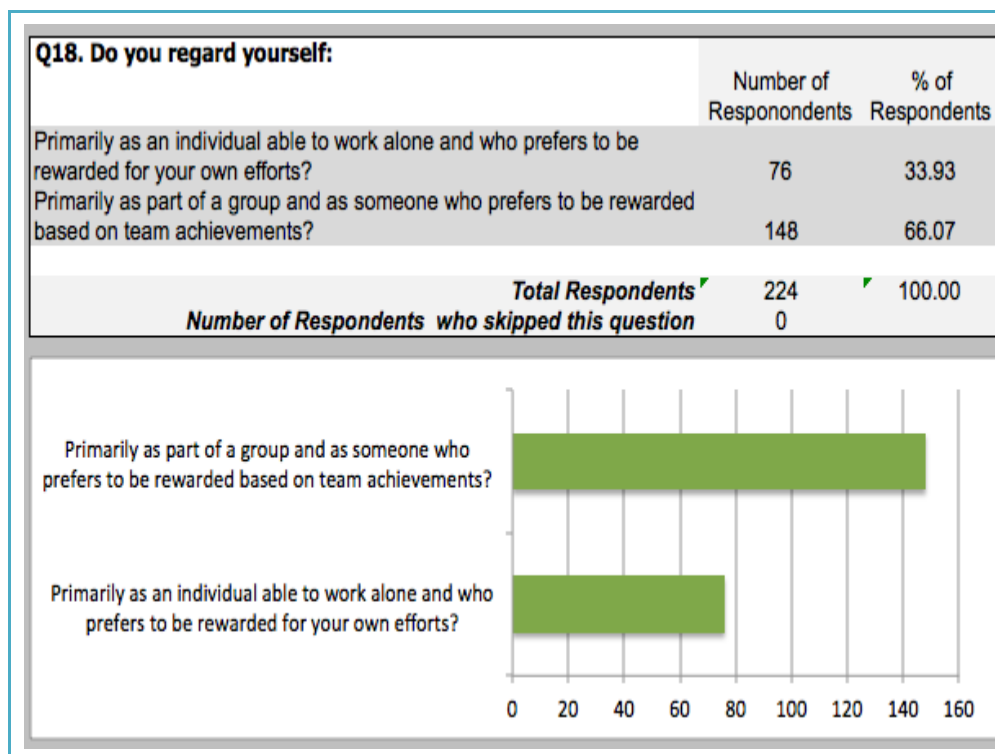
Table 20: Enjoy the Status Quo



Analysis against *RoI*:

These responses suggest that pre-disposed cultural inclinations of the majority would have a positive impact on leaders ability to implement strategy. This confirms the theory that the rate of technological change associated with the IT industry has created an environment intolerant to maintaining the status quo.

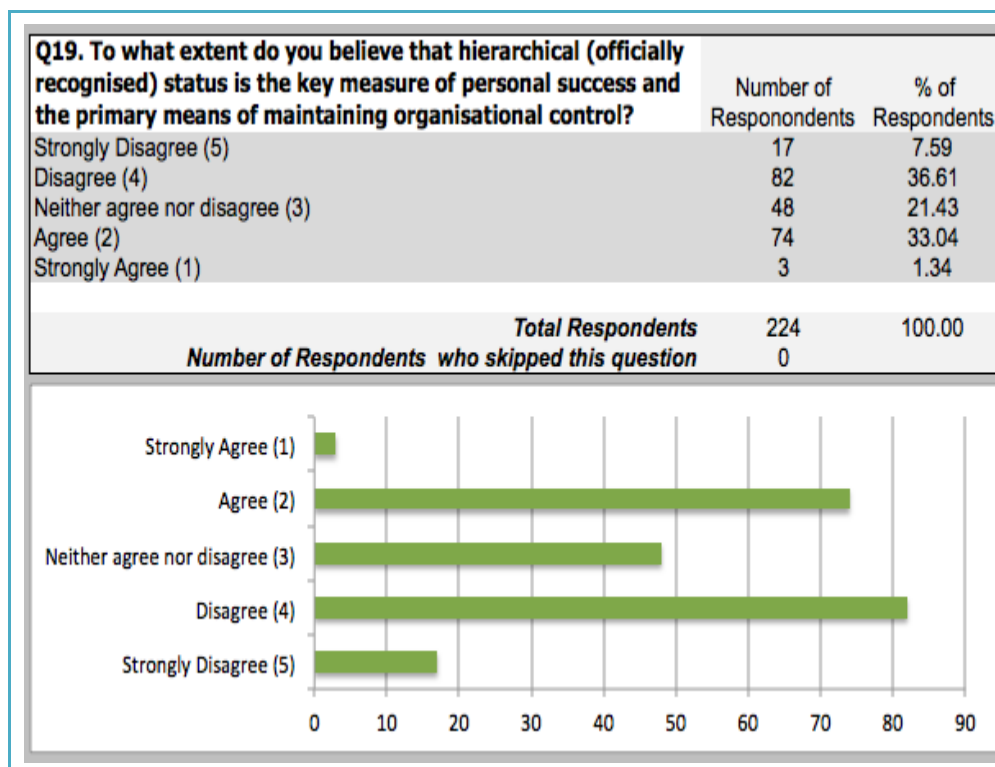
Table 21: Individualism vs. Collectivism



Analysis against *Ro3*:

A two-thirds majority of respondents indicated a preference for belonging to a group and being rewarded against team, rather than individual achievement. If leaders were unaware of this paradigm, it is likely that this cultural predisposition would have an impact on a business's ability to implement strategy. Leaders would be advised to interview, evaluate, train in or select out, the correct individuals for team, versus individually targeted roles.

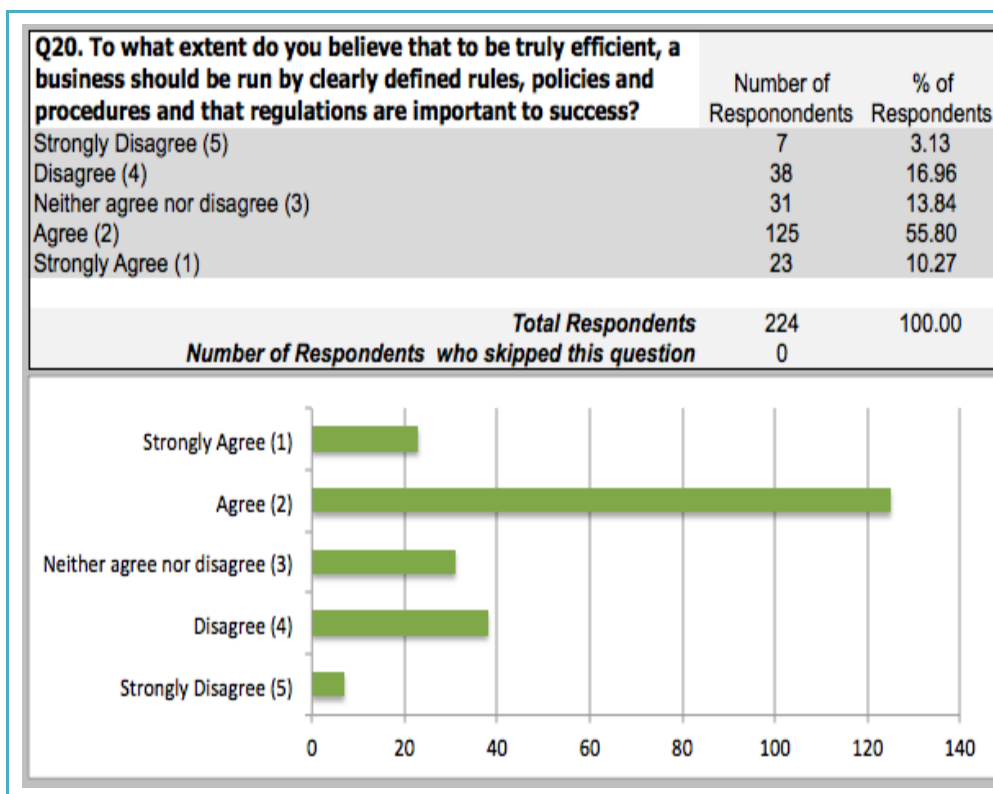
Table 22: Status as the Key to Success and Control



Analysis against *RoI*:

A slim majority of the sample group did not feel that the prototypical traits found within bureaucratic and hierarchical organisations were appropriate. This is a response, which has resonance for individuals, seasoned in market, clan and adhocracy cultures, (Cameron and Quinn, 2011). However, a significant minority did agree that rank and status are key measures of personal success and the primary means of maintaining organisational control - a response, which could have implications for leaders of small fast paced companies wishing to nurture collaborative cultures.

Table 23: Rules, Regulations, Policies and Procedures

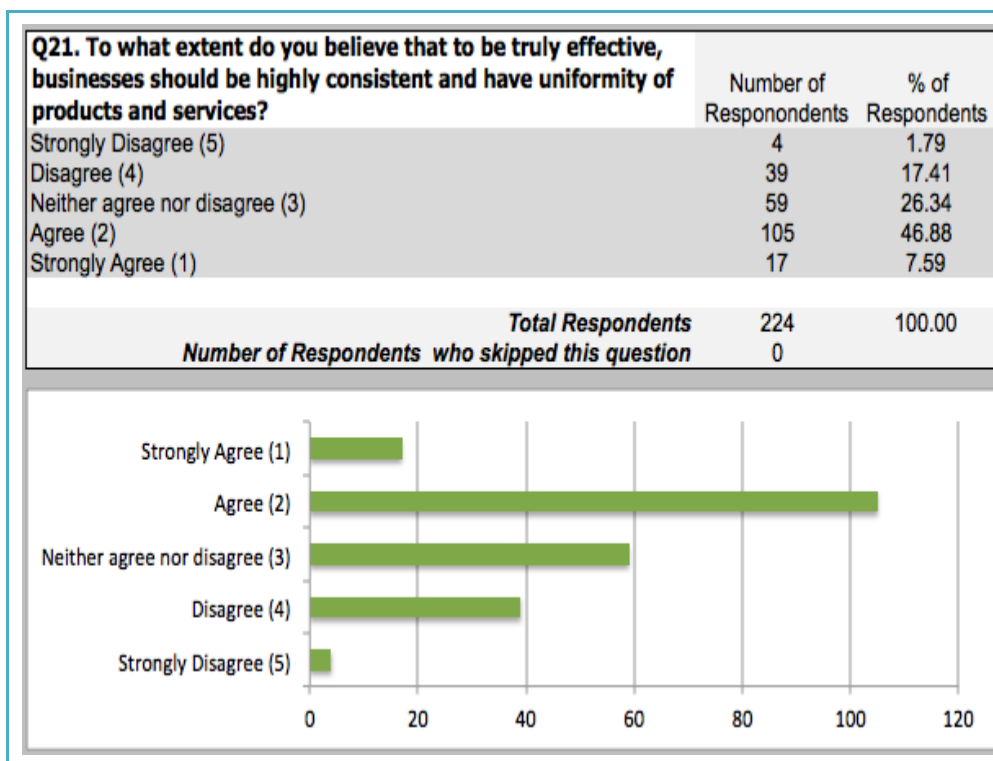


Analysis against *Ha3*:

A substantial majority of respondents agreed or strongly agreed with this proposition, which extols virtues commonly found in formalised and highly structured organisations. This is one where formal rules and polices holds the organisation together and help managers strive for efficiency and smooth running operations, (Cameron and Quinn, 2011). It is therefore probable that the habitual inclinations of this sample group will have an impact on the resultant culture of their respective organisations.

See section 4.2.3 for quantitative analysis.

Table 24: Uniformity of Products and Services

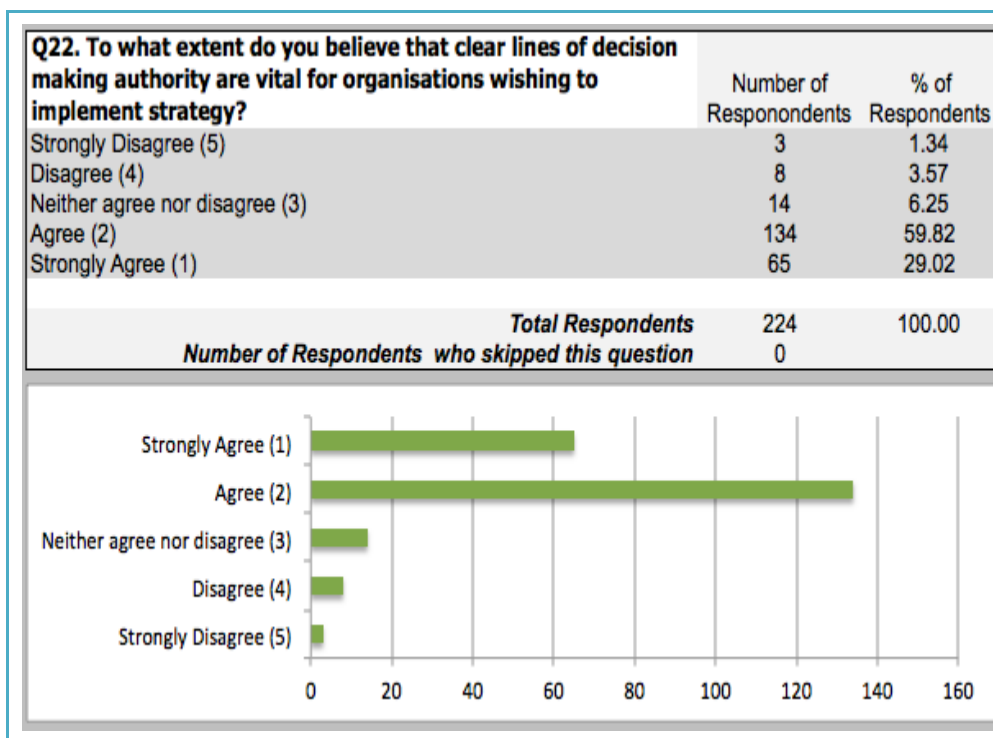


Analysis against *Ha3*:

A majority of respondents agreed or strongly agreed with this proposition. Cameron and Quinn, (2011) identify these traits as key values found within Hierarchical organisations, where consistency, measurement and evaluation help maintain accountability. Accordingly, it is suggestive that the habitual inclinations of this sample group would have an impact on the resultant organisations culture.

See section 4.2.3 for quantitative analysis.

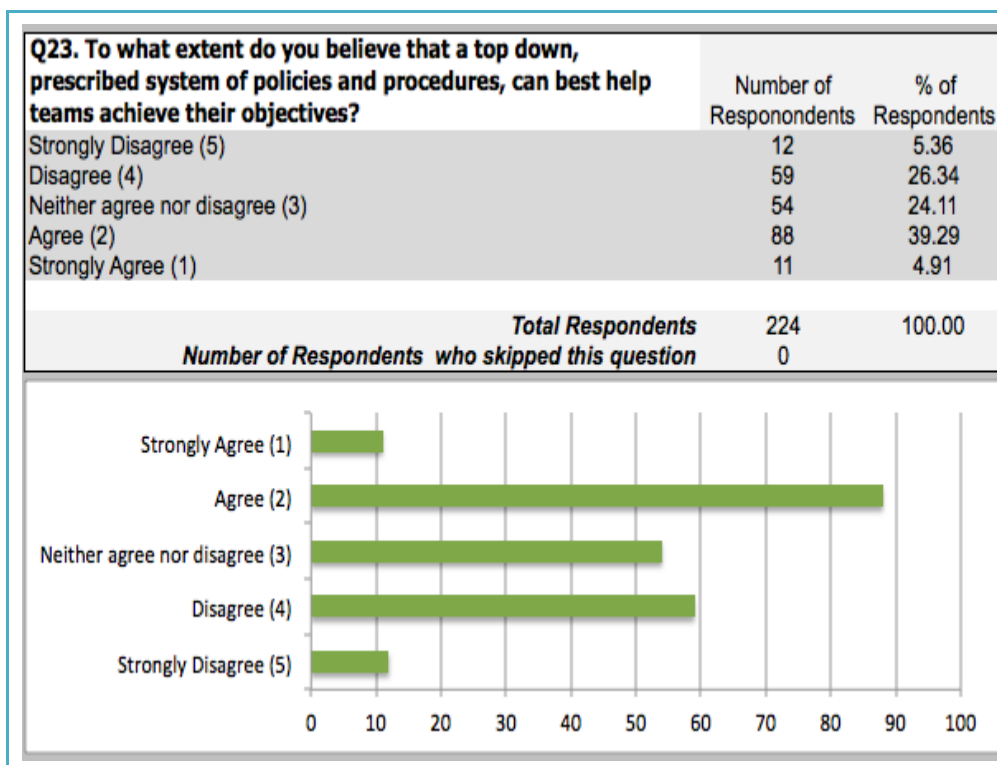
Table 25: Clear Lines of Decision-Making Authority



Analysis against *RoI*:

A sizeable majority of respondents identified with attributes stated by Cameron and Quinn, (2011) as principles highly valued within hierarchical organisations. This is a significant response, which could have implications for leaders of small fast paced companies wishing to nurture collaborative or matrix cultures.

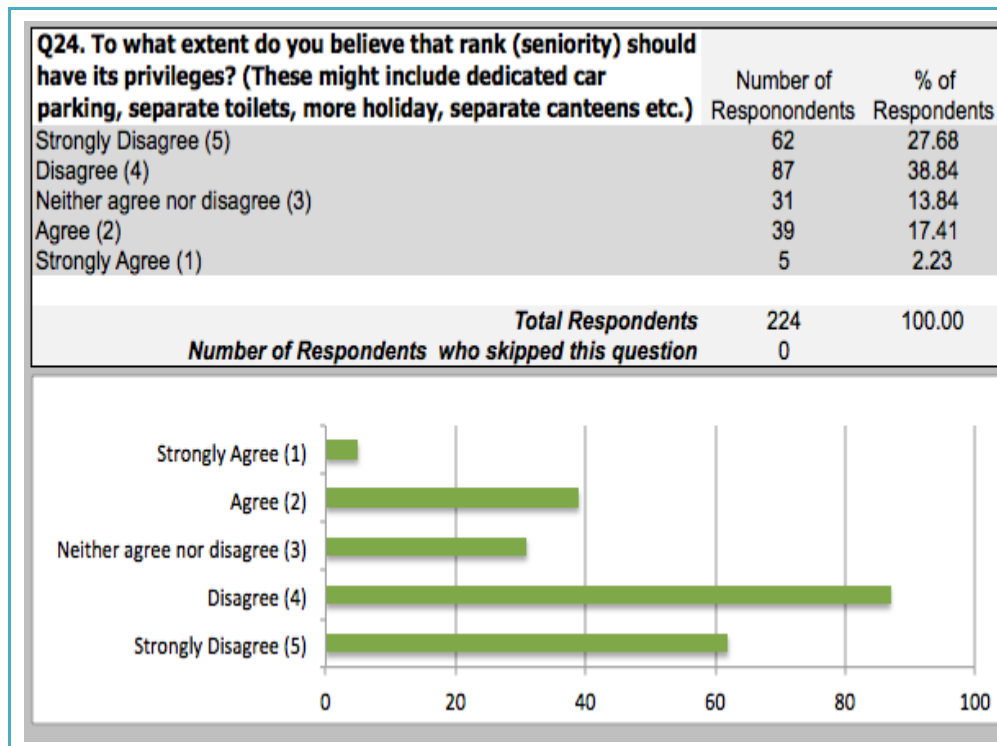
Table 26: Top-Down Policies and Procedures



Analysis against *Ro2*:

A majority of respondents agreed that a top down system of policies and procedures can help teams achieve objectives, which indicates a controlling orientation usually valued within Hierarchical organisations, (Cameron and Quinn, 2011). Leaders wishing to create a formalised structured would be advised to interview and evaluate individuals accordingly.

Table 27: Rank has Its Privileges



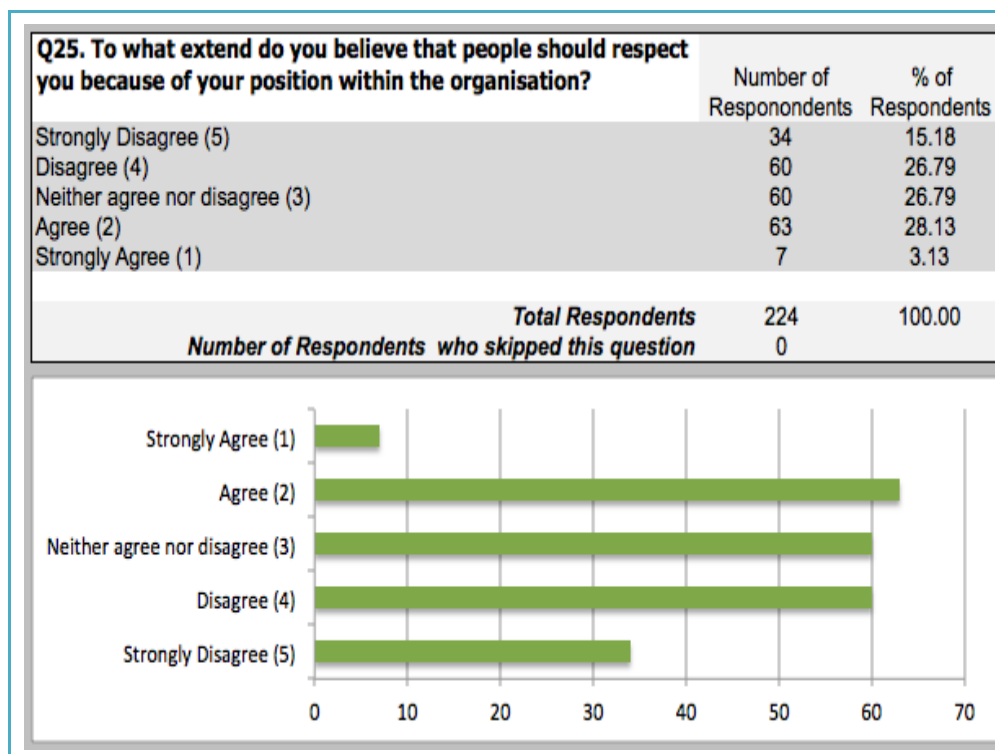
Analysis against *Ha3*:

A majority of respondents disagreed or strongly disagreed with this proposition - a common theme in larger, hierarchical organisations that reflect a formalised and structured place to work, but unusual in clan or market cultures, (Cameron and Quinn, 2011). Therefore, it is probable that the habitual inclinations of this sample group would have an impact on the resultant organisations culture.

See section 4.2.3 for quantitative analysis.



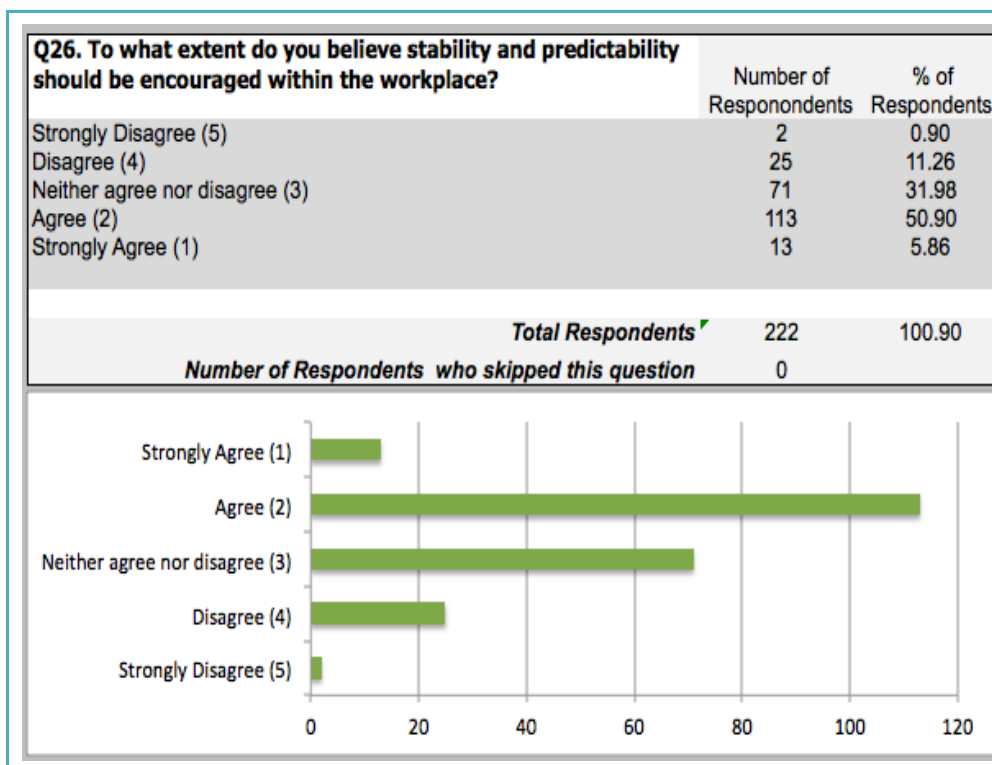
Table 28: Respect Due to Status



Analysis against *Ro3*:

The predisposed inclinations of the sample group show a diverse response to the issue of respect due to status. This trait is common in ascription-oriented organisations, where, rank and status are validated as the power to get things done, (Trompenaars & Hampden-Turner, 2012). This cultural predisposition would have an impact on an organisations ability to implement strategy if leaders were unaware and unprepared. Leaders would be advised to interview, evaluate, train in or select out, the correct individuals for the desired organisational structure.

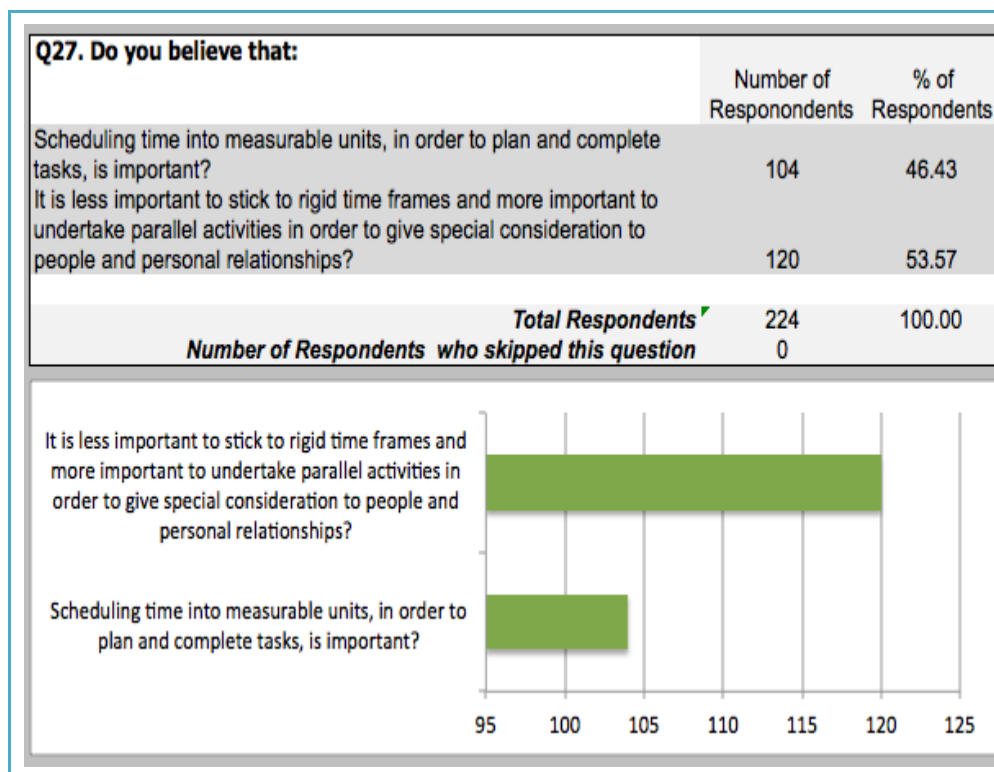
Table 29: Stability and Predictability



Analysis against *Ro3*:

The inclinations of the majority of respondents, indicates a theme often associated with those wishing to experience reduced levels of stress. This trait is usually found within bureaucratic and hierarchical cultures, where centralisation and formalisation provide stability and predictability, (Handy, 1995; Barak & Michalle, 2011; Cameron and Quinn, 2011). This predisposition could have an impact on an organisations ability to implement strategy if leaders were unaware and unprepared. Leaders would be advised to interview, evaluate, train in or select out according to their desired organisational structure.

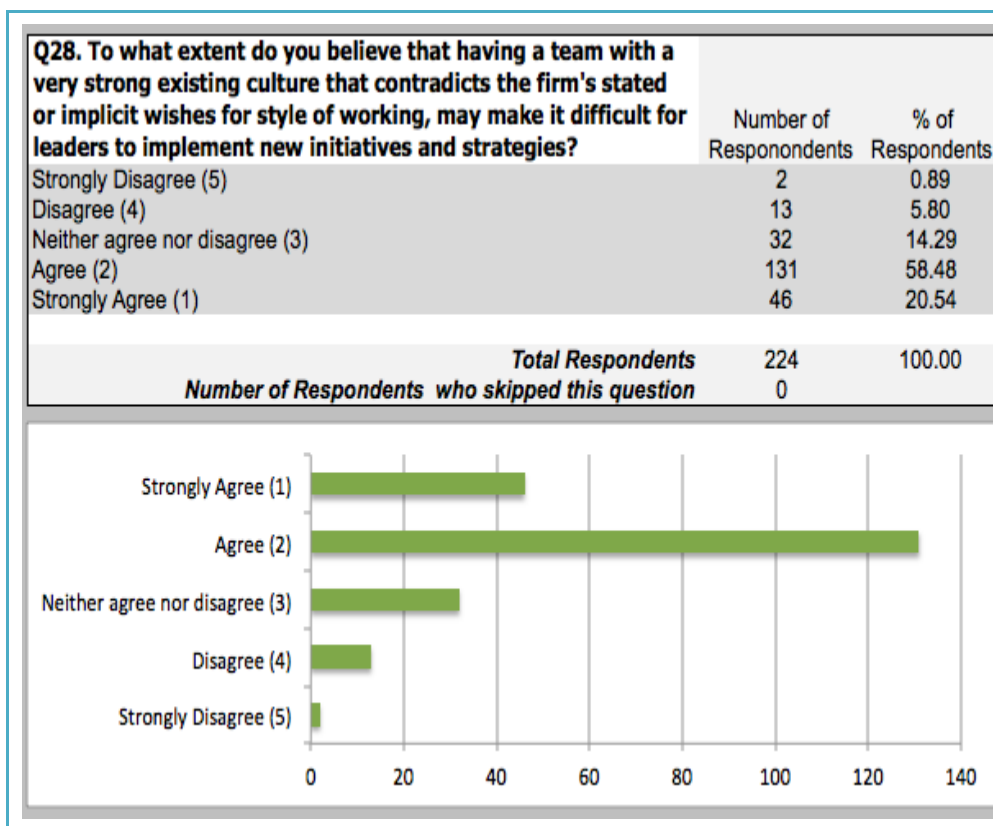
Table 30: Scheduling Time



Analysis against *Ro3*:

Response on the issue of time management was divided. Surprisingly, the majority of respondents expressed a preference for synchronic behaviour, where people track numerous activities in parallel and prefer not to adhere to specific time frames. This style of time management can be challenging for those not used to it. Managers wishing to deliver against specific time frames would be advised to evaluate individuals for such inclinations. If left unchecked, this cultural predisposition would have an impact on an organisations ability to implement strategy against deadlines. By contrast, the minority of individuals expressed a preference for sequential behaviour, where they have a crucial path worked out in advance and dislike being distracted off their schedule or agenda by unanticipated events. A trait usually associated with western cultures, (Trompenaars & Hampden-Turner, 2012).

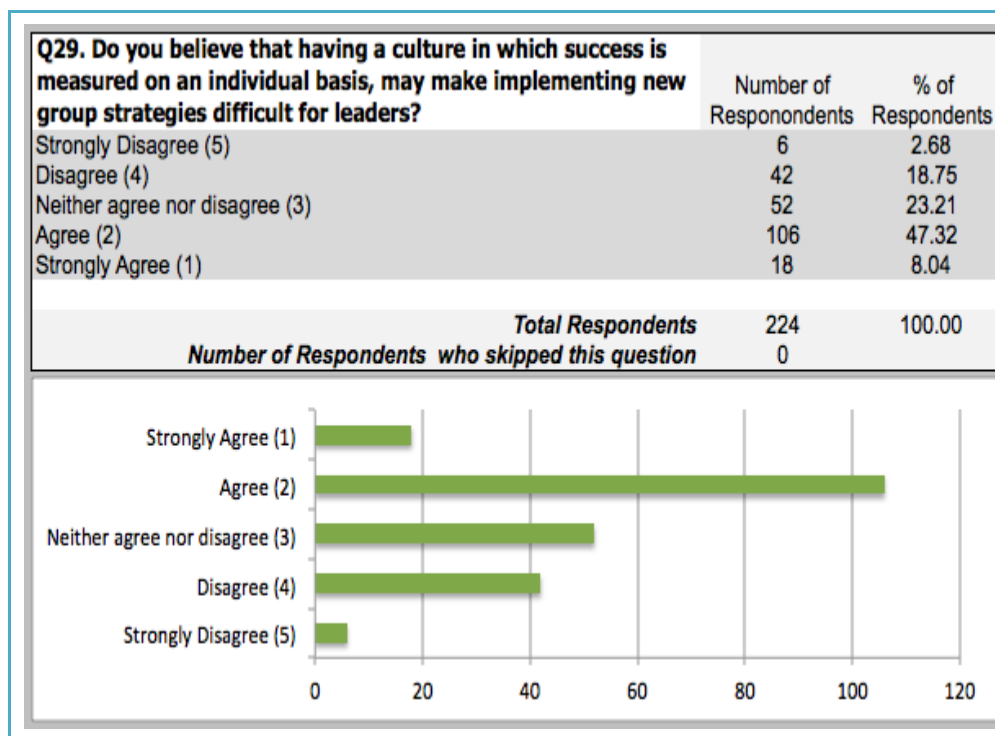
Table 31: Cultures Consequences - Initiatives and Strategies



#### Analysis against *RoI*

A significant majority of respondents agreed with the proposition. This response emphasises the imperative for leaders of small fast paced companies to be aware of the cultural inclinations of existing staff and potential hires. This holds specifically in relation to the roles they require them to perform, and the overall strategic objectives of the organisation.

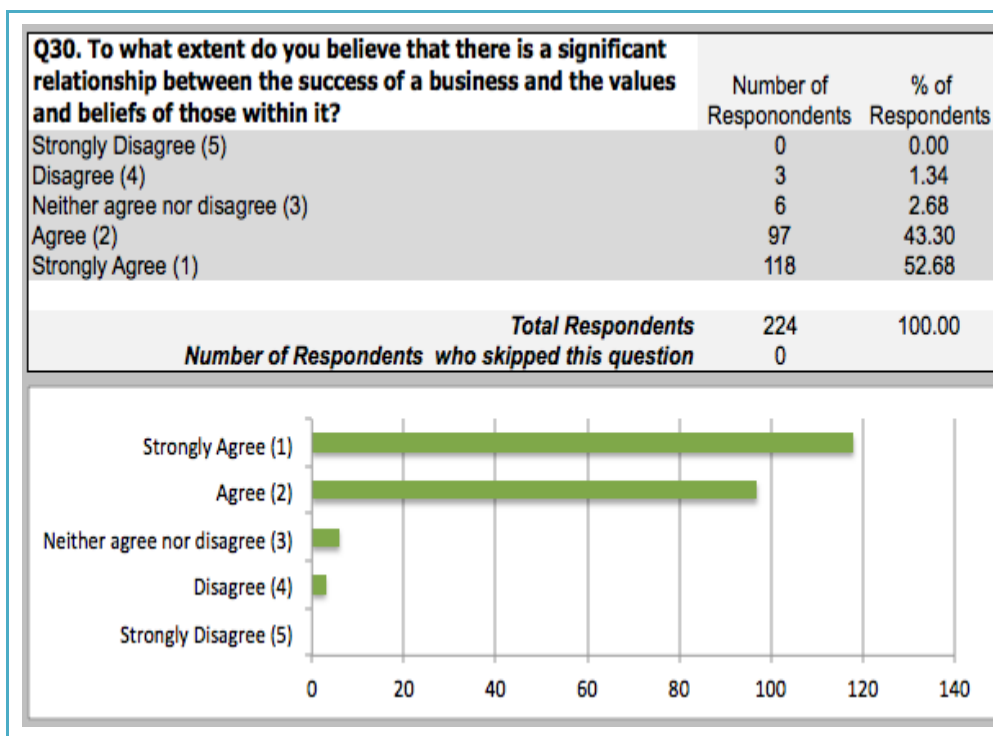
Table 32: Individual Success and Its Strategic Impact



Analysis against *RoI*:

A majority of respondents agreed with the proposition, a response, which emphasises the need for leaders to create a clearly defined and highly focused strategy first, and then identify the best way to measure, execute and structure targets and incentives.

Table 33: Link Between Success, Values and Beliefs

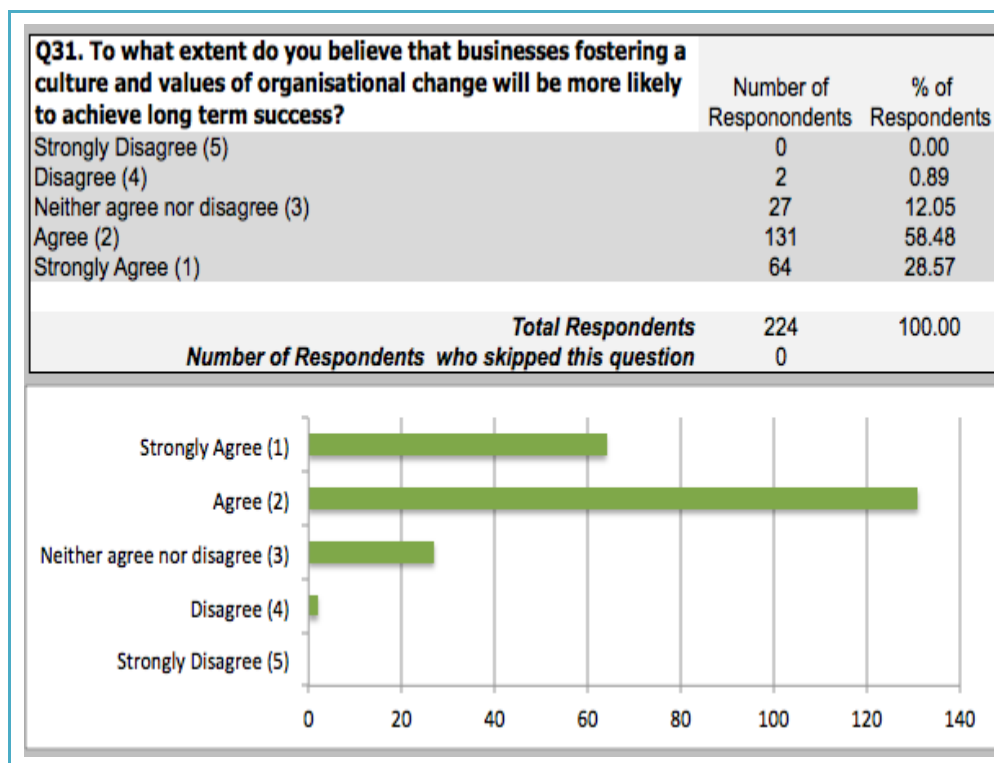


Analysis against *Ha2*:

The overwhelming majority of respondents agreed with the proposition. This response highlights the need for organisations to perform a cultural audit and align expectations; to identify what is unique and strong within the current culture and identify that, which is missing. Accordingly, it is probable that there is a significant relationship between the success of a business, and the cultural alignment of those within it.

See section 4.2.2 for quantitative analysis.

Table 34: A Culture of Change, for Long-Term Success

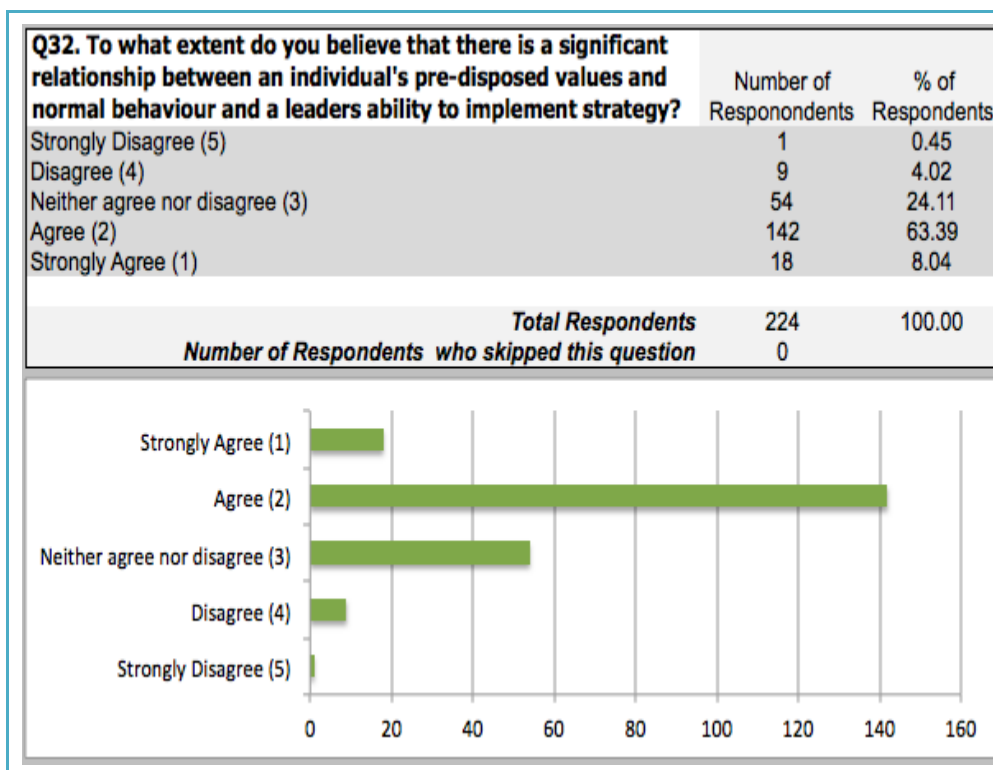


Analysis against *Ha2*:

The substantial majority of respondents agreed with the proposition that businesses fostering a culture of change are more likely to achieve long-term success. This cultural alignment Flamholtz & Randle (2011) assert aids organisations' ability to meet internal and external challenges at different stages of their development. Johnson, et al. (2011) also argue that questioning old practises and developing a culture which continuously challenges the status quo, fuels experimentation, and by association, innovation and long-term success. This response suggests a significant relationship between the success of a business, and the cultural alignment of those within it.

See section 4.2.2 for quantitative analysis.

Table 35: Values, Norms and Leaders' Ability to Implement Strategy



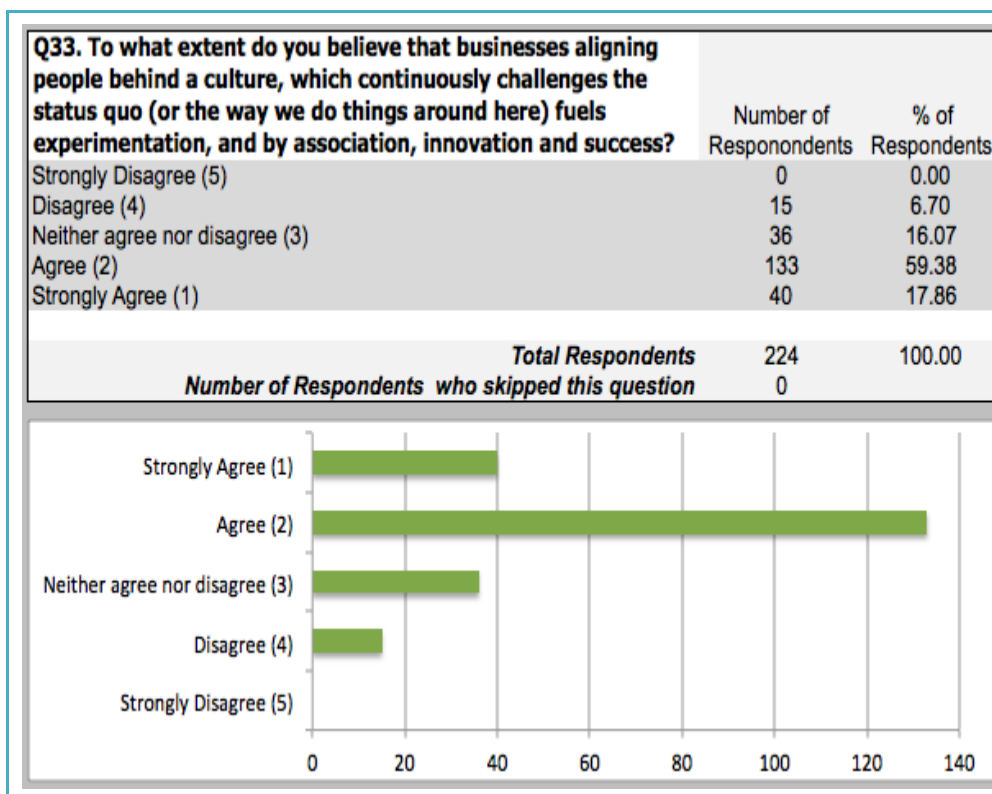
Analysis against *H<sub>a1</sub>*:

The substantial majority of respondents agreed with the proposition, which suggests a significant relationship does exist between a leader's ability to implement strategy and the values and norms of team members. This position must have a direct impact on leaders ability to implement strategy and overall business performance; especially where leaders are unaware of this causal link or are insufficiently experienced in change management and cultural awareness.

See section 4.2.1 for quantitative analysis.



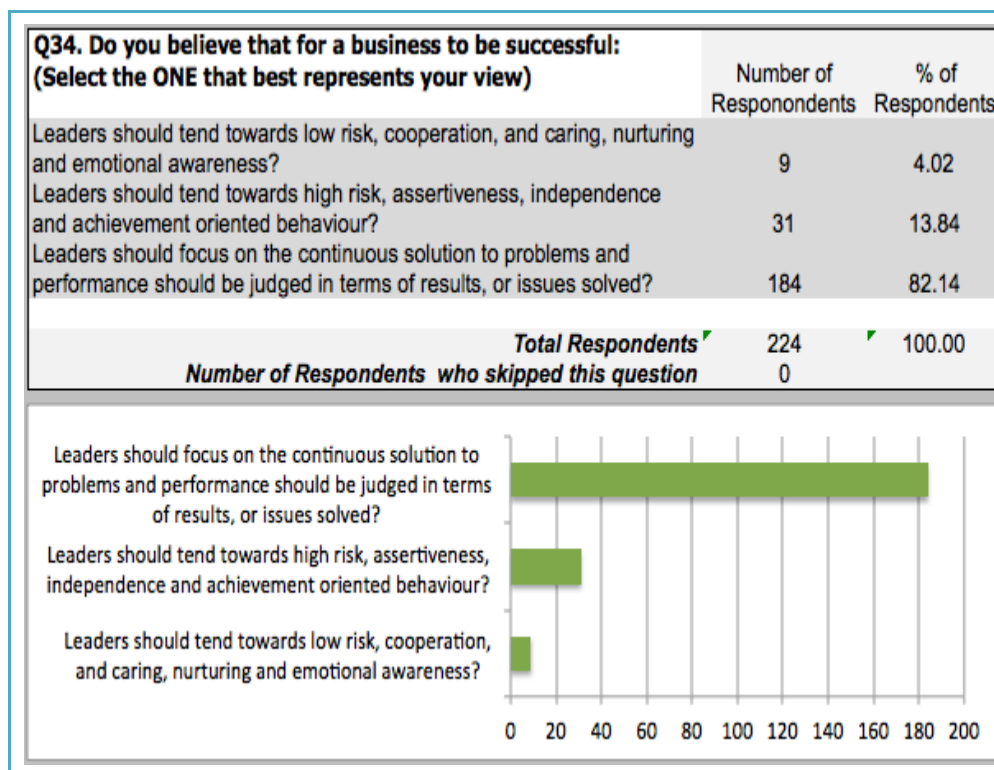
Table 36: Challenge the Status Quo for Success



Analysis against *Ro2*:

The overwhelming majority of respondents agreed with the proposition. This response confirms Cameron and Quinn's (2011) research, which suggests that stability is often interpreted as stagnation rather than steadiness and organisations that are not in the business of change and transition are generally viewed as recalcitrant. Leaders wishing to implement change programmes would be advised to interview, evaluate and select individuals accordingly.

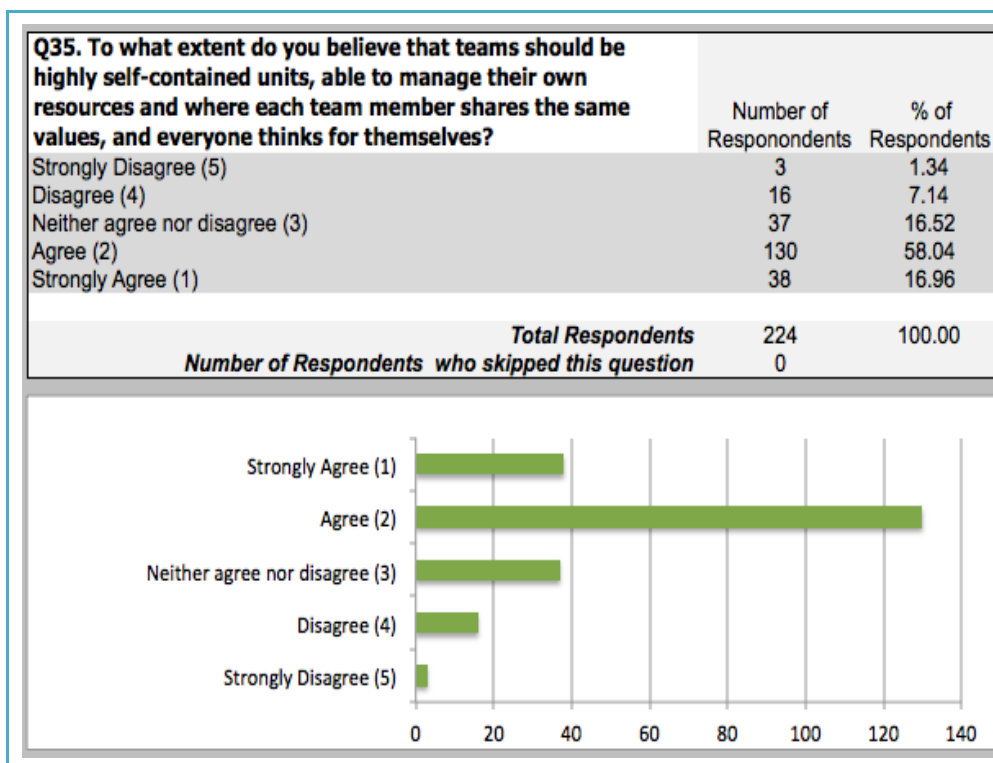
Table 37: The Role of Leaders



Analysis against *Ro3*:

The significant majority of this sample indicates a marked preference for a trait commonly found within highly individualised, low power and low context cultures. Handy (1995), suggests that these people's normal behaviour focuses on the continuous solution to problems, and that performance is usually judged in terms of results, or problems solved. This theory has clear parallels with Schein's (1990) Action Company model, where teams act as a network of loosely linked, self-contained commando units. Almost 14% of respondents selected an option which identifies with Pedler, Burgoyne, & Boydell's, (2010) theory where they hold that entrepreneurial leaders take more risks, promote experimentation and proactivity and can help to create a culture where innovation flourishes. This relatively low response rate indicates a significant aversion to risk, which would have direct implications for leaders implementing high-risk strategies.

Table 38: The Role of Teams



Analysis against *RoI*:

A substantial majority of respondents agreed with the proposition - a significant response, echoing Schein's (1990) Action company analogy. This suggests that teams value high levels of informality and intense activity; that individuals become acclimatised to confrontation, conflict and heated debate; and where team members combine passion, energy and emotion to fight their position. Conflicts are common, levels of stress appear high, but are considered normal and simply reflect the excitement and importance of a person's contribution. Hierarchical artifacts and status symbols are notably absent. This paradigm resembles a closely-knit family or clan (Cameron & Quinn, 2011), with a low power distance reflecting a decentralised intimate team. This response indicates the need for leaders to carefully select the right type of individual for the task at hand.

## 4.2 Chi Square Analysis of Quantitative Data

Having presented the descriptive data, it was then analysed in relation to the presentation. Chi-Square ( $X^2$ ) was used to test the hypotheses listed in Chapter 1.

The research tested the null hypothesis at 0.05 level of significance:

Computation of Chi-Square:

$$\text{Chi Square } (X^2) = \sum \frac{(oi - ei)^2}{ei}$$

Where:  $oi$  = Observed Frequency  
&  $ei$  = Expected Frequency

Formulae for Expected Frequency ( $ei$ ) =  $\frac{\text{Number of respondents}}{\text{Number of rows}}$

### 4.2.1 Hypothesis One

$H_o$  represents the null hypothesis, while  $H_a$  represents the alternative hypothesis

- $H_o1$ : There is no significant relationship between an individual's pre-disposed cultural inclinations and leaders' ability to implement strategy
- $H_a1$ : There is a significant relationship between an individual's pre-disposed cultural inclination and leaders' ability to implement strategy

This hypothesis was tested using the items in Table 39.

Table 39: Contingency Table for the Ability of Leaders to Implement Strategy

From Question 32	(C1) Observed Frequency (oi)	(C2) Expected Frequency (ei)
Response Options		
(R1) - Strongly Disagree	1	44.8
(R2) - Disagree	9	44.8
(R3) - Neither Agree Nor Disagree	54	44.8
(R4) - Agree	142	44.8

(R5) - Strongly Agree	18	44.8
Total	224	224

The table above is a combination of observed and expected frequencies.

Degree of freedom (Df)

(Df) = (number of rows minus 1)

$$Df = 5 - 1 = 4$$

Table 40: Computation of CHI - SQUARE ( $X_c^2$ ) Value for Hypothesis 1

	oi	ei	oi-ei	(oi-ei) <sup>2</sup>	$\frac{(oi-ei)^2}{ei}$
R1	1	44.8	-43.8	1918.44	42.82
R2	9	44.8	-35.8	1281.64	28.61
R3	54	44.8	9.2	84.64	1.89
R4	142	44.8	97.2	9447.84	210.89
R5	18	44.8	-26.8	718.24	16.03
Total Calculated Value					300.24

The tabulated Chi square at degree of freedom (4) and level of significance 0.05 =

Tabulated  $X^2_t = 9.488$

Since the calculated Chi Square ( $X_c^2 = 300.24$ ) is greater than the tabulated Chi Square ( $X^2_t = 9.49$ ), the null hypothesis ( $H_0$ ) is rejected and the alternative hypothesis ( $H_a$ ) is accepted as statistically significant.

Accordingly,  $H_a$  is accepted and  $H_0$  is rejected.

#### 4.2.2 Hypothesis Two

$H_0$  represents the null hypothesis

$H_a$  represents the alternative hypothesis

- $H_0$ : There is no significant relationship between the success of a business and the cultural alignment of those within it

- *Ha2*: There is a significant relationship between the success of a business and the cultural alignment of those within it

Table 41: Contingency Table for Business Success and Cultural Alignment

From Questions 30 & 31	(C1) Observed Frequency (oi)	(C2) Expected Frequency (ei)
Response Options		
Q30 - (R1) - Strongly Disagree	0	44.8
Q30 - (R2) - Disagree	3	44.8
Q30 - (R3) - Neither Agree Nor Disagree	8	44.8
Q30 - (R4) - Agree	96	44.8
Q30 - (R5) - Strongly Agree	117	44.8
Q31 - (R1) - Strongly Disagree	0	44.8
Q31 - (R2) - Disagree	2	44.8
Q31 - (R3) - Neither Agree Nor Disagree	27	44.8
Q31 - (R4) - Agree	131	44.8
Q31 - (R5) - Strongly Agree	64	44.8
Total	448	448

The table above is a combination of observed and expected frequencies.

Degree of freedom (Df)

(Df) = (R - 1) (C - 1) - Where R = Row & C = Column

Df = 10 - 1 x 2 - 1

Df = 9 x 1 = 9

Table 42: Computation of CHI - SQUARE ( $X_c^2$ ) Value for Hypothesis 2

oi	ei	oi-ei	(oi-ei) <sup>2</sup>	$\frac{(oi-ei)^2}{ei}$
0	44.8	-44.8	2007.04	44.80
3	44.8	-41.8	1747.24	39.00
6	44.8	-38.8	1505.44	33.60
97	44.8	52.2	2724.84	60.82
118	44.8	73.2	5358.24	119.60
0	44.8	-44.8	2007.04	44.80
2	44.8	-42.8	1831.84	40.89
27	44.8	-17.8	316.84	7.07
131	44.8	86.2	7430.44	165.86
64	44.8	19.2	368.64	8.23
Total Calculated Value				564.67

The tabulated Chi square at degree of freedom (9) and level of significance 0.05 =

Tabulated  $X^2_t = 16.919$

Since the calculated Chi Square ( $X_c^2 = 564.68$ ) is greater than the tabulated Chi Square ( $X^2_t = 16.919$ ), the null hypothesis ( $H_0$ ) is rejected and the alternative hypothesis ( $H_a$ ) is accepted as statistically significant.

Accordingly,  $H_a$  is accepted and  $H_0$  is rejected.

#### 4.2.3 Hypothesis Three

$H_0$  represents the null hypothesis

$H_a$  represents the alternative hypothesis

- $H_0$ 3: There is no significant relationship between an individual's habitual inclination and the resultant culture
- $H_a$ 3: There is a significant relationship between an individual's habitual inclination and the resultant organisational culture

Table 43: Contingency Table for Culture &amp; Organisational Shape

From Questions 5,6,8,10,12,13,15,20,21,24	(C1) Observed Frequency (oi)	(C2) Expected Frequency (ei)
Response Options		
Q5 - (R1) - Strongly Disagree	2	44.8
Q5 - (R2) - Disagree	33	44.8
Q5 - (R3) - Neither Agree Nor Disagree	58	44.8
Q5 - (R4) - Agree	101	44.8
Q5 - (R5) - Strongly Agree	30	44.8
Q6 - (R1) - Strongly Disagree	4	44.8
Q6 - (R2) - Disagree	40	44.8
Q6 - (R3) - Neither Agree Nor Disagree	31	44.8
Q6 - (R4) - Agree	109	44.8
Q6 - (R5) - Strongly Agree	40	44.8
Q8 - (R1) - Strongly Disagree	8	44.8
Q8 - (R2) - Disagree	33	44.8
Q8 - (R3) - Neither Agree Nor Disagree	41	44.8
Q8 - (R4) - Agree	107	44.8
Q8 - (R5) - Strongly Agree	35	44.8
		.../continued
Q10 - (R1) - Strongly Disagree	7	44.8
Q10 - (R2) - Disagree	62	44.8
Q10 - (R3) - Neither Agree Nor Disagree	36	44.8
Q10 - (R4) - Agree	94	44.8
Q10 - (R5) - Strongly Agree	25	44.8
Q12 - (R1) - Strongly Disagree	22	44.8



From Questions 5,6,8,10,12,13,15,20,21,24	(C1) Observed Frequency (oi)	(C2) Expected Frequency (ei)
Q12 - (R2) - Disagree	80	44.8
Q12 - (R3) - Neither Agree Nor Disagree	31	44.8
Q12- (R4) - Agree	77	44.8
Q12 - (R5) - Strongly Agree	14	44.8
Q13 - (R1) - Strongly Disagree	2	44.8
Q13 - (R2) - Disagree	4	44.8
Q13- (R3) - Neither Agree Nor Disagree	4	44.8
Q13- (R4) - Agree	118	44.8
Q13 - (R5) - Strongly Agree	96	44.8
Q15 - (R1) - Strongly Disagree	3	44.8
Q15 - (R2) - Disagree	29	44.8
Q15 - (R3) - Neither Agree Nor Disagree	40	44.8
Q15- (R4) - Agree	109	44.8
Q15 - (R5) - Strongly Agree	43	44.8
Q20 - (R1) - Strongly Disagree	7	44.8
Q20 - (R2) - Disagree	38	44.8
Q20 - (R3) - Neither Agree Nor Disagree	31	44.8
Q20- (R4) - Agree	125	44.8
Q20 - (R5) - Strongly Agree	23	44.8
		.../continued
Q21 - (R1) - Strongly Disagree	4	44.8
Q21 - (R2) - Disagree	39	44.8
Q21 - (R3) - Neither Agree Nor Disagree	59	44.8

From Questions 5,6,8,10,12,13,15,20,21,24	(C1) Observed Frequency (oi)	(C2) Expected Frequency (ei)
Q21- (R4) - Agree	105	44.8
Q21 - (R5) - Strongly Agree	17	44.8
Q24 - (R1) - Strongly Disagree	62	44.8
Q24 - (R2) - Disagree	87	44.8
Q24 - (R3) - Neither Agree Nor Disagree	31	44.8
Q24- (R4) - Agree	39	44.8
Q24 - (R5) - Strongly Agree	5	44.8
Total	2240	2240

The table above is a combination of observed and expected frequencies.

Degree of freedom (Df)

(Df) = (R -1) (C -1) - Where R = Row & C = Column

Df = 50 -1 x 2 -1

Df = 49 x 1 = 49

Table 44: Computation of CHI - SQUARE ( $X_c^2$ ) Value for Hypothesis 3

oi	ei	oi-ei	(oi-ei) <sup>2</sup>	$\frac{(oi-ei)^2}{ei}$
2	44.8	-42.8	1831.84	40.89
33	44.8	-11.8	139.24	3.11
58	44.8	13.2	174.24	3.89
101	44.8	56.2	3158.44	70.50
30	44.8	-14.8	219.04	4.89
4	44.8	-40.8	1664.64	37.16
40	44.8	-4.8	23.04	0.51
31	44.8	-13.8	190.44	4.25

oi	ei	oi-ei	$(oi-ei)^2$	$\frac{(oi-ei)^2}{ei}$
109	44.8	64.2	4121.64	92.00
40	44.8	-4.8	23.04	0.51
8	44.8	-36.8	1354.24	30.23
33	44.8	-11.8	139.24	3.11
43	44.8	-1.8	3.24	0.07
105	44.8	60.2	3624.04	80.89
35	44.8	-9.8	96.04	2.14
7	44.8	-37.8	1428.84	31.89
61	44.8	16.2	262.44	5.86
39	44.8	-5.8	33.64	0.75
92	44.8	47.2	2227.84	49.73
25	44.8	-19.8	392.04	8.75
21	44.8	-23.8	566.44	12.64
77	44.8	32.2	1036.84	23.14
37	44.8	-7.8	60.84	1.36
75	44.8	30.2	912.04	20.36
14	44.8	-30.8	948.64	21.18
				.../continued
2	44.8	-42.8	1831.84	40.89
4	44.8	-40.8	1664.64	37.16
4	44.8	-40.8	1664.64	37.16
118	44.8	73.2	5358.24	119.60
96	44.8	51.2	2621.44	58.51
3	44.8	-41.8	1747.24	39.00
29	44.8	-15.8	249.64	5.57

oi	ei	oi-ei	(oi-ei) <sup>2</sup>	$\frac{(oi-ei)^2}{ei}$
41	44.8	-3.8	14.44	0.32
108	44.8	63.2	3994.24	89.16
43	44.8	-1.8	3.24	0.07
7	44.8	-37.8	1428.84	31.89
37	44.8	-7.8	60.84	1.36
34	44.8	-10.8	116.64	2.60
123	44.8	78.2	6115.24	136.50
23	44.8	-21.8	475.24	10.61
4	44.8	-40.8	1664.64	37.16
39	44.8	-5.8	33.64	0.75
60	44.8	15.2	231.04	5.16
104	44.8	59.2	3504.64	78.23
17	44.8	-27.8	772.84	17.25
60	44.8	15.2	231.04	5.16
85	44.8	40.2	1616.04	36.07
36	44.8	-8.8	77.44	1.73
38	44.8	-6.8	46.24	1.03
5	44.8	-39.8	1584.04	35.36
Totals				
2240	2240			1378.125

The tabulated Chi square at degree of freedom (49) and level of significance 0.05 =

Tabulated  $X^2_t = 66.91$

Since the calculated Chi Square ( $X^2_c = 1378.12$ ) is greater than the tabulated Chi Square ( $X^2_t = 66.919$ ), the null hypothesis ( $H_0$ ) is rejected and the alternative hypothesis ( $H_a$ ) is accepted as statistically significant.

Accordingly,  $H_{a3}$  is accepted and  $H_{o3}$  is rejected.

### 4.3 Presentation and Analysis of Qualitative Data

This section sets out qualitative evidence on the major topics addressed in the research objectives. Nine interviews were conducted to provide a more thorough understanding of what the research objectives really mean to individuals.

Information about the qualitative interviews and interviewee's can be found within the following table.

Table 45: Data & Length of Interview

ID	Sex	Business Owner or Employee	Date	Length of Interview
Bo1	M	Business Owner	13th September 2013	23m 32
Bo2	M	Business Owner	21st September 2013	43m 15
Bo3	M	Business Owner	21st September 2013	26m 10
E1	M	Employee	18th September 2013	28m 47
E2	F	Employee	22nd September 2013	22m 13
E3	F	Employee	24th September 2013	28m 50
E4	M	Employee	28th September 2013	32m 17
E5	M	Employee	28th September 2013	29m 10
E6	M	Employee	17th October 2013	45m 43

The first step in analysing the data was to identify derived categories and concepts from the interviews into units of meaning, a process defined by Corbin and Strauss (2008) as open coding. These units were arranged into topics of culture and their associated links to critical components of business success and leadership. Particular attention was paid to assumptions, beliefs and values along with their perceived connection with business effectiveness. This coded qualitative data was then analysed and grouped into themes. The themes were further categorised into coherent clusters by relationships, links and associations with the Research Objectives. This helped to illuminate insights into the correlation between cultural behaviour, leadership effectiveness and business success.

#### 4.3.1 Qualitative Data Analysis

This section integrates the findings of the interviewed cases based on the comments of key informants, and points raised, stressed or affirmed. Table (46) presents the main

themes that emerged from the interviews. These themes are categorised according to respondent, their occurrence and relevance to the research objectives.

Table 46: Overview of Qualitative Themes by Interviewee

<i>Theme</i>	<i>Interviewee</i>	Bo1	Bo2	Bo3	E1	E2	E3	E4	E5	E6	Totals
Cultural Alignment		5	8	2	1	24	24	38	20	8	130
Goals, Targets and Objectives		14	13	14	20	10	9	10	8	5	103
Management & Control		6	8	7	12	8	1	13	11	5	71
Ethics, Attitude, Values and Beliefs		7	5	7	15	7	10	10	4	6	71
Risks & Balance		3	8	5	7	3	9	6	7	4	52
Business Success		12	0	11	10	3	5	4	1	0	46
Performance Orientated Behaviour		4	5	5	12	7	3	3	5	1	45
Initiatives and Strategies		13	5	2	9	5	1	4	2	3	44
Hierarchy & Bureaucracy		10	4	3	9	2	7	0	3	5	43
Personal Responsibility & Self Discipline		1	4	4	2	2	5	7	2	6	33
Leadership		4	4	2	5	5	2	5	2	2	31
Mission & Vision		1	1	5	4	6	2	6	2	2	29
Team Orientation		1	4	2	2	3	6	2	1	1	22
Market Driven & Market Growth		4	0	5	8	1	1	3	0	0	22
Accountability & Cooperation		5	4	2	7	0	0	3	0	0	21
Nurturing, Empathy & Emotional Awareness		0	1	2	4	1	2	2	2	1	15
		90	74	78	127	87	87	116	70	49	

### Summary analysis of the major themes from Table 46:

Analysis of the data into meaningful themes reveals both patterns in discourse and the relationship between roles within the organisation, values and beliefs. The central issue in this is to understand how these themes impact overall business success.

The data in Table 46 identifies the theme *Cultural Alignment* as receiving the highest number of associated responses. The data shows that business owners made significantly fewer observations on this subject than employees. This indicates that business owners appear to take culture for granted, treating it as a constant. As business owners, they are less influenced by their organisations' culture than their staff, and therefore appear less aware of its import. By contrast, observations and discussions with employees and business owners (Table 47) highlighted how they relate culture to satisfaction, professional freedom and empowerment, whilst recognising the considerable influence it has over their everyday duties.

Table 47: Theme: Cultural Alignment

Summary of Theme	Main Points Raised
<b>Relating to Ro1</b>	Bo1 – “Someone who is a good cultural fit is more <i>likely to contribute</i> and <i>bring</i> ideas to the table, and probably <i>less likely to fear</i> that their initiatives and ideas will be rejected”.
<b>Relating to Ro2</b>	Eo4 – “If cultures are aligned and people believe in the cause, they could potentially <i>help that business grow and change</i> and influence the business for good”.
<b>Relating to Ro3</b>	Eo6 – “Hiring someone who <i>disagreed with the philosophy</i> of the business would be an error. <i>Discovering</i> whether they are a <i>good cultural fit</i> during an interview or selection process is the real challenge that leaders face”.

### Summary analysis of Cultural Alignment:

The analysis suggests that if an individual does not think they need to produce results in alignment with overall corporate objectives, they would have to be heavily managed, or managed out. Team alignment should reduce the need for heavy monitoring and control, which therefore reduces the associated costs on the business. Managers need to understand the skills and life goals of individuals, and use these as strengths for the businesses advantage. These personal goals will probably not be aligned. However, it might be possible to align their work related ambitions.

*Goals, Targets & Objectives* are the second most frequent topic of discussion. Business owners mention this frequently, but employees do so less often. Such a significant variance may highlight how managerial tasks occupy the attention of business owners to a greater extent than employees. Although not a conflict, this tendency reflects different priorities within cross sections of organisations. Table 48 highlights the related observations and discussions with employees and business owners.



Table 48: Theme: Goals, Targets and Objectives

Summary of Theme	Main Points Raised
<b>Relating to Ro1</b>	Eo3 – “Having someone with <i>very different</i> cultural behaviour could be a <i>significant distraction</i> for the team and divert it from its goals, especially in a micro organisation. Accordingly, this would make it harder to <i>implement objectives</i> ”.
<b>Relating to Ro2</b>	Bo2- “If everyone has the <i>same objectives</i> and similar mind-set, then they should be able to pull in the same direction with <i>little conflict or confusion</i> ”.
<b>Relating to Ro3</b>	Eo6 – “Someone who is <i>not results driven</i> can be a valid team member, so long as they are <i>adequately managed</i> ”.

#### *Summary analysis of Goals, Targets & Objectives:*

This strand of analysis suggests that teams need to be focused on common goals, whether these relate to the business of winning within the markets they operate in or not. The more individuals disagree with these goals, the harder it becomes for leaders to achieve them. A significant management challenge lies in uncovering which ones people actively disagree with, or are not motivated to achieve.

Data analysis indicates that if an individual has the right value set, and believes in what the business is trying to achieve, it should be easier to achieve stated objectives. A team without goals would have no focus. A leader has to create a vision, which managers can implement, otherwise strategic drift will occur: a business might know where it wants to go, but have no ability to get there. Accordingly, Table 49 highlights the reflections of employees and business owners in regards to Management and Control.

Table 49: Theme: Management &amp; Control

Summary of Theme	Main Points Raised
<b>Relating to Ro1</b>	Bo1 – “A great leader with a great mission and vision is a start, but a team must have management & control <i>unless</i> the team members are 100% <i>self-starters and self-driven</i> ”.
<b>Relating to Ro2</b>	Bo3 – “A culture of self-discipline <i>reduces the need for monitoring and supervision</i> , but that does not mean it is not required, it simply means there should be a lighter touch to it”.
<b>Relating to Ro3</b>	Eo2 - “Management and control is insufficient on its own - you must have the <i>right type of person</i> , with the right <i>work ethic</i> , as well as <i>a belief</i> in what the company is trying to achieve. The wrong type of person will only be working for your money, not your objectives”.

#### *Summary analysis of Management & Control:*

A point, which emerged, was that “How we do things around here” does not receive much management attention. As a result, the type of personalities within the team could influence output to a greater extent than formal control systems. Introducing an individual with few self-management skills into a work environment with little management control,

might result in that person becoming an active and valued team member - but only if they have the ethics, attitude, values and beliefs, as summarised in Table 50.

Table 50: Theme: Ethics, Attitude, Values & Beliefs

Summary of Theme	Main Points Raised
<b>Relating to Ro1</b>	Eo5 – “It is important for people to share similar values, beliefs and goals, it is especially important to share the same <i>goals because those goals should relate to business strategy</i> , and everyone needs to be <i>driving in the same direction</i> ”.
<b>Relating to Ro2</b>	Eo4 – “It will be impossible to build a team where everyone shares the same beliefs; you simply cannot find that level of alignment. Having <i>diversity brings fresh ideas, and fresh perspective</i> . As long as those views are not too different, and everyone is motivated to achieve the same business goals, then an individual’s own personal values and beliefs probably will not have too big an impact”.
<b>Relating to Ro3</b>	Bo2 – “You can have different cultures, but <i>not different ethics</i> , as this would not resonate with the rest of the team. In this instance, <i>alignment is preferable</i> to balance for team performance”.

Summary analysis of Attitude, Values & Beliefs:

Analysis of the data suggests that success appears to pivot around collective values. If the team does not share those collective values, then the firm cannot win in its market. Having similar initial values and beliefs to leaders appear to be important because employees eventually believe much of what the leaders believe. An individual’s background appears to be irrelevant to this, however: the success of the business must be prime. Teams need to gel. Therefore, someone with notably different ethics and core beliefs should not be part of the team. Consensus held that it would cause too much friction within the team and would make the job of manager or leader too difficult.

## 5 CHAPTER FIVE – SUMMARY & CONCLUSIONS

### 5.1 Discussions and Findings

#### 5.1.1 Introduction

This chapter summarises the *purpose, major findings and implications* of the study. It elaborates the relationship between cultural input and business related output. Limitations of the study are discussed, as are suggestions for future research.

#### 5.1.2 Purpose of the Study

This empirical study investigated the relationship between the cultural norms of individuals and the ability of leaders to implement strategic objectives related to business success. In addition, the study tested the links between contemporary theories of organisational culture as espoused by authors such as Cameron and Quinn and Trompenaars & Hampden-Turner.

### 5.2 Summary of Major Findings

Overall, analysis reveals implicit and explicit assertions that culture congruence promotes enhanced levels of commitment, productivity, and quality, which (Logan, King, & Fischer-Wright, 2011) believe accounts for superior performance within organisations.

Analysis of the data confirms Brooks' (2009) stance and indicates that success is more probable by the inclusion of like-minded people. A position that has resonance with the findings that new hires should have a similar culture to that which is already embedded within the business - without it, too much time could be wasted on distractions. Majority consensus was that teams should not consist exclusively of one personality type and that a well-balanced organisation needs a blend of character traits. Many interviewees suggested that anyone whose cultural was too much at odds with team norms, would adversely affect group harmony and forward motion, a point raised by McGregor (1960), where he suggests that effective groups have cohesion, are relaxed and friendly.

Integration-based analysis of the data suggests that someone with little sense of personal responsibility or self-discipline, may assume, that, as they are part of a team, the team is collectively responsible for their actions. Analysis of the data also suggests that unless a culture of ownership and accountability prevails, a substantial layer of management would be required to ensure strategies are on track. Only then will initiatives come to the fore, management become less overt, and leadership be truly effective. A perspective, which has resonance with characteristics found within Hierarchy and Market Cultures, (Cameron & Quinn, 2011).

It was opined that, in certain circumstance, people who are hierarchical and bureaucratic could be beneficial and provide a pillar for the team to coalesce around. However, too many processes and procedures (especially in small companies) would impede forward motion, and cause damage if left unchecked. A thread of analysis also concurred with Hall (1989) and found that where cultures and interests are misaligned, there would be a distraction from the overall mission. Accordingly, leaders need to create not only the big picture, but also management control mechanisms to ensure results.

Interviews and observations suggest that if a team is achievement and results driven, then someone who is nurturing and compassionate could add value to the composition of the team. A notable thread concurred with Cameron & Quinn's, (2011) Market Culture model, in that teams organised around results would be stressful environments. As such, a nurturing person, in the right role, might provide stability and balance (which should be of benefit in the long term) although clash of cultures might have a significant impact on overall satisfaction.

Analysis of the data indicates that achieving objectives would be easier if everyone were identical and share the same values and traits. However, leaders usually have to work with what they have. The more disparate the group, the harder things become, and the more layers of management are required to produce results. Overall, it was reasoned that teams work best when everyone is a constant and positive asset - that selecting members that share a similar mind-set is preferable to those who might disrupt coherence and momentum.

### 5.3 Opportunities for further research

Providing a *clearer* understanding of the interconnected relationships between culture, management, leadership, strategy and business success, provides a tremendous opportunity for further exploration and study. In continuing the objectives of identifying and interpreting the inputs, outputs and influencing forces, the researcher reduced the variables and their relationships to a simple conceptualised representation, (visualised in Figure 6), and mathematical formula (Table 51). Both of these would benefit from further investigation and substantiation.

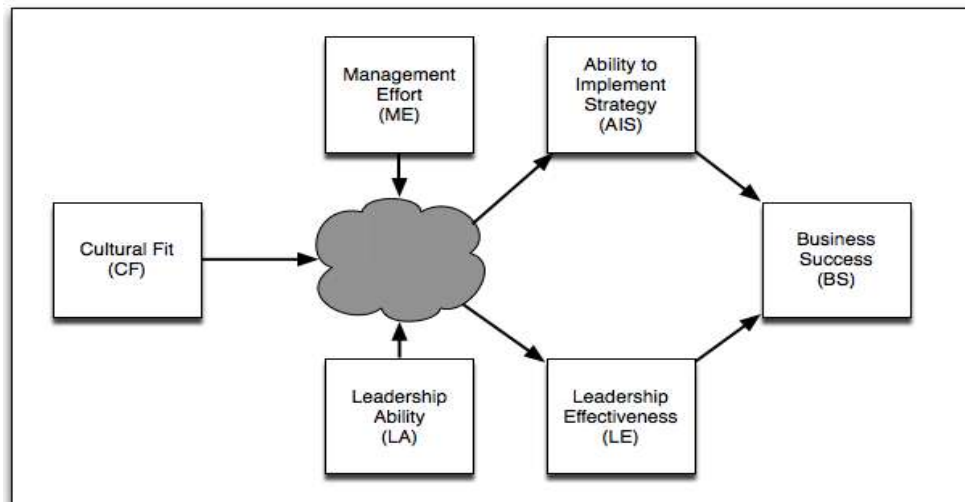


Fig. 4. Conceptual Framework for Cultural Fit & Business Success

The following equation is presented to highlight a possible mathematical link between variables:

$$BS = \sqrt{CF \times LE \times AIS} \quad (1)$$

Table 51: Mathematical Link Between Variables

Nominated, User Selectable, Variable Inputs			
Cultural Fit (CF)		Input: A value between 1 and 10 – where 1 is low and 10 is a high-perceived cultural fit.	
Management Effort (ME)		Input: A value between 1 and 10 – where 1 is light control and management and 10 is extensive	
Leadership Ability (LA)		Input: A value between 1 and 10 – where 1 is low leadership ability and 10 is considerable leadership ability	
Formula and Calculated Values (Outputs)			
Leadership Effectiveness (LE)		Formula for LE:	$LE = \sqrt{CF \times LA}$
Ability to Implement Strategy (AIS)		Formula for AIS:	$AIS = \frac{(\sqrt{CF \times LA}) + ME}{2}$
Business Success (BS)		Formula for BS:	$BS = \sqrt{CF \times LE \times AIS}$

An additional research opportunity exists to investigate a theorised relationship between Management Effort (*ME*) and Cultural Fit (*CF*): where *ME* is thought to be inversely proportional to *CF*. i.e., the better the cultural fit, the less management effort is required.

## 5.4 Conclusion

The primary aim of the research was to understand the relationship between the habituated cultural inclination of individuals and their influence on small, fast path businesses within the Information Technology sector.

Given the cultural diversity of even the most homogeneous cross section of modern society, individuals will have different values and beliefs. Consensus found that managed correctly such variances should have a positive impact. Especially on the ability of a business to cope with diverse challenges as everyone will have their part to play. To be truly effective, organisations must understand how to harness such disparate traits for the greater good.

The research indicates that a clear and significant relationship does exist between individuals' pre-disposed cultural inclinations and the ability of leaders to implement strategy, the success of a business and the resultant organisational culture. Analysis further illustrates that facets of culture are associated with both leadership effectiveness and management effort. Data is highly suggestive that business related aspects of individuals' cultural behaviour – for example, approach to risk, change, reward, and status, have a significant influence on the resultant organisation. Analysis also indicated that where cultural congruence is high, and people are sufficiently motivated, knowledgeable and inspired to achieve their goals, business success (output) would be negatively impacted by over management.

Research also infers that a harmonious organisation, leads to higher levels of satisfaction, perceptions of trust, and opportunities for professional development; factors which must have a subsequent effect on business success. Overall analysis of the data from an integrated perspective reveals both implicit and explicit assertions that cultural input significantly impacts business development; a factor that goes some way in explaining the variances in performance and effectiveness of ostensibly similar organisations.

## **5.5 Recommendations**

To realise success, individuals must understand and sign up to the objectives of a business. Achievement has to be central to peoples' beliefs for the business to flourish. Accordingly, success is more probable by the inclusion of like-minded people with similar norms and a vested interest in the team, and the future.

Identifying an individual's pre-existing culture presents a significant challenge for managers; however, new ventures should strive to recruit people that fit in with little need for dedicated monitoring and supervision. A well-led person with good self-discipline will require less supervision, have more time for innovation and, therefore, be better positioned to bring their unique talents to the team.

Incorporating the following recommendations will help integrate culture with business objectives:

- Audit existing team culture against the Competing Values Framework using the Organisation Culture Assessment Instrument.
- Determine the most appropriate cultural equilibrium to achieve strategic objectives.
- Audit existing team members to ascertain cultural fit.
- Create a rigorous selection process to find those with the best cultural match.
- Engage good management practises to detect performance related problems by analysing lead indicators.

- Ensure leaders work closely with managers to confirm people understand the goals and objectives, and confirm they are being followed through.
- Create not just the big picture, but also control mechanisms to ensure results.

Importantly, executives need to remember that a good balance is required, so interview and hiring should be oriented accordingly.

## **5.6 Limitations**

Like all research, this Dissertation has limitations: many of the deductions and conclusions can be viewed as generalisations. Further research is needed to make these findings applicable across a wider business perspective. It should be noted that this was a small-scale research project, focusing on identifying if a link exists between business success and the cultural norms of individuals. The narrow focus of the research (small IT firms), therefore, limits the interpretation of the research results to that sector.

Another limitation was the potential bias created by researcher. The researcher was conscious of connections between individuals known to him, employed by colleagues or within his own organisation - a bias, which the researcher strove to overcome with non-directive interviews, rigorous coding and an anti-inductive approach to scientific research.

## **5.7 Reflection on the Dissertation process**

I entered the research project with a desire to gain a better understanding of why some companies succeed and others fail - or more accurately, to identify how peoples' cultural influences impact ostensibly similar organisations operating in the same markets, under comparable economic conditions. To that end, this research project has aided my aspiration to better identify why some businesses flourish, and others stagnate (or fail), why some people excel in work environments that cause stress to others, and why some companies employ extensive management and control practises to achieve modest results, whilst others have no need.

During this research, I have come to understand that poor cultural congruence can (in part) be mitigated by management and control mechanisms: a finding that highlights additional costs to businesses with poor cultural fit. Throughout the research, I have come to understand how vital it is to get things right from the start. Wherever people are involved, mistakes are costly, emotional and time consuming.

Completing the research was an interesting, exciting and often challenging experience, which has allowed me to identify other skills and competencies that require further development.

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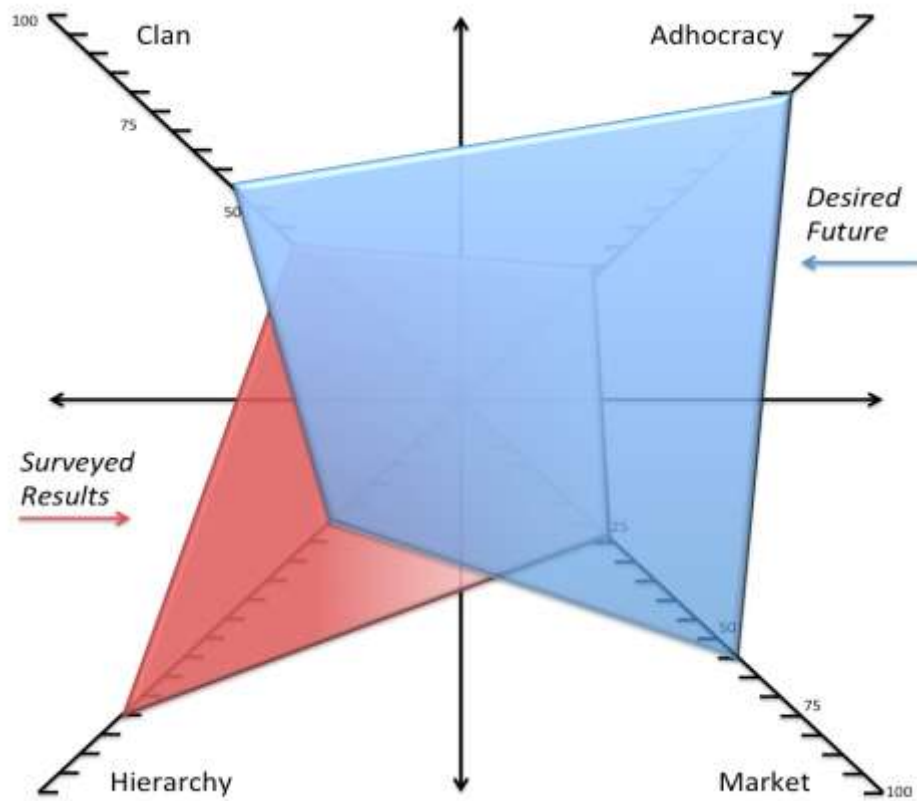
## APPENDICES

### 6.1 APPENDIX A - Competing Values Framework



Core dimensions of the Competing Values Framework, (Cameron & Quinn, 2011)

## 6.2 APPENDIX B – Organisational Culture Assessment

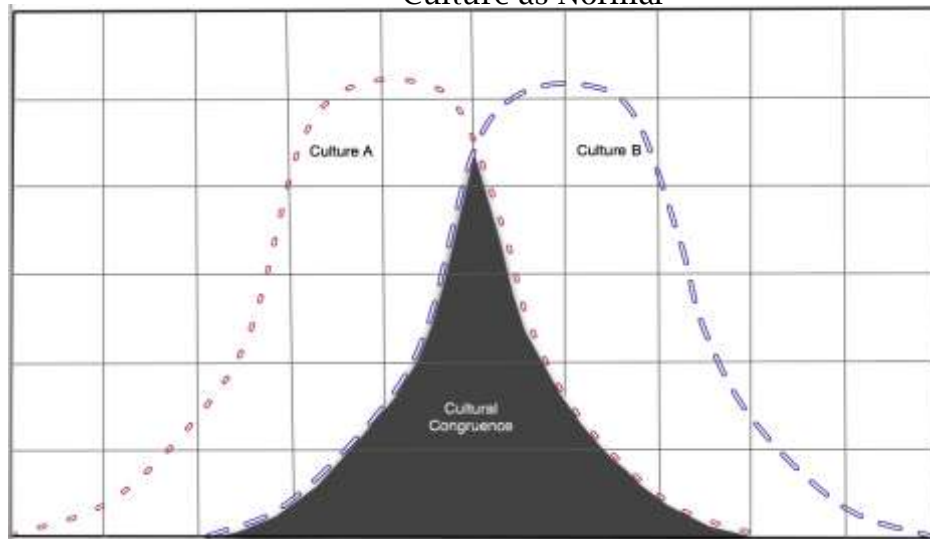


Adapted from organisational culture assessment instrument, (Cameron & Quinn, 2011)

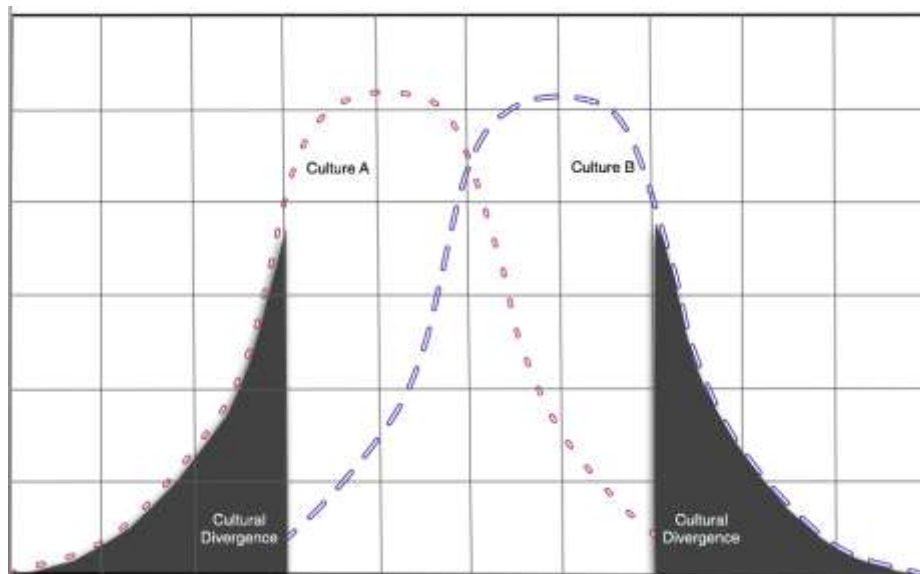
### 6.3 APPENDIX C – Distribution of Culture (Normal & Conflict)

#### Distribution of Culture

##### Culture as Normal



#### Distribution of Culture



Adapted from Trompenaars & Hampden-Turner, (2012)

#### **6.4 APPENDIX D – Research Interview Request**

XX September 2013

York St John University  
Lord Mayor's Walk  
York  
North Yorkshire  
YO31 7EX

Dear XXXX,

##### **Invitation to Research Interview**

I am a Master's degree student at the above named university, and would greatly appreciate your assistance.

For my dissertaion, I am examining the relationship between the pre-existing culture norms of individuals and leaders' ability to create the appropriate organisational culture to attain success and achieve business objectives. This research specifically relates to small scale high growth companies within the Information Technology sector.

For that purpose I would like to include you in my sample of respondents, and conduct a face-to-face interview lasting approximatly forty minutes. The exact date, time and location of the interview will, of course, be at your convenience. The data collected from this interview will be confidential and your name, company name and responses will be anonymised. The interview will be based upon twenty open questions related to your experience of business, leadership, strategy and culture. They do not contain commercially sensitive questions which you may feel reluctant to answer. I would be happy to share a copy of the interview schedule if this would help you to decide on whether to participate.

I look forward to your reply.

Yours sincerely



Jess Thompson-Hughes

## 6.5 APPENDIX E – Research Interview Questions

Interview Questions – used in addition to the Survey Questionnaire

The first set of questions I would like to ask you concern decisions on the hiring of staff into newly formed teams - where the leaders have clear objectives to achieve.

1. What do you think about the theory that in business, the glue that holds teams together is an emphasis on the firm winning in the markets it operates in?
2. Would you hire someone into a team that held a philosophy of winning, if the individual disagreed with that philosophy?
3. Would you hire someone into a team, if they believed a person's background and education meant that they should not have to continually prove their worth? In other words, they believe that their merit should be taken for granted?
4. Would you hire someone who was risk averse, into a team where the leader was a risk taker?
5. Would you hire someone who cared about nurturing people's feelings and emotions into a team where the existing team culture was achievement and results driven?
6. Would you hire someone who has been employed by a large bureaucratic (Governmental) organisation for the past twenty years into a small, fast paced entrepreneurial, market driven business? Would you hire them even if they offered to work for free?
7. Would you hire someone who can only work under supervision into an organisation with no managers – only leaders?
8. Would you hire someone who is not results driven into a leadership role within a high growth entrepreneurial business?
9. Would you hire someone who had poor self-management into a team with little management control, but a clearly defined mission and vision?

The next set of questions I would like to ask you concern the cultural beliefs of employees and job applicants. They are designed to make leaders think about how individuals might impact their ability to implement corporate objectives.

10. There is a theory that holds that an individual's work related culture influences their behaviour to a greater extent than formal control systems, what do you think?



11. It has been suggested that a culture of self-discipline reduces the need for monitoring and supervision. What do you think?
12. It has been argued that people from a culture where there is little sense of responsibility, and who are unable to act on their own initiative, can make it difficult for leaders to accomplish *strategic objectives* - what do you think?
13. It can be said that people from a culture with no sense of ownership or accountability for their own performance can make implementing strategies difficult for leaders... what do you think?

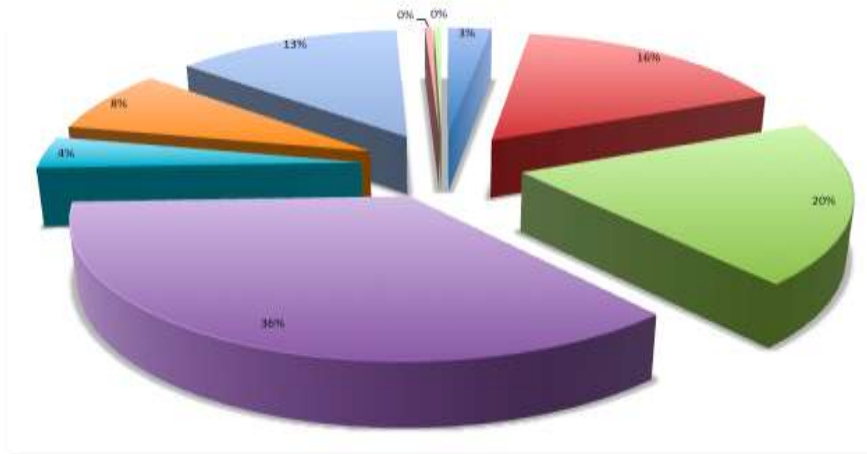
The next section focuses on beliefs and values of existing and new employees.

14. Do you believe it is important for employees to share the same values, beliefs and goals? Yes/no. - If no, under what circumstances might differences in values, beliefs and goals play a positive role in the conduct of organizational life?
15. Would you employ someone into a team that had notably different ethics to existing team members?
16. Would you employ someone into a newly formed business who thought that lifetime security was his or her number one priority?
17. Would you employ someone into a newly formed business who did not think they needed to produce results in alignment with the overall business strategy?
18. Would you employ someone into a new business who did not believe the business existed to offer premium returns to stakeholders?

## 6.7 APPENDIX F – Survey Population Demographics

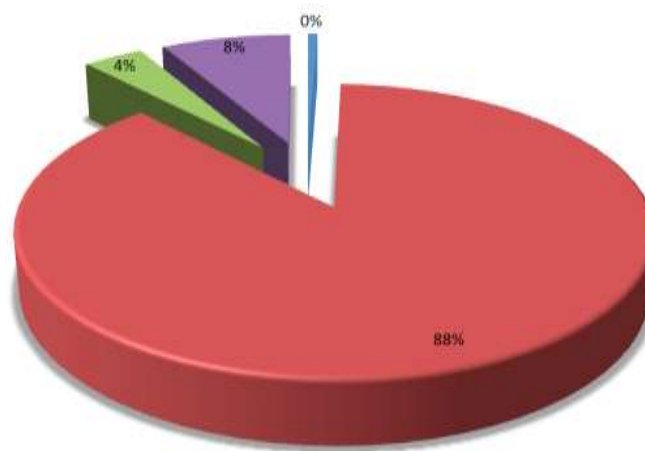
### Roles of Survey Sample Population

Finance Executive Director Manager Consultant Administrator Engineer Sales Exec Misc



### Title of Respondents

Dr Mr Miss Mrs



## 6.8 APPENDIX G - Survey request e-mail

«First\_Name»

I own an IT Reseller ([www.REACT-is.com](http://www.REACT-is.com)) and am in the final stages of a Masters Degree, where I am studying the unique challenges faced within the IT industry, specifically in relation to business success.

In order to complete my thesis, I have to gather as much information as I can from people working within the industry. The best way for me to achieve this is via a simple online questionnaire.

For my dissertation, I am examining the relationship between the pre-existing cultural norms of individuals and leaders' ability to create the appropriate organisational culture to attain success and achieve business objectives. This research specifically relates to fast-paced companies within the Information Technology sector.

For that purpose I would like to include you in my sample of respondents, and ask (nicely) if you could complete my online survey. It should take around 8 minutes of your time.

The data collected from this survey is confidential and your name, company name and responses are anonymous. The survey is a 35 item questionnaire and includes multiple choice questions and questions that require rating. These questions relate to your experience of business, leadership, strategy and culture. They do not contain commercially sensitive questions, which you may feel reluctant to answer.

I am happy to share a copy of my completed dissertation and research paper (once I've finished it) if you would like to see the results.

So, if you could please complete the survey, I would be eternally grateful.

To access the survey, simply click on the hyperlink below, or cut and past the entire string into a browser.

[Survey for Jess](#)

Or

<http://www.eSurveysPro.com/Survey.aspx?id=0c80146a-331f-470a-aeb5-0d891b2ef831&cid=24ce2d56-8af5-4cd4-807d-300dc652843b>

Many thanks

Jess

