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# **An Exploratory Study of Mechanisms to Transfer and Embed a Value-Based Culture**

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Business Studies in Management at Massey University, Albany, New Zealand.

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## **ABSTRACT**

This exploratory study seeks to build on the work of theorists who have proposed concepts to enhance organisational culture through a better alignment of values. The study seeks to gain additional support for the exploration of mechanisms to embed value-based cultures. This is achieved by better understanding the origins of goal-orientated values and the types of culture that manifest in small to medium enterprises. As a result of this study a model was developed, which could be implemented in future longitudinal research on the influence of embedding a value-based culture through the use of applied mechanisms. What distinguishes this study from others is the development of a comprehensive model to define, embed, and measure a value-based culture.

To gain a deeper understanding of the concepts a multi-method qualitatively driven methodology was implemented to identify core mechanisms to embed value-based cultures. Additional quantitative data was used to enable a deeper, more robust, understanding of the influence the identified mechanisms have on goal-orientated values and the types of culture, which manifest in a small to medium enterprise. The study suggests that founders of small to medium enterprises can define a value-based culture and through the use of six mechanisms, embed a value-based culture that aligns with the organisation's objectives. Gaining a better understanding of the concepts and mechanisms to embed a value-based culture enabled the development of a pragmatic process and model, which encompasses each of the key mechanisms identified in the literature. The study adds support to the work of theorists who have argued for value-based cultures and the concept of conflicting core values occurring in organisational cultures. The study builds on the work of others by proposing an applied model that draws the key concepts together into a single comprehensive model.

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## **LIST OF ABBREVIATIONS**

CVF	Competing Values Framework
ESS	European Social Survey
OCAI	Organisational Cultural Assessment Instrument
OVS	Organisational Values Survey
PVQ	Portrait Values Questionnaire
SME	Small to Medium Enterprise
SVS	Schwartz Values Survey
VBCA	Values Based Cultural Assessment

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## **1.0 INTRODUCTION**

The purpose of this exploratory research is to identify from existing literature, concepts, which influence the creation of a value-based culture in small organisational groups. A better understanding of how to organisational culture manifests and develops over time will allow for the exploration of mechanisms, which influence the creation of a value-based culture and how best to embed the culture into a wider organisational group. The study aims to understand how values manifest into an organisational culture and the concepts that can be utilised to enhance the embedding a value-based culture. The exploration of these processes will enable the establishment of an applied model for future longitudinal research into mechanisms to embed value-based cultures in a small to medium enterprises (SME). The study looks to build a foundation for developing a framework, which enables SME founders to define a value-based culture, and embed it into the wider organisational group through the use of core mechanisms. This would create a stronger more cohesive value-based culture within the wider organisational group.

### **1.1 Background**

The primary topic of investigation is value-based organisational culture and mechanisms to embed a value culture within SMEs. Organisational culture as a theory remains a contentious issue, and a degree of uncertainty exists around what constitutes organisational culture (Parmelli et al., 2011). However, it is commonly agreed amongst theorists that organisational culture is a pattern of shared assumptions (Schein, 1990; Van Den Berg & Wilderom, 2004), which are based on the value system of an organisation's founder (Hofstede, Neuijen, Ohayv, & Sanders, 1990). An organisation's culture forms over time as values transfer to a wider group, manifesting as shared daily practices (Hofstede et al., 1990), resulting in a culture specific to an organisation. This study seeks to explore the types of organisational culture, and how embedding core goal-orientated values in a wider organisational group can influence the strength and type of culture present.

Little is known about organisational culture in SMEs (Miladi, 2014), however, it has been argued that improving an organisation's culture can offer companies a significant competitive advantage (Mohelska & Sokolova, 2015). Aligning, embedding and better communicating an organisation's values and culture can improve work behaviours,

attitudes, shared assumptions and job satisfaction (Tsai, 2011). Aiding SME founders to enhance their organisation's culture will ultimately lead to better performing SMEs. This notion is supported by Haimerl (2014) who highlighted the need for start-ups and SMEs to emphasise culture and core values, arguing that they should form the foundation, which everything else is built on. Helping SMEs to develop a more sustained competitive advantage may assist them to operate more efficiently in increasingly competitive environments. The importance of efficient and competitively advantaged SMEs is highlighted in the significant contribution SMEs make to a country's economy (Joyce, 2014).

A review of literature outlined concepts and theories that contribute to the formation of an organisation's culture. In essence these concepts and theories define the origins of an organisation's culture. At inception an organisation's founder has a set of values, which over time transfer to the wider organisational group, becoming shared practices (Hofstede et al., 1990), these define the group's culture. A group's culture is formed as they learn to cope with internal and external problems over a period of time. The learned assumptions then transfer to new members as they enter the group (Schein, 1990). The manifestation of shared assumptions that form the foundation for an organisation's culture can be categorised into different levels. However, it is values which sit at the core of these manifestations (Hofstede et al., 1990). The manifestations of shared assumptions, in their entirety, then evolve into a culture specific to an organisation. Optimisation of an organisational culture can occur by using mechanisms to enhance the transfer of a value-based culture from the founders to the wider group.

It has been demonstrated that aligning values and organisational objectives (Vaňová & Babel'ová, 2012), role modelling, improving methods of communicating values (Tsai, 2011) and aligning an organisation's core values with those of the group (Posner & Schmidt, 1993) can all act to improve an organisation's performance. In its entirety the literature draws together key theories and concepts to understand where SME culture originates and how best to optimise the strength of a value-based organisational culture, through the use of defined mechanisms.

## **1.2 Objective**

The objective of this study is to explore a conceptual framework, which will act as a structure for future longitudinal research into the enhancement of value-based SME cultures. From data gathered, in combination with literature, it is anticipated that a model can be developed to identify and explore mechanisms, which define a value-based culture and enhance the transfer of this culture from founders to a wider organisational group. This exploratory study seeks to create a foundational model, which can be implemented into future research. It is hypothesised that the literature and results will identify key mechanisms to enhance the transfer of a value-based culture, embedding it into a wider organisational group, strengthening the overarching culture and better aligning the core values with wider organisational objectives. This process will enable the creation of an applied model for future research on the topic of mechanisms to embed value-based SME cultures across differing industries and professions. It is anticipated that the results of this, and future studies, will contribute to the wider body of literature by creating a link between core values and culture type. A better understanding of the mechanisms required to transfer an organisation's values to a wider group, will close a gap that exists within the current literature, and provide SMEs with a tool to embed value-based cultures.

## **2.0 LITERATURE REVIEW**

Organisational culture has been the focus of several studies in the past, yet little is known about the evolution of organisational culture in a SME context (Miladi, 2014). Unlike large organisations, SMEs develop their culture according to their founder, employees and size (Miladi, 2014). Large organisations have the ability to finance consultants and implement extensive and costly change processes. However, many SMEs simply lack the resources to consciously define and embed values that enhance the strength of the organisation's culture and its overall performance.

Researchers have long argued that values lay at the core of an organisation's culture, (Cameron & Quinn, 2011; Hofstede et al., 1990; Schein, 2004), and that these values transfer to the wider organisational group as manifestations of shared assumptions, or levels of organisational culture. These manifestations then form the basis for the type of culture that develops (Cameron & Quinn, 2011). When looking at the wider concept of organisational culture, previous studies have investigated the types of culture that may exist within different organisations, from a range of industries (Deal, 2000; Handy, 1993; Quinn, 1983; Trompenaars, 1993). These studies have often looked beyond the types of organisational culture present, to offer hypotheses for changing and defining an organisation's culture. However, few have investigated mechanisms to embed a value-based culture into SMEs.

This research seeks to build on the current literature to better understand how enhancing the transfer of a value-based culture from a SMEs founder, to the wider organisational group, can better align the organisation with its core values and objectives. By better understanding and optimising the transfer of value cultures in SMEs it is hypothesised, that a framework can be developed to assist SME founders to define and implement a process of embedding a value culture. Thus, improving the alignment of values and enhancing the culture present within the wider organisational group. Currently, one of the most commonly used, value-based frameworks, for measuring organisational culture and defining or aligning a culture within a group is the Organisational Culture Assessment Instrument (OCAI) (Cameron & Quinn, 2011). While the OCAI framework adequately defines an organisational type and acts as a means of creating a desired future state, there

remains a gap between the organisation's definition of a value-based culture and the type of culture that forms.

In the first instance, the literature review looks to define organisational culture before identifying the origins of human values. Continuing on from the concept of human values, the literature review looks in depth at the formation of an organisation's culture, to define the construct and better understand how these manifestations develop into a specific culture. Following this, the review looks at literature, which brings the founders of SMEs into perspective, before seeking to understand how company founders influence varying aspects of an organisation's culture. This includes how founders can improve the transfer of values to a wider group, through enhanced communication and mechanisms. The final component of the literature review seeks to define core mechanisms that can be used to embed values and a value-based organisational culture in SMEs.

## **2.1 Defining Organisational Culture**

The concept of organisational culture has been a contentious issue within the realms of business management practice and academic theory for many decades. The reason for this, is that a well-defined and managed organisational culture can offer companies a significant competitive advantage over rivals (Mohelska & Sokolova, 2015). However, it was not until the mid 1980s that researchers started to take the concept of organisational culture seriously (Cameron & Quinn, 2011). Unfortunately, there still remains uncertainty around what constitutes organisational culture in the modern day, with definitions ranging from the simplistic, "*how things are around here*" (Parmelli et al., 2011) to more sophisticated interpretations such as:

*"A pattern of shared basic assumptions that are learned by a group as it solved its problems of external adaptation and internal integration, which has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems"* (Schein, 2004, p. 18).

To bring context to this study it is important to understand the concept of culture, how it evolves, and how it influences the members of an organisation. To date little agreement

exists between researchers as to what constitutes a precise and measurable definition for organisational culture (Scott, Mannion, Davies, & Marshall, 2003). However, researchers commonly agree organisational culture is elusive, intangible, implicit and taken for granted. It has been shown that organisations develop their own set of assumptions, understandings and rules that depict, and influence, behaviour in the workplace (Deal & Kennedy, 1983). While, definitions and assumptions are not commonly agreed on, organisational culture can be defined as: a) holistic, b) historically determined c) based on anthropological concepts d) socially constructed e) soft, and f) difficult to change (Hofstede et al., 1990). While there are varied views on what constitutes organisational culture, it is accepted that organisations have an internal culture of some description (Deal & Kennedy, 1983).

In general, an organisation's culture is developed over time by a group of people who maintain a degree of stability and have developed a common history (Schein, 1990). Consequently, culture is formed as a group of people learn to solve external problems related to the survival of an organisation and issues pertaining to internal integration (Schein, 1990). Schein (1990) expands on this further, from an anthropologist view to a cognitive one. Schein suggests culture goes deeper into a group's shared perceptions, language and thought processes. This ultimately determines the group's feelings, attitudes, values and behaviours. Any group with shared history and stability can have a culture, and that culture can be defined across an entire organisation or across smaller subcultures within a larger organisation (Schein, 1990). Culture is therefore a function of stability, the length of time together, experiences and the strength and clarity of the assumptions held by leaders (Schein, 1990).

Organisational culture, in the context of this research, is a pattern of basic-shared assumptions that are invented and discovered by a specific group as it learns to cope with external adaption and internal integration of the organisation's environment successfully enough to pass on to new members (Schein, 1990). At the core of this process is a value system which the group unconsciously adhere to (Hofstede et al., 1990), whether individually or as a group. Therefore, culture within an organisation can be defined as shared perceptions of work practices by members of an organisational unit (Van Den Berg & Wilderom, 2004). At the core of these practices lay the underlying assumption, beliefs and values of its members, which subconsciously form the basis for the group's behaviour as it adapts successfully to an organisation's environment over time.

## 2.2 Identifying the Origins of Values

Gaining an understanding of organisational culture makes it possible to better observe and characterise the type of culture present in an organisation. However, at the core of organisational culture sits an underlying set of values and beliefs (Cameron & Quinn, 2011). To truly understand SME culture in the context of this study it is important to review literature pertaining to the influence of values on groups of people, the origins of these values and what goals and motivations are expressed by each of the core values.

Human values have been used to investigate the nature of people and their relationship to society (Hitlin, 2003). However, it is important in the first instance to distinguish the difference between values and traits to ensure the avenue of study has context. Values are by nature, what people consider important, whereas traits are an inherent indicator of what people are like (Roccas, Sagiv, Schwartz, & Knafo, 2002). Roccas et al. (2002). Suggest that a person's traits influence behaviour, which individuals cannot control, whereas, a person's values influence behaviour, which individuals can control. Therefore, personality traits are not influenced by the effects of the surrounding environment (Dobewall, Aavik, Konstabel, Schwartz, & Realo, 2014). This is in contrast to values, which are developed through socialisation (Dobewall et al., 2014), which suggests values can be influenced by the surrounding environment. Therefore, in the context of this research values, not traits, are important, because the underlying values within an organisational group can influence a member's behaviour.

The concept of values has been discussed by many including (Inglehart, 1971; Rokeach, 1973). However, a well cited conceptual definition of values was presented by Schwartz (1992, p. 4), which can be summarised as:

*“Values are concepts or beliefs that pertain to a desirable end state, which transcend specific situations guiding an individual's selection or evaluation of behaviour and events, the values and beliefs are ordered by their relative importance to the individual.”*

Schwartz (1992). Studied the writings of many theorists and researchers, which enabled him to conceptualise a definition of values, summarising it into the following list of six

main features: (1) Values are beliefs that are tied inextricably to a person's emotion, (2) Values are a motivational construct and refer to the desirable goal's people strive for, (3) Values refer to desirable goals that motivate a person to action, (4) Values transcend specific actions and situations, they are people's abstract goals, (5) Values guide a person's actions and serve as standards or criteria to live by and, (6) Values are ordered by importance relative to one another. Schwartz (1992). Originally argued the six features are common to all human held values and that values are trans-situational goals, which vary in importance and serve to guide the principles, which people live by.

However, Schwartz also suggests that what distinguishes one value from another is the type of goal that the value expresses (Schwartz, 2012). From six value definitions, Schwartz (1992) identified 10 basic value orientations that are defined by the underlying goal or motivation of each value. In essence, Schwartz argues that values are driven by an underlying goal, which leads to the favouring of one value over another. The dimensions including the goal that the value expresses are defined in, Table. 1:

Table 1. **Schwartz 10 basic value-orientations and goal-expressions**

<b>10 Basic Values and Underlying Goal-orientations</b>		
	<b>Value</b>	<b>Goal-expression</b>
<b>1</b>	<i>Self-direction</i>	A person will seek to have independent thoughts and actions
<b>2</b>	<i>Stimulation</i>	A person will seek excitement, novelty and challenge
<b>3</b>	<i>Hedonism</i>	A person will seek pleasure or sensuous gratification for ones self
<b>4</b>	<i>Achievement</i>	A person will seek to demonstrate personal success through social standards
<b>5</b>	<i>Power</i>	A person will seek social status, prestige and dominance over others
<b>6</b>	<i>Security</i>	A person will seek safety, harmony and stability of relationships
<b>7</b>	<i>Conformity</i>	A person will seek to restrain their actions in order to avoid upset or harm to others and impulses likely to violate social norms
<b>8</b>	<i>Tradition</i>	A person will seek to respect and commit to the customs and beliefs that their culture or religious group provides
<b>9</b>	<i>Benevolence</i>	A person will seek to preserve and enhance the welfare of people they have regular close contact with
<b>10</b>	<i>Universalism</i>	The person will seek to understand, tolerate, appreciate, protect the welfare of all people and nature

(Schwartz, 1992)

Following on from the 10 value-orientations listed above Schwartz (1992) believed that the structure or relationship between each of the values created conflicts with some values but were congruent with others. For example, seeking goals associated with achievement values will conflict with a pursuit of benevolent values, whereas pursuing achievement values and power values will be compatible (Schwartz, 2012). Schwartz (1992). Presented the value relationships in a theoretical model that shows an overview of the theory of basic values in a circular continuum, with 10 broader values centrally located within four overarching value types Fig. 1. The content of the 10 basic values and structure of relationships are strongly supported by tests carried out in over 200 samples across 70 countries (Schwartz, 1992). In the context of this study, and the reason for it being of primary interest, is the strong support for the relationships identified, the inherent validity and reliability of the instrument, as well as, an argument for the 10 values being expressed by underlying goal-orientations.

Figure 1. **Circular model of basic values**



(Schwartz, 1992)

The 10 basic values identified by Schwartz (1992) were refined further in a recent paper. This research sought to build on the idea of the circular continuum, by portioning the continuum into a finer group of more meaningful and distinct values that would be more predictive (Schwartz et al., 2012). The refined theory produced 19 distinct values that were consistent with the motivational order of the original theory (Schwartz et al., 2012).

Schwartz developed a set of 19 refined measurable values that showed consistency across multiple groups and nations. The 19 refined motivational values are also presented in a circular model of basic values, Fig. 2. The following, Table. 2, outlines each of the 19 refined values along with the goal that the value expresses:

Table 2. **Schwartz 19 refined basic values and goal-orientations**

<b>19 Refined Basic Values and Goal-orientations</b>		
	<b>Value</b>	<b>Goal-expression</b>
<b>1</b>	<i>Self-direction</i>	A person will seek to have independent thoughts and actions
<b>2</b>	<i>Self-direction-action</i>	A person will seek freedom to determine one's own actions
<b>3</b>	<i>Stimulation Excitement</i>	A person will seek novelty, and change
<b>4</b>	<i>Hedonism Pleasure</i>	A person will seek sensuous gratification
<b>5</b>	<i>Achievement Success</i>	A person will seek success according to social standards
<b>6</b>	<i>Power-dominance</i>	A person will seek power through exercising control over people
<b>7</b>	<i>Power-resource</i>	A person will seek power through control of material and social resources
<b>8</b>	<i>Face Security</i>	A person will seek maintaining one's public image and avoiding humiliation
<b>9</b>	<i>Security-personal</i>	A person will seek safety in one's immediate environment
<b>10</b>	<i>Security-societal</i>	A person will seek safety and stability in the wider society
<b>11</b>	<i>Tradition Maintaining</i>	A person will seek to preserve cultural, family, or religious traditions,
<b>12</b>	<i>Conformity-rules</i>	A person will seek compliance with rules, laws, and formal obligations
<b>13</b>	<i>Conformity-interpersonal</i>	A person will seek to avoid upsetting or harming other people
<b>14</b>	<i>Humility</i>	A person will seek to recognise one's insignificance in the larger scheme of things
<b>15</b>	<i>Benevolence-dependability</i>	A person will seek to be a reliable and trustworthy member of a group
<b>16</b>	<i>Benevolnce-caring</i>	A person will seek devotion to the welfare of a group's members
<b>17</b>	<i>Universalism-concern</i>	A person will seek a commitment to equality, justice, and protection for all people
<b>18</b>	<i>Universalism-nature</i>	A person will seek the preservation of the natural environment
<b>19</b>	<i>Unversalism-tolerance</i>	A person will seek to accept and understand those who are different from oneself

(Schwartz et al., 2012)

Figure 2. **Refined circular model of basic values**



(Schwartz et al., 2012)

The refined theory was tested by Schwartz et al. (2012) across 15 samples from 10 countries (N = 6,059) the results demonstrated that the refined model offered a more precise insight into the underpinnings of human values (Schwartz et al., 2012). The refined theory implies the existence of a three-level hierarchical structure Fig. 2, compared to the two-level structure presented in the original theory Fig. 1 (Cieciuch, Davidov, Vecchione, & Schwartz, 2014). However, the notion of a three-level structure has not been tested empirically (Cieciuch et al., 2014). While Cieciuch et al. (2014), using a refined version of the Personal Values Questionnaire (PVQ), presented results which supported the existence of a three-level structure in the refined theory, they argued that the instrument used required further analysis and development to empirically measure the outer level. The refined theory offers a more detailed understanding of a person's value system. However, the current methodology and lack of empirical evidence to support the three-level hierarchical structure mean it is still some way from being a reliable and valid measure of human values, compared to the original theory.

The functional theory of values is an alternative yet parallel viewpoint to Schwartz, which looks at values from a functional level. The theory argues that human values have two primary functions, that being, to guide actions and express a need (Gouveia, Milfont, & Guerra, 2014a). It has been previously argued that there are two types of actions that guide

people; (1) intra-personal and, (2) social (Rokeach, 1973). These actions form the basis for how individuals will function. Individuals who are guided by personal values will be self-focused and generally intra-personal. Those individuals who are guided by social values will be society-centered and social in focus (Gouveia et al., 2014a), meaning there are two distinct functions that guide a person's actions. It is further argued that functional values are supported by an expression of need.

The literature suggests that values can be classified as, materialistic or humanitarian (Braithwaite, 1996). Materialistic values suggest a person will be orientated toward survival with an emphasis on their existence and the conditions needed to secure that existence. In contrast a person with humanitarian values will hold more abstract principles, generally be more open-minded, creative and less dependent on material items (Gouveia et al., 2014a). In comparison to materialistic values, a person with humanitarian values will be less focused on concrete goals than those with materialistic values (Gouveia et al., 2014a). In essence, Gouveia et al. (2014a) examined previous research to identify two primary functions that influence a person's values. Because values are guided by actions and will be influenced by society and a social focus, they can be expressed by either materialism or humanitarianism.

Taking the theory one step further Gouveia et al. (2014a) identified three values for *Guiding Actions* (personal, central or social goals) and two values for *Expressions of Need* (survival or thriving needs), the interplay between goals and needs produced six basic values (existence, promotion, normative, supra-personal, excitement and interactive). Table. 3 on the following page, outlines a definition of each of six basic values as defined by Gouveia et al. (2014a):

Table 3. **Gouveia et al. six basic values and respective definitions**

<b>Six Basic Values and Definitions</b>		
	<b>Value</b>	<b>Value Definition</b>
1	<i>Existence Values</i>	Individuals guided by existence are seeking assurance of biological and psychological survival (health, stability and survival)
2	<i>Promotion Values</i>	Individuals guided by these values view hierarchy as an important demonstration of personal competence and are often practical decision makers (power, prestige and success)
3	<i>Normative Values</i>	Individuals guided by these values focus on social rules with materialism as a guiding rule, obedience to authority is important (obedience, religiosity and tradition)
4	<i>Supra-personal Values</i>	Individuals guided by central goals and a higher need for aesthetics and self-actualisation (beauty, knowledge and maturity)
5	<i>Excitement Values</i>	Individuals are guided by a focus on personal goals and a need for gratification. These values are more personally orientated and focused on non-conformity (emotion, pleasure and sexuality)
6	<i>Interactive Values</i>	Individuals will have a focus on social goals and establishing one's interpersonal relationships, social contact is viewed as a goal in itself (affectivity belonging and support)

(Gouveia et al., 2014a)

Through the use of a basic on-line questionnaire and values based survey, which sampled 13,414 Brazilian physicians, Gouveia et al. (2014a) was able to reliably conclude that the participants distinguished six basic values, as listed above. Each of the 18 marker values used were shown to be reliable indicators of the corresponding theoretical value (Gouveia, Milfont, & Guerra, 2014b). The results of Gouveia et al. (2014a) support the basic values survey as a sound way to psychometrically measure human values, while offering an additional tool for understanding the structure of human values (Gouveia et al., 2014b). The functional theory of values strongly suggests the existence of a two-dimensional structure and six basic values, there remains a requirement to test the theory in a broad cross-cultural sample (Gouveia et al., 2014b). For this reason the functional theory of values requires more robust testing and empirical evidence to support the theory as a reliable and valid cross-cultural theory and methodology. In context of the research question the methodology suggested by Gouveia et al., (2014b) does not reveal sufficient detail about the founders values, in relation to the wider organisational group and culture, therefore it would not offer the results required.

### **2.3 Understanding the Types of Culture that Manifest**

Theorists have argued that organisational culture is characterised by the shared assumptions of a group, which develop over time and are supported by an underlying set of values and beliefs. While some researchers insist a groups shared values represent the

primary function of an organisation's culture (Peters, 1982). Others such as Hofstede et al. (1990) showed empirically, that shared perceptions of daily practices are a function of organisational culture, not values, as suggested by Peters (1982). However, without a group it is not possible to have a culture, meaning the process of culture formation is in essence similar to group identity (Schein, 2004). Schein (2004) argues that beliefs, values and feelings occur as a result of shared experiences and thoughts. The shared assumptions then form the basis for what will be the group's culture. Therefore, within an organisation, culture, is a process of manifesting shared perceptions that act to develop a group's identity. However, culture manifests itself at different levels from shallow and superficial to the deeper underlying values and behaviours of the group. These manifestations then form a distinct culture within the group that go on to define the type of culture present within that organisation.

### **2.3.1 Manifestations of Culture in an Organisation**

One of the first cultural frameworks to look at the level of organisational culture was Deal and Kennedy (1983). Deal and Kennedy developed a six dimensional model, which suggests that organisational culture is founded on six key cultural elements, this model was updated in 2000, however key elements remained. These were: (1) *History*: or a shared past, (2) *Values and Beliefs*: are shared beliefs of what is important, (3) *Rituals and Ceremonies*: are things that bring employees together everyday, (4) *Stories*: are events that exemplify company values, these events help employees to learn what is expected of them, (5) *Heroic Figures*: will often be managers and employees who are held up because they embody an organisation's values, and (6) *Culture Network*: is the information network that is present within an organisation (Deal, 2000). Deal and Kennedy argue that every organisation or group of people develops a set of core assumptions, understandings and rules that determine the behaviour of a group on a daily basis (Deal & Kennedy, 1983). The six key elements of Deal and Kennedy's original model have gone on to form the foundation for other theorists investigating the manifestations of culture in an organisation.

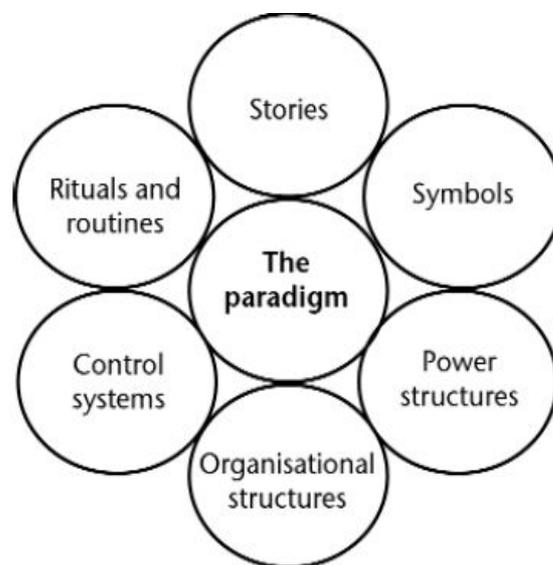
Building on the theories of Deal & Kennedy (1983) Hofstede et al. (1990) studied the relationship between founders and key leaders, and organisational culture. To undertake the research Hofstede et al. (1990) developed a survey based on four levels of cultural manifestation, those being: symbols, heroes, rituals and at the core values. The research empirically showed that shared perceptions of daily practices are the functional core of

organisational culture, and that founders and leader's values become member's practices. This is a view shared by (Weber, Gerth, Mills, & Turner, 2009). The levels of culture as defined by Hofstede et al. (1990), in order, from shallowest to deepest are: (1) *Symbols*: These are objects that carry particular meaning within the culture and include such things as words, gestures, pictures and objects. These items manifest themselves at the shallowest level, (2) *Heroes*: At this level of culture people alive or dead, real or imaginary, are identified within the culture as being persons who exemplify themselves as models of behaviour. Their characteristics are highly prized, (3) *Rituals*: These are collective activities, such as regular meetings and celebrations, which manifest themselves at a deeper level. While they are superfluous, they are socially essential to the culture of the group, and (4) *Values*: This is the core of organisational culture and can be defined by such things as non-specific feelings of good and bad, attractive and ugly, normal and abnormal and irrational and rational. These are feelings that cannot be observed and are the deepest level of culture, manifesting themselves in behaviour (Hofstede et al., 1990). Hofstede et al. (1990) argue that organisational culture is a manifestation of shared perceptions of daily practices, which are founded on a core value system. Hofstede et al. (1990) built on the theories of Deal and Kennedy (1983) by suggesting that culture manifests itself at differing levels. Hofstede et al. (1990) suggest that values lie at the core of an organisation's culture, permeating outwardly through the organisation manifesting at different levels to create a single overarching culture.

Around the same time Hofstede et al. (1990) was researching organisational culture, Johnson (1992) developed an interpretive approach to organisational culture. Johnson (1992) proposed the concept of six elements of culture surrounding a central paradigm, representative of an organisation's purpose, mission and values (Cacciattolo, 2014). The six elements of culture form the basis for a framework that would make sense of the links between strategy, culture and managerial process (Johnson, 1992). The six elements were defined as: (1) *Control systems*: These are set procedures that exist within an organisation, (2) *Organisational structures*: This level deals with the way work flows through the organisation; (3) *Power structures*: These relate to the way power is adopted and spread in an organisation, (4) *Symbols*: These are the physical aspects of an organisation, (5) *Rituals and routines*: relate to automatic repetitive routines that regularly occur in an organisation, and (6) *Stories*: These are narratives that have been created about people who may be held up as role models (Johnson, 2000). Johnson (1992) suggests that the paradigm is a

cognitive structure consisting of, taken for granted assumptions and beliefs, which are surrounded by a web of cultural artefacts Fig. 3, on the following page. While not specifically identified by Johnson (2000) as being levels of culture, the outer web follows a similar theme to Deal and Kennedy (1983) and Hofstede et al. (1990). The shallow outer circle, of observable artefacts surround, a deeper paradigm of beliefs and assumptions, creating the notion that beliefs form the core of a more superficial and observable outer ring, or culture.

Figure 3. **Web of cultural artifacts**



(Johnson, 2000)

Some years later Schein (2004) classified the levels of cultural analysis from surface based assumptions through to deeper levels based on the non-negotiable assumptions or values held by the group or individuals. Schein's major levels of culture are defined as: (1) *Artefacts*: These surface assumptions include all the things that a person sees, hears and feels. Artefacts include the physical environment, clothing, observable rituals, published values and stories. This level is both easy to observe and difficult to decode, (2) *Espoused Beliefs and Values*: With group learning someone's original beliefs and values are always reflected in the wider group. Espoused or adopted beliefs and values occur once a leader or founder initiated set of beliefs or values are transformed into non-discussible assumptions that are supported by norms and operational rules of behaviour and, (3) *Basic Underlying Assumptions*: Once a solution to a problem works on a regular basis it gradually starts to

be treated as reality. This is generally a result of the successful implementation of certain beliefs and values over time until the basic assumption becomes so strongly held by the group that members will find any behaviour based on other premises inconceivable (Schein, 2004). The levels of cultural analysis as defined by Schein (2004), draw attention to the importance of values within an organisation and the role values play in developing an organisational culture. Where, previously Johnson (2000) had looked more holistically at all the levels of an organisation's culture, Schein (2004) places more importance on the deeper underlying manifestations that occur.

Most recently, Cameron and Quinn (2011) suggested that people are unaware of their culture until it is challenged, a new culture is introduced or they are made aware of it through a framework or model. The basis of their theory rests on four levels, or manifestations of culture, starting at the unobservable level and moving through to the observable. The four levels of cultural defined by Cameron and Quinn (2011) from the unobservable through to the observable, are: (1) *Implicit assumptions*: are assumptions that define a person's human condition and their relationship to the surrounding environment. These assumptions will not be recognised unless they are challenged by incompatible or contradictory assumptions, (2) *Contracts and norms*: occur when human interaction is governed by rules and procedures. In an organisation these manifest themselves as policies that govern how things like rewarding employees and coordinating work, (3) *Artefacts*: are assumptions that are even more observable and manifest in the form of buildings, clothes, office characteristics, mission statements and formal goals, (4) *Explicit behaviour*: is an observable level of culture as it manifests itself in the behaviour of the group. In an organisation this is observable by the way people act and interact with each other (Cameron & Quinn, 2011). The levels of cultural manifestation, as defined by Cameron and Quinn (2011) have been developed off a foundation of previous studies, yet still hold true to the same basic principles of culture manifesting at different levels in an organisation. While slightly different to the levels of culture argued by other researchers, the overarching principle of culture manifesting at different levels remain.

Each of the theories presented above argue a similar pattern and structure for the levels of culture that manifest within an organisation. The literature brought into perspective the underlying manifestations that occur at each level of culture within an organisation. It was shown that the characteristics of each level of culture manifest individually, to create a

collective type of organisational culture, unique to a specific organisation or group. In essence the levels of culture manifest over time to form an organisational culture. Despite differences in terminology there was a similar thread running through each of the frameworks. The common thread relates to the role values play in the manifestation and development of an organisation's culture. The following, Table. 4, outlines each of the manifestations presented above, however the five dominant manifestations, which have been identified in the literature and are of primary interest to this study are values, rituals, heroes, stories and symbols. These core manifestations add context to how culture forms in a SME, and the influence the levels of manifestation have on embedding a value-based culture.

Table 4. **Key cultural manifestations identified in the literature**

<b>Manifestations &amp; Levels of Culture</b>				
<i>Deal &amp; Kennedy (1983)</i>	<i>Hostede et al. (1990)</i>	<i>Johnson (2000)</i>	<i>Schein (2004)</i>	<i>Cameron &amp; Quinn (2011)</i>
History	Symbols	Stories	Artefacts	Implicit Assumptions
Values & Beliefs	Heroes	Symbols	Espoused Beliefs / Values	Controls & Norms
Rituals & Ceremonies	Rituals	Power Structures	Underlying Assumptions	Artefacts
Stories	Values	Organisational Structures		Explicit Behaviour
Heroic Figures		Control Systems		
Culture Network		Rituals & Routines		

### 2.3.2 Types of Culture in an Organisation

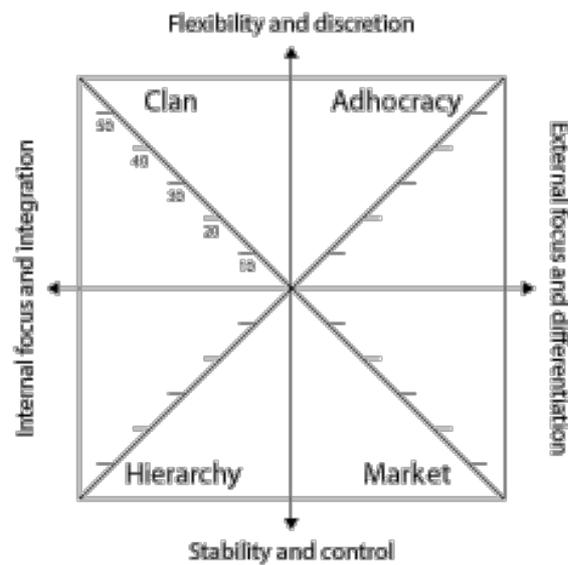
Even though it is important to understand the levels of culture that can manifest in an organisation to form a group's culture, and how to identify the characteristics of each level. For this study it is more important to understand the types of culture that can occur as a result of these underlying manifestations. The wider literature presents arguments from a number of researchers who have defined the types of culture that may exist in an organisation, including (Deal, 2000; Handy, 1993; Quinn, 1983; Trompenaars, 1993). To better understand the types of culture that may be observed in an organisation each perspective is looked at in more detail below in the context of this study.

The Competing Values Framework (CVF) was initially developed from research, which investigated major indicators of successful companies. The initial study identified 39

indicators that represented possible measures for organisational success (Cameron & Quinn, 2011). Quinn (1983) analysed the initial list to look for clusters or patterns, from this analysis two dimensions were identified, *flexibility / stability* and *internal focus / external focus*, that could be organised into four distinct clusters, Fig. 4 on the following page. In essence, Quinn (1983) identified four effectiveness indicators, which represent an organisation's performance and the values it subscribes to.

The four effectiveness indicators were categorised into four individual quadrants, Fig. 4. Each quadrant represents the type of cultural elements that are found in an organisation, those being, basic assumptions, orientations and values Cameron and Quinn (2011). Each quadrant represents a culture type which can be defined as: (1) *Clan cultures*: which are family friendly organisations where the leaders are seen as role models, (2) *Adhocracy cultures*: which are representative of organisations that are dynamic and creative where the leaders are innovators and risk takers, (3) *Hierarchy cultures*: which are formalised and structured organisations where the leaders pride themselves on being good organisers, and (4) *Market cultures*: which are representative of organisations that are results driven and focused on getting the job done, the leadership are competitive, driven and goal focused (Cameron & Quinn, 2011). The culture types identified by Quinn (1983) are founded on the levels of culture that manifest in an organisation, and represent the characteristics one would expect to observe in an organisation. At a deeper level each of the four culture types represented in the CVP, are based on values associated with the characteristics of that culture type. Quinn (1983) suggests that the opposing core values associated with each of the culture types represent competing values. Meaning the values of an organisation with a strong adhocracy culture will conflict with the values of a company showing a strong hierarchy culture. This theory of competing values draws parallels with Schwartz (1992) and the notion that core human values have competing motivational goals.

Figure 4. **The competing values framework**



(Cameron & Quinn, 2011)

Handy (1993) also presented the notion that there were four types of culture present within an organisation, those being: (1) *Power culture*: this type of culture is characterised by a central control that spreads outwardly through an organisation, in power cultures, rules and bureaucracies are minimalized, (2) *Role culture*: this type of organisation is characterised by a defined structure, which offers security and predictability to those in the organisation. Power is often derived from a person's position not their expertise, (3) *Task culture*: is very much job orientated and will often be associated with, firms where employees work as a team and power is attained through expertise not position, and (4) *Person culture*: which reflects an organisation where employees believe they are superior to the organisation, meaning they are often difficult to manage. In Conclusion, Handy (1993) showed that an individual who blends successfully into the culture of one organisation is not necessarily going to successfully fit that of another, different organisation. Even though the key finding of Handy (1993) related to fit, there remains a common theme regarding the types of culture that form in an organisation.

Trompenaar (1993) on the other hand argued that organisational culture is defined by the standards and models that influence the way employees act. Trompenaars (1993). Identified four types of corporate culture that reflect the different types of interactions, which occur between individuals and the organisation. The four types of corporate culture

identified by Trompenaar are: (1) *Family culture*: is an organisational culture that is focused on people and hierarchies. The culture is characterised by a strong figurehead and employees who have a long-term relationship with the company, (2) *Eiffel tower culture*: is often task orientated and based on a hierarchical structure, which has priority over the business's purpose, (3) *Guided missile culture*: is not based on hierarchy, but is instead task driven and employees are expected to perform at a level that enables the organisation to meet its goals, and (4) *Incubator culture*: is based on employee development and characterised by the lack of hierarchies, which results in an organisation with little structure (Trompenaars, 1993). It was suggested by Trompenaars (1993) that each of the culture types presented do not act in isolation, but instead more than one type of culture will exist within the same organisation. Once again Trompenaars (1993) builds further on the previous perspectives, by suggesting four similar types of culture, but adds to this by arguing that they can coexist in a single organisation.

Finally, Deal (2000) also presented culture as four generic culture types. Deal (2000) argued that no specific culture exists within an organisation instead elements of all four concurrently operate together. Deal (2000) suggests that the positive characteristics of each culture type will be present within top performing organisations. The four culture types argued by Dean (2000) are: (1) *Tough-guy*: these cultures are characterised by macho attitudes where employees are encouraged to take high risks in return for rapid feedback, (2) *Bet-your company*: these organisations are characterised by their willingness to make big investment decisions that are unlikely to see results for some time, (3) *Work hard/play hard*: cultures will commonly see employees taking few risks but are expected to be customer focused, highly active and positive, and (4) *Process cultures*: take no risks and employees will generally be more focused on getting the task done, not the end result. In essence, Dean (2000) proposed a descriptive culture model, where no culture is better than another, but instead form as a result of circumstance whereby each culture type functions in unison.

Despite differences in terminology there is a similar thread running through each of the types of culture presented above, Table. 5. Each of the theories have built on the foundational theories of the CVF Quinn (1983), and while there are variations in the wording and theories the four dominant culture types identified remain similar to Quinn (1983): clan cultures, adhocracy cultures, hierarchy cultures and market cultures. Cameron

and Quinn, (2011) argue that no one framework is comprehensive enough to be the most effective instead frameworks should be based on empirical evidence. The CVF has shown a high degree of consistency with theories that organise the way people think, their values and assumptions, among these theories are (Mason, 1973; Mckenny, 1974; Mitroff, 1978; Myers, 1962). The CVF provides the most comprehensive and consistent model for effectively identifying value-based cultures in the context of this study.

Table 5. **Summary of the types of organisational culture**

<b>Types of Culture in an Organisation</b>			
<i>Quinn (1983)</i>	<i>Handy (1993)</i>	<i>Trompenaar (1993)</i>	<i>Deal (2000)</i>
Clan Cultures	Power Culture	Family Culture	Tough Guy Culture
Adhocracy Cultures	Role Culture	Eiffel Tower Culture	Bet-your Company Culture
Hierarchy Cultures	Task Culture	Guided Missile Culture	Work-hard / Play-hard Culture
Market Cultures	Person Culture	Incubator Culture	Process Culture

## **2.4 Transferring Values to the Wider Group**

### **2.4.1 The Characteristics of an Organisations Founder**

Organisational culture has been shown to originate from one of three sources: (1) the beliefs and assumptions of the founder, (2) the learning experiences of a group as their organisation evolves, and (3) beliefs, assumptions and values brought into a group by new leaders or members (Schein, 2004). The most important factor in the creation of an organisation's culture is the founder, as they start the process of culture formation. This process generally consists of four stages: (1) the founder has an idea, (2) the founder brings in a core group of people that start to believe in a common vision, (3) the foundation group begin to work together in unison, and (4) others are now brought in and a common history is formed if the group remains stable (Schein, 2004). If the founder of a company has a significant influence on the formation of an organisation's culture, then the motivating characteristics and values of a founder could, over time, have a significant bearing on the type of culture that develops.

Company founders are often self-confident, determined people who have created strong assumptions about the world, human nature, relationships and the environment they

operate (Schein, 1983). Extensive research has been conducted which looks at what motivates people to start their own business, with a desire for autonomy (Gelderen & Paul, 2006), market need (Gatewood, Shaver, & Gartner, 1995), opportunity, resources and capabilities being listed as leading factors (Baptista, Karaöz, & Mendonça, 2014). However, at the core of what motivates a business founder is individual mental programming, as it has the greatest influence and establishes the way people think, feel and act (Hofstede, Hofstede, & Minkov, 2010).

Mental programming is defined by, Hofstede et al. (2010) as a pattern of thinking, feeling and acting that each individual carries within. These programs are learnt throughout a lifetime and manifest at three levels: (1) *Personality*: which is inherited and specific to an individual, (2) *Culture*: which is learned and specific to a group, such as a family and, (3) *Human nature*: which is inherited and universal. This mental programming can influence a person's desire for autonomy or self-rule as it stems from early experiences in life. In fact, Hofstede et al. (2010) argue that a person's mental programs lie in the social environments in which they grew up, and are in fact, a collection of experiences that start in the family and continue to develop through each stage of their life, from school through to their living communities. Thus influencing a person's values, the way an individual sees the world and how they respond to their surrounding environment. Mental programming, which forms in a business founder from an early age, is likely to then be normalised within their organisation as his or her values and beliefs form the foundational values that transfer to a wider group during the organisations inception. This means that the values and beliefs formed at an early age, may influence, the culture present within organisations, as founders transfer, consciously or sub-consciously, values to a wider organisational group.

#### **2.4.2 Founders and Leader's Influence on Transferring Values**

An understanding of how values and values-based cultures embed into an organisational group is required to better understand the influence SME founders have on organisational culture. In their study of organisational culture, Hofstede et al. (1990) argued that the founders of an organisation shape the way in which organisational culture forms, and that their values, become members practices over time. These practices then become normalised as new members enter the organisation with similar demographic characteristics and values as those of the founder. Their socialisation is then a matter of learning the shared practices of the group they have entered (Hofstede et al., 1990). The

beliefs of the founder are then transferred to the group and normalised as the way things are done. Hofstede et al. (1990) concluded that the values of founders undoubtedly influence the shared practices and assumptions of an organisation's members.

Research supports the notion that values transfer, both consciously and sub-consciously, to the wider group over time (Hofstede et al., 1990; Schein, 2004). However, embedding values and value-based cultures through better communication and processes could enhance the overall outcome and strength of a SME's culture. When an organisation's ethos is communicated and promoted to employees their acceptance can influence both behaviour and attitude (Tsai, 2011). It has been shown that if the interaction between leadership and employees is good, and the interactions are strong, then there is a greater commitment and collaboration by employees (Tsai, 2011), this is also supported by (Molenberghs, 2015). Tsai (2011) concluded that by clearly communicating a vision to employees and obtaining their acknowledgment of the vision, leaders can in turn enhance work behaviours, job satisfaction, attitudes, and shared practices within the group. Founders and key leaders can therefore use mechanisms to embed values or assumptions within the organisation, this may be implicitly or explicitly conveyed (Schein, 1983). However, Schein (1983) observed that the most important and even potent influences for embedding values are: a) deliberate role modelling, teaching and coaching, b) what leaders pay attention to, measure or control, and c) leader's reactions to critical events or times when the organisation's survival is threatened. The use of vision and value statements, as well as, deliberate leadership role modelling and better attention to critical events can enhance the embedding of values and a value-based culture from founders to a wider organisational group.

The notion of leaders embedding values is supported by others, who argue, organisations wishing to perform successfully should have clearly defined objectives, and leaders should ensure the organisation's values are openly aligned to the objectives, and therefore respected by employees within the organisation (Vaňová & Babel'ová, 2012). Furthermore, research has confirmed that exemplar behaviour by key leaders can act to improve the success of an organisation (Vaňová & Babel'ová, 2012). Hofstede et al. (1990) concluded in their research on, measuring organisational culture, that the values of founders help shape an organisation's culture and that the way these values are shared amongst the wider group affects ordinary members within that group. Over time these core values become

member's practices, and it is these practices, which form the basis for a group's culture. The notion of values being consciously, and actively, passed on to members of a group where they then manifest as shared assumptions and practices is also supported by (Cameron & Quinn, 2011; Schein, 2004). Values are an integral part of an organisation's culture and the best organisations can be characterised by a strong commitment by employees to the companies over-arching values and assumptions (Peters, 1982). The active alignment of values and objectives, as well as, the behaviour and observable actions of founders and leaders plays an integral role in the way the wider group adopt and develop a culture.

While a person may adopt the values of the organisational group they belong to, they will also be influenced by, their own personal values, beliefs, and mental programming. When a person is placed in a situation, such as within an organisational group, they will order their values in relative importance and those values will guide the individual's action (Schwartz, 1992). However, if situations call for a person to enact a certain identity the core values that exist within that individual do not disappear, even though the person may be identifying with the wider group (Hitlin, 2003). This was evident in a study of company managers, where it was found that managers who maintained a clear understanding of personal and organisational values felt more positively about their work, and the ethical functions of the organisation. This was in stark contrast to managers who experienced less clarity of both their own, personal values and those of the organisation, these managers felt less positively about their work, and the ethical behaviour of the wider organisation (Posner & Schmidt, 1993). Posner and Schmidt (1993) concluded that having clarity of ones personal values was of greater importance than having clarity of an organisation's values, in relation to organisational ethics and attitudes toward work. When a person is faced with a culture consisting of organisational values similar to their own they are more likely to fit into the environment than if those values are misaligned with their own. Meaning that bringing people into a group who have similar values to those, which currently exist, will likely result in a better adoption of the organisation's ethics by that person.

### **2.4.3 Key Mechanisms Identified for Transferring Values**

SME founders can enhance company performance and employee commitment to a value-based culture by implementing mechanisms to better communicate the organisation's core

values and desired culture. In essence, this transfer of core values and culture is then normalised as shared practices and assumptions over time (Hofstede et al., 1990). In the context of this study, it is the way in which founders implement mechanisms to transfer the organisation's core values to a wider organisational group, through communicable methods, which is of primary interest. After an extensive review of the previous theories and perspectives a number of core methodologies were identified, which would offer a deeper understanding of the mechanisms required, to enhance value transfer in a SME.

From the literature the following 10 transfer methodologies were identified for further analysis: (1) *Openly share*: Founders openly share their motivational values with the wider group, (2) *Teach & Embed*: Founders deliberately embed, teach, and coach new and existing members of the wider group about the organisation's motivational values, (3) *Measure & Control*: The founders deliberately measure and control the organisation's motivational values making changes to accommodate changing objectives, (4) *Role Modelling*: Founders deliberately role model their own personal values to the wider group, (5) *Critical Events*: Founder's commitment to the organisation's motivational values, when reacting to critical events both internal and external, (6) *Define Objectives*: Founders clearly define the organisation's objectives to the wider group, (7) *Values & Objectives*: Founders align the organisation's motivational values to the organisation's objectives, (8) *Value Statements*: Founders embed the organisation's motivational values using value statements and visual aids, (9) *Exemplary Behaviour*: The founders are committed to ensuring their behaviour is exemplary and consistent with the organisation's motivational values and, (10) *Alignment of Values*: Founders ensure that new members to the wider group have motivational values that align with those of the organisation. Each of the transfer mechanisms contribute in their entirety to improving the way in which value-based cultures can be transferred from the founder of an SME to the wider organisational group, enhancing the alignment of values and creating a stronger value-based culture.

### ***Chapter Summary***

The literature argues that organisational culture is in essence a pattern of shared assumptions and practices that are developed over time to form a specific culture. However, at the core of this culture sits a value system, which the members of an organisation unconsciously adhere to. The literature widely argues that the founders of an organisation

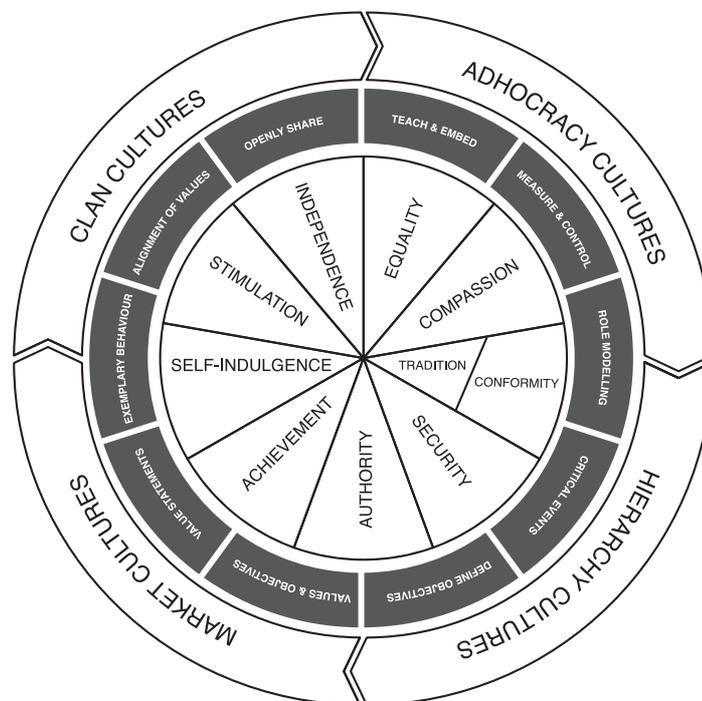
influence the creation and development of a culture, as they transfer beliefs and values to members of the wider group until those values become normative. It has been suggested by Schein (2004) and Hofstede et al. (1990) that culture is complex and manifests itself at different levels, from the superficial observable actions of an organisation's members, to a deeper more subconscious level, which includes an individual's beliefs and values. At the deepest, most subconscious level lays values, the most prominent literature relating to human values is that of Schwartz (1992), and his definition of values has been cited and used extensively in the literature. Schwartz argues that values originate from our personal goals, concepts and beliefs. These goals and motivations then guide an individual's actions serving as a means to live by. In an organisational setting the goal expressions, which underlie values can be transferred from the founder to the wider organisational group where they manifest as a specific type of culture.

The literature draws together a number of concepts, which argue that SME founders can influence the formation of a manifestation of shared assumptions within a wider organisational group. The embedding of core values and value-based cultures can be enhanced through exemplary leadership, role modelling or through formalised visions and statements that improve the transfer of information from SME founders to a wider organisational group. There is also evidence that suggests improving the flow of information, from founders to the wider group can enhance the group's alignment of values with those of the organisation. It is therefore hypothesised that; improving the way founders define, transfer and embed an organisation's core values into the wider group will result in a better alignment of values between the founder and the rest of the group. Culminating in a stronger value-based culture. The clarity and precision in which information is transferred to the wider organisational group may enable SME founders to embed a specific value-based culture, based on the organisation's core values, objectives and strategy.

This exploratory study seeks to better understand mechanisms to embed a value-based culture into a wider SME group. The literature has identified three key components of organisational culture, which add context to this study, firstly, the influence that the underlying goals and motivations have on the formation of a SME culture. Secondly, the manifestations that occur over time, resulting in the formation of a specific type of culture, and finally mechanisms, which can be implemented to transfer a value-based culture from

SME founders to a wider organisational group. In essence the literature has identified that values transfer to a wider organisational group over time to form a value-based culture, specific to that organisational group. This study seeks to identify mechanisms to embed core values and value-based cultures within a wider SME group, in order to create a specific culture type base on the organisation's core values and objectives. On the following page, Fig. 5 is a theoretical model, which outlines each of the key concepts drawn from the literature. The models inner circle is representative of the core values and goals which are expressed by the organisation, based on Schwartz (1992), while the outer ring represents the type of culture that manifests and develops over time, based on Quinn (1983). Therefore the gap in the literature occurs between the inner and outer rings of the model. The middle darker ring represents the key mechanisms identified in the literature to transfer and embed a value-based culture. It is hypothesised that identifying mechanisms for improving the transition of values and value-based cultures will result in stronger better aligned SME cultures.

Figure 5. **Theoretical model**



### **3.0 Methodology**

The primary purpose of this study is to explore the transfer and embedding of core values and value-based cultures, to understand how this process can enhance the culture that forms over time within a SME. Building on this notion, the study sought to develop a descriptive profile of the mechanisms implemented to transition an organisation's core values and the desired culture type from the founder to a wider organisational group. It is therefore envisioned that the results will build support for an applied model that depicts the transfer of founder's values to the wider organisational group, and how these become embedded in a value-based culture.

The study builds on the current literature by seeking to link the values, which underlie an organisation's culture, with the type of culture that develops. The literature has identified a gap between the core values, which underlie an organisation and the culture type that forms over time. Gaining a better understanding of how the underlying values of a SME founder transfer to a wider group, as suggested by (Hofstede et al., 1990), will result in a deeper understanding of the role values play in creating a value-based SME culture. The study seeks to close the gap in the literature by identifying core mechanisms to transfer a predefined value-based culture from the founder to a wider group. Identification of core mechanisms in the literature that act to embed values and culture (Hitlin, 2003; Posner & Schmidt, 1993; Schein, 1983; Tsai, 2011; Vaňová & Babel'ová, 2012) have formed the basis for a methodology which will identify mechanisms and a process to embed a value-based culture. The results will build on the body of knowledge by gaining a better understanding of the mechanisms required to link and embed a founder's values and envisioned culture type with a wider organisational group to create a value-based culture.

The qualitatively driven multi-method methodology implemented for this exploratory study sought to establish mechanisms to enable further research to be conducted, relating to the embedding of value-based cultures in SMEs. In essence, this study was consistent with a qualitatively driven multi-method approach. The use of a qualitatively driven multi-method research design enabled quantitative data to be added, which supplemented and improved the overall qualitative study, adding a deeper understanding to the question being asked (Johnson, 2007). The primary topic of interest, transfer mechanisms, was measured using a qualitative semi-structured interview to enable a richer understanding of the

question, while offering the interviewer the benefit of probing deeper if necessary (Bryman, 2011). To support the qualitative data, and gain a better understanding of the relationship that existed between values and culture type, it was deemed necessary to supplement the primary qualitative data with pre-existing questionnaires, as used by (Cameron & Quinn, 2011; Schwartz, 1992).

The use of survey questionnaires for collecting supplementary data in organisational settings is supported by (Zhang & Chen, 2015), who used a mixed-method approach to gain a better understanding of the relationship between values and employee turnover in Chinese civil servants. The use of a multi-method methodology is also supported by (Tam & Gray, 2016) who used a mix of survey questionnaires and semi-structured interviews to relate the practice of organisational learning in SMEs to organisational lifecycles. In the context of this study a qualitatively driven multi-method methodology would enable the collection of deep and rich qualitative data to identify core mechanisms to embed a value-based SME culture. The use of supporting quantitative survey data, would offer a reliable and valid method, (Cameron & Quinn, 2011; Schwartz, 1992), to better understand the relationship between the founder's values, the type of culture that forms in a SME over time, and how the mechanisms identified in the literature can influence the embedding of a value-based culture.

### **3.1 Research Organisation**

To gain a deeper understanding of the question being asked an in-depth study of a single SME was implemented. Although a degree of theoretical generalisation can be had with in-depth studies (Kanter, 1977), it is generally considered appropriate to concentrate on the uniqueness of the sample, developing a deeper understanding of that organisation (Bryman, 2011). The exploratory nature of this study was intended to gain a deeper understanding of a single unit, exploring concepts, which could be implemented into larger longitudinal studies that covered a bigger sample across differing industries.

The in-depth nature of this study meant the sample was typical of non-probability sampling, this type of sampling is preferred when the sample is not representative of the entire population (Bryman, 2011). In the context of this study, given its exploratory nature, it was deemed appropriate that a representative sample was not necessary. The use of non-

probability sampling is suggested by Uprichard (2013), if a researcher is seeking to extend their knowledge of the sample itself, not the population. In essence, the collection of knowledge stops at a different point, when dealing with non-probability sampling versus probability sampling (Uprichard, 2013). In the context of this study, the data is limited to an in-depth collection of knowledge relating to a specific sample, in order to explore mechanisms for embedding value-based cultures. It was deemed that the application of non-probability sampling would not negatively influence the outcome, as the study was seeking to explore an applied model for future research.

To ensure the organisation provided robust data that could be implemented into a larger sample and avoided selection, which was biased by human judgement, a factor that should be considered in non-probability sampling (Bryman, 2011), a number of criteria were identified prior to selection. The organisation was selected based on meeting the following criteria, firstly it must meet the guidelines for a SME in New Zealand, 1-20 employees (Joyce, 2011). Secondly, it had an organisational structure large enough to develop a measurable culture and an original founder actively involved in the daily operations of the organisation. Therefore, an organisation was sought that had more than 10 employees and less than 20 and had been operating for more than five years, to ensure sufficient maturity. Furthermore, the organisation needed to operate in a single location to minimise the influence of intervening variables, such as location and management effect, and offer sufficient access to the entire sample, ensuring a high response rate.

### **3.1.1 Data Collection**

For this study, data was collected in two components. Firstly, using self-completion survey questionnaires, a method supported by (Zhang & Chen, 2015) who used this approach to research values in Chinese civil servants, distributed to the entire sample (N = 15) and, secondly, through a semi-structured qualitative interview with the organisations' founders (N = 2). The decision to collect data using a self-completion questionnaire afforded advantages including, the speed of which the survey could be administered, convenience for respondents and the absence of interviewer effects. (Bryman, 2011). It was deemed most appropriate for this research to collect quantitative data using a self-completion survey, due to the use of existing instruments, which were questionnaire based thus avoiding any interviewer effects and minimising disruption to the organisation's daily operations. The implementation of a qualitatively driven multi-method approach also

meant that the quantitative survey data merely acted to support the qualitative semi-structured interview, offering a deeper understanding of the interplay between the goals expressed by a SMEs core values, and the type of culture that presented in the wider group. The use of a semi-structured interview with the founder enabled a more in-depth understanding of the concept being measured. The use of a semi-structured interview to gain more in-depth data is supported by (Tam & Gray, 2016), who used semi-structured interviews to research organisational learning and lifecycles. In qualitative interviews, one must ensure that if the data is collected using a semi-structured technique, that the questions include specific topics to ensure the answers are detailed and rich enough to measure the concepts being measured (Bryman, 2011). The key advantages of using semi-structured interviews is that the questions are normally in an interview schedule giving the interviewer an opportunity to re-order questions or ask further questions where deemed necessary (Bryman, 2011). To collect data from the founder a semi-structured approach was deemed necessary to allow the interviewer, when required, enough flexibility to probe areas of interest. This would enable a deeper understanding of the descriptive data.

Once the data collection methods were established both quantitative surveys Appendix I and II, and a qualitative interview, Appendix. III, were developed to measure the variables. The self-completion surveys were hand delivered to each member of the wider organisational group during a regular staff meeting, and to the founder at the time of interview. The first self-completion survey, to measure goal-orientated values, was distributed to the wider group (N = 13), and founders (N = 2). The method implemented was consistent with the PVQ as presented by Schwartz (2003). This was followed by an OCAI survey, which was distributed separately to the wider group (N = 13). The method used to collect the OCAI data was consistent with the method implemented by Cameron and Quinn, (2011). The interview process with the founders was conducted over a two-hour period of time and focused on 10 questions, based on the concepts taken from the literature. To add depth to the data the founders were also asked to complete a combined OCAI survey, which asked them to define their envisioned culture. This would allow a better understanding of the culture they desired for the organisation, in comparison to the culture that existed within the wider group.

## 3.2 Research Methods

Research data was collected in two parts, using three instruments to measure each of the variables. Firstly, two instruments gathered data from the founders and wider organisational group to: a) identify the dominant goal-orientated values, using Schwartz PVQ survey, and b) identify the dominant culture, based on the CVF, using the OCAI survey presented by Cameron and Quinn (2011). This data would be used to identify the dominant values and culture type, to look for associations. Secondly, data was obtained from the founders to measure their approach and commitment to the 10 mechanisms identified in the literature. This helped to gain a better understanding of how they actively transfer the organisation's core values and culture from themselves to the wider organisational group. The purpose was to, a) understand what influence the founder's commitment to the concepts had on the alignment of values and culture with the wider group and, b) identify the mechanisms, which act to enhance the transfer of values, in order to identify core mechanisms to embed core values and value-based cultures in SMEs.

### 3.2.1 Human Values

To ensure clarity of the variable being measured a conceptual definition of values has been presented based on the definition conceptualised by Schwartz (1992). *“Values are concepts or beliefs that pertain to a desirable end state, which transcend specific situations guiding an individuals selection or evaluation of behaviour and events, the values and beliefs are ordered by their relative importance to the individual”* The instrument to measure the concept of values in the context of this study was developed as an adaption of the Schwartz Value Survey (SVS). The instrument was selected because measuring values requires careful attention, to avoid the mistake of simply observing individual's behaviour and aligning a value to an observed action (Hitlin, 2003). Additionally, the SVS forms the basis for a reliable and valid methodology.

The SVS asks respondents to rank the importance of 56 values as “guiding principles of life” (Schwartz, 2001a). These values measure the 10 basic value-orientations listed in the literature review, however, Schwartz himself acknowledges the SVS is a long survey, with lower educated people often struggling to complete the questionnaire (Schwartz, 2001a). In response to this, a new scale was developed by Schwartz (2003). The PVQ measures the same ten basic value orientations as the SVS. However, where the PVQ differs is that

respondents are presented with a less cognitively complex task, making it more suited to a wider segment of the population (Schwartz, 2001a). The PVQ uses short portraits of people to describe a person’s goals, aspirations and wishes, pointing to a specific value. Respondents are asked; “*How much like that person are you?*” The PVQ has been developed at a language level simplified so 11-year olds in Uganda, Canada and Israel could understand the questions (Schwartz, 2001a). In order to validate the PVQ Schwartz undertook a multi-trait multi-method matrix of correlations between the SVS and PVQ, the results showed the motivational content of each value was mostly the same regardless of the method or measure used. In the context of this study, Schwartz (2003) PVQ offers a simple methodology for measuring the goal-orientated values of a broad range of SMEs.

To add clarity and relevance to the study, and ensure a clear understanding of the definition of a goal-orientated value, four of the values were renamed and five definitions made clearer to understand. Each of the items being measured are listed in, Table. 6 with a corresponding definition:

**Table 6. 10 refined values and goal-orientations**

<b>10 Refined Values and Underlying Goal-orientations</b>		
	<b>Value</b>	<b>Goal-expression</b>
<b>1</b>	<i>Self-direction</i>	A person will seek to have independent thoughts and actions
<b>2</b>	<i>Stimulation</i>	A person will seek excitement, novelty and challenge
<b>3</b>	<i>Hedonism</i>	A person will seek pleasure or sensuous gratification for ones self
<b>4</b>	<i>Achievement</i>	A person will seek to demonstrate personal success through social standards and achievement
<b>5</b>	<i>Power</i>	A person will seek social leadership, prestige and dominance over others
<b>6</b>	<i>Security</i>	A person will seek a safe environment, harmony and stability of relationships
<b>7</b>	<i>Conformity</i>	A person will seek to restrain their actions in order to avoid upset or harm to others and impulses likely to violate social norms
<b>8</b>	<i>Tradition</i>	A person will seek to respect and commit to the customs and beliefs that their culture or religious group provides
<b>9</b>	<i>Benevolence</i>	A person will seek to preserve and enhance the welfare of people they have regular close contact with
<b>10</b>	<i>Universalism</i>	The person will seek to understand, tolerate, appreciate, protect the welfare of all people and nature

(Schwartz, 1992).

The original PVQ instrument consists of 40 questions that relate to each of 10 core motivational values. However, for the purpose of this study an adaption of the original 40 questions proposed for the, European Social Survey (ESS) was used. The instrument used for this study consisted of 30 value-based questions each relating to one of 10 goal-orientated values. The respondents were asked to read a short, gender neutral, portrait description of a person, and then answer how much like that person they were, Appendix II. Each of the instrument questions were presented in a five point Likert-type scale that asked respondents to circle the answer that was most like them, the answers ranged from: 1) Very much like me, through to, 5) Not at all like me. To ensure the question ordering was correct, the same basic format that was used in the ESS study was used in this study.

### **3.2.2 Instrument Development Human Values**

The PVQ was initially developed to be a more concrete way of measuring the same 10 values measured in the SVS (Schwartz, 2001b). The SVS used 57 single-value items to measure 10 motivational values, each of the 57 items is rated on a 9-point scale, whereby respondents are asked to rate the importance of each item as a guiding principle of their life (Schwartz, 2001b). In 95% of SVS studies from 63 countries, the 10 motivational values and circular structure of the framework presented in Fig. 1, were distinctive, and while people may differ in the importance they place on values, the values were organised in a common structure (Schwartz, 2001b). The PVQ was a result of a need to develop a more solid and less complex measurement than the SVS. In a study of Israeli students, sample (N = 200), the PVQ was measured against the standard SVS survey with the PVQ results exhibiting convergent and discriminant validity (Schwartz, 2001b). A single multi-trait multi-method correlation for each of the 10 values showed a significant correlation ( $p < .0001$ ) supporting both the convergent and discriminant validity of the method (Schwartz, 2001b). Reliabilities of the test-retest in the study of Israeli students were found to be moderate to high, which was consistent with the levels found in the SVS data collected by Schwartz and Sagiv (1995). The advantage of using the PVQ included the use of similarity judgements, ease of administration, a response form that does not require numerical ratings, and the fact respondents are unaware that they are answering a values questionnaire (Schwartz, 2001b). Even though the SVS survey may be a preferred methodology, the PVQ is better suited to the sample selected for this study, given its simplicity, ease of administration and validity.

Adding weight to the PVQ survey was its use, since 2001, as the basis for the ESS. Professor Schwartz developed a human values questionnaire for the ESS based on the PVQ survey, whereby, 21 questions were used to measure each of 10 motivational values (Schwartz, 2001a). The 21 questions selected for the ESS survey showed reliability coefficients similar to those of the 40 item PVQ survey (Schwartz, 2001a), while also offering validity and simplicity. The values survey used in this study was an adaptation of the 40 question PVQ survey items recommend by Schwartz (2001a). The 30 questions were adapted to ensure each goal-orientated value was measured in the context of this study. The use of 30 questions was decided on the relevance of each question to the goal-orientated value being measured and the need to allocate an even number of questions to each value.

The instrument used in this study was based on the PVQ and required respondents to quantify the items by asking them to circle the scale, which was most like them, relative to the description given. The scale was coded with a number from one to five, with each of the items then added together to establish a mean score for each of 10 corresponding motivational values. The mean score of each of the motivational values was then divided by three to give a total mean score from one to five for, each of the 10 values. The mean totals of each motivational value, for each individual member of the group were then entered into SPSS. This process enabled the calculation of a mean for each of the 10 goal-orientated values, ranging from one to five, where one was very much like the individual and five was not at all like the individual. Where the combined mean was low it was considered that the motivational values within the group were strong, and where the mean was high it was considered the motivational values were weak. This data was supported by analysis of the standard deviations to look at the combined strength of each item, across the entire group. Further analysis in SPSS using a Spearman rank-order correlation compared the wider groups mean score for each motivational value to those of the founders, to identify any associations between the founder's values and those of the wider group.

### **3.2.3 Culture Type**

To ensure clarity of the concept being measured, a conceptual definition was developed based on definitions derived from the literature. The levels of culture that exist in an organisation are a manifestation of the value system which a group unconsciously adhere

to (Hofstede et al., 1990). Therefore the levels of culture within an organisation can be defined as manifestations of shared assumptions, as adhered to by the members of an organisational unit (Van Den Berg & Wilderom, 2004), and form as a result of a transfer of core values to a wider organisational group. These manifestations then act to create a value-based culture type specific to an organisation. The instrument selected for this study, to measure the type and strength of culture in a SME, was the OCAI, which is based on the types of culture identified in the CVF.

The OCAI has been widely cited in the literature as a reliable and valid method for identifying the type and strength of culture present in an organisation. The OCAI's ease of use, reliability, validity (Cameron & Quinn, 2011), and the instrument's ability to measure the type of culture present mean, it is the most appropriate instrument to use in the context of this study. The OCAI is commonly recognised as the most frequently used instrument for assessing organisational culture across a range of industries from health care and government through to the military, start-ups and universities (Cameron & Quinn, 2011). The OCAI is used to assess the four types of culture presented in the CVF, using the following six items; (1) *Dominant characteristics*, (2) *Organisational leadership*, (3) *Management of employees*, (4) *Organisational glue*, (5) *Strategic emphasis* and, (6) *Criteria for success* Cameron and Quinn (2011). For each of the six dimensions respondents, rate their organisation based on questions relating to the four types of culture. In essence, the OCAI consists of six items measuring four alternative types of culture, which are defined in Table. 7:

**Table 7. Four OCAI culture types and definitions**

<b>Four OCAI Cultures and Corresponding Definitions</b>		
	<b>Culture Type</b>	<b>Definition of the Culture Type</b>
<b>1</b>	<i>Clan cultures</i>	Which are family friendly organisations where the leaders are seen as role models
<b>2</b>	<i>Adhocracy cultures</i>	Which are representative of organisations that are dynamic and creative where the leaders are innovators and risk takers,
<b>3</b>	<i>Hierarchy cultures</i>	Which are formalised and structured organisations where the leaders pride themselves on being good organisers,
<b>4</b>	<i>Market cultures</i>	Which are representative of organisations that are results driven and focused on getting the job done, the leadership are competitive, driven and goal focused

(Cameron & Quinn, 2011).

The six dimensions are presented with four answer options labelled from (A) to (D), each relating to a specific culture type. The respondents are required to rank the items with the highest number allocated to the item most like their organisation and the lowest to the item least like their organisation. The total should sum to 100, for example, (A) is allocated 50 points, (B) and (C) 20 points each and (D) 5 points. The same format and questioning used in the original OCAI was used in this study as it was deemed the most appropriate methodology, to ensure a high level of reliability and validity. The OCAI offers a simple and robust method for measuring the type and strength of value-based culture present in a SME.

### **3.2.4 Instrument Development Culture Type**

The OCAI methodology defines the type of culture present in a group, and the strength of culture, as perceived by that group. The OCAI offers a number of advantages, including its ability to capture key dimensions, the efficiency in which it can be administered, its validity and its ability to involve every member of an organisation (Cameron & Quinn, 2011). The quantitative nature of the OCAI allows for data to be collected in an efficient manner from both large multi-nationals and small entrepreneurial start-ups. This has been demonstrated over the past 20 years, in scholarly research and through the use of OCAI surveys in thousands of organisations around the world (Cameron & Quinn, 2011). Cameron and Quinn (2011) suggest that following a review of scholarly publications from the past 10 years, more than 60 doctoral dissertations have used the OCAI tool, as well as over 100 published studies, adding weight to the validity and reliability of the OCAI tool as an accurate measure for defining the type and strength of an organisation's value-based culture.

The OCAI has shown consistent reliability across a number of studies, including, a study of 796 executives from 86 public utility firms. The study asked executives to rate their own organisation's culture, the Cronbach alpha coefficients for each of the culture types were statistically significant compared to normal standards of reliability (Quinn, 1991). This is further supported by (Peterson, 1991; Yeung, 1991; Zammuto, 1991). In each of the studies there has been a consistent pattern of reliability reported, producing sufficient evidence to support the OCAI's use in this study. In support of the instrument's reliability, validity must also be considered. Validity answers the question of whether the OCAI actually measures the four types of culture accurately. Cameron (1991) studied the

organisational culture of 334 institutes for higher education institutes in the United States. In each institute individuals were identified who would give an overall perspective of the institute's culture. Evidence supporting the validity of the OCAI was shown when the culture type identified was matched against effectiveness in areas, which the institute excelled. This included the type of structure, strategy and decision-making employed by the institute. The results showed strong evidence for concurrent validity. The OCAI validity was also supported by other studies including (Cameron, 1991; Quinn, 1991; Zammuto, 1991).

The instrument used, Appendix. I, quantifies six key items in the survey questionnaire to give a total score for each of the four types of culture: 1) *Clan*, 2) *Adhocracy*, 3) *Market* and, 4) *Hierarchy*. Respondents were asked to rate each of the six items based on the four types of culture presented. Scores for each type of culture labelled A, B C and D, were added together to give a total score for each of the four culture types. The totals were then divided by six, to give a mean percentage score out of 100 for each culture type, the higher the percentage score the stronger the type of culture present, and the lower the percentage score weaker the type of culture. The data was used to verify the type and strength of culture present in the organisation, while enabling investigation of any associations between the strength of the culture types and dominant motivational values. This data was used to support the data collected qualitatively from the founders.

### **3.2.5 Transfer Mechanisms**

To ensure clarity of the concept being measured a conceptual definition for the transfer of values has been presented based on concepts derived from the literature. In essence, the transfer of core values and value-based cultures from founders to a wider organisational group occurs over time. As values are transferred to a wider group they are normalised as manifestations of shared assumptions (Hofstede et al., 1990), which ultimately act together to form a culture specific to that organisation or group. Therefore, values sit at the core of a group's culture. Implementing specific techniques and mechanisms have shown to aid in embedding core values and value-based cultures into a wider organisational group.

The instrument developed to measure the concept was created so the founders could be measured qualitatively, to create a descriptive profile of the mechanisms derived from the literature, and how they were utilised in the organisation. In the absence of a recognised

instrument a hybrid instrument was developed. The instrument used 10 indicators, which originated from theories presented in the literature. Each of the 10 indicators was measured using a semi-structured interview with the organisations' founders. The use of a semi-structured interview allowed for an in-depth understanding of how the founders implemented a values transfer process within the organisation, and how this may have influenced the strength of the culture and alignment of core values within the wider group. The 10 items that were measured are outlined in Table. 8, along with a description of each:

**Table 8. 10 transfer mechanisms and definitions**

<b>10 Transfer Mechanisms and Corresponding Definitions</b>		
	<b>Mechanisms</b>	<b>Mechanisms Definition</b>
<b>1</b>	<i>Openly share</i>	Founders openly share their motivational values with the wider group;
<b>2</b>	<i>Teach &amp; embed</i>	Founders deliberately embed, teach, and coach new and existing members of the wider group about the organisation's motivational values;
<b>3</b>	<i>Measure &amp; control</i>	The founders deliberately measure and control the organisation's motivational values making changes to accommodate changing objectives;
<b>4</b>	<i>Role modelling</i>	Founders deliberately role model their own personal values to the wider group;
<b>5</b>	<i>Critical events</i>	Founder's commitment to the organisation's motivational values, when reacting to critical events both internal and external;
<b>6</b>	<i>Define objectives</i>	Founders clearly define the organisation's objectives to the wider group;
<b>7</b>	<i>Values &amp; objectives</i>	Founders align the organisation's motivational values to the organisation's objectives;
<b>8</b>	<i>Value statements</i>	Founders embed the organisation's motivational values using value statements and visual aids;
<b>9</b>	<i>Exemplary behaviour</i>	The founders are committed to ensuring their behaviour is exemplary and consistent with the organisation's motivational values
<b>10</b>	<i>Alignemnt of values</i>	Founders ensure that new members to the wider group have motivational values that align with those of the organisation.

The instrument used for the interview contained 10 questions, one for each of the items presented above. Each of the 10 questions consisted of two parts. The first part required the founder to respond to a short portrait description of an organisation. The initial questioning was implemented to identify the founder's commitment to the concept, and act as a pathway to lead more in depth questioning, which would follow in part two. The use of quantitative questioning in combination with a qualitative interview was deemed appropriate, in the context of this study, as the questions were only intended to obtain a better understanding of the founder's commitment to the item being measured.

In the first instance the interviewer read a portrait description to the founders then requested they indicate which of the answers was most like their organisation. The answers

were presented in a five point Likert-type scale, ranging from: 1) Very much like this organisation, through too, 5) Not at all like this organisation. These indicators were later allocated a ranking, from very high for very much like this organisation through to very low for not like this organisation at all. The quantitative questioning was implemented to lead the interviewer and add weight to the qualitative data by identifying the founder's commitment to the indicator. The second, and the primary component of each question, related to the first portrait description and asked the founders to describe in detail how the scenario related to their organisation, with reference to, the methods implemented and any obstacles they encountered. If the interviewee answered either: 4) Not like this organisation or 5) Not at all like this organisation they were asked to describe in detail why they didn't implement this item in their organisation. The primary interview data was recorded and analysed using content analysis to look for key words, which would create a portrait description of the organisation's founders, and identify obstacles faced and methods used to transfer their values and desired culture to the wider organisational group.

### **3.2.6 Instrument Development Transfer Mechanisms**

Due to the absence of a formal methodology for measuring or identifying the concepts and methods used to enhance value transfer in an organisation, a methodology was developed specific to this study. To identify mechanisms to transfer values and value-based cultures, and understand the founder's commitment to the concept, a semi-structured qualitative interview was deemed most appropriate. In essence, qualitative data collection tends to be concerned with word rather than numbers, but also takes an inductive view, allows for an understanding of the social world, and looks at the interactions between individuals (Bryman, 2011). Because this study looked to develop a profile of the founder, an understanding of what methods were implemented and how they influenced the transfer of their values to the wider group, a qualitative interview was deemed to be the most appropriate way to measure the concept.

Each of the 10 items used to measure the concept were derived from literature (Hitlin, 2003; Posner & Schmidt, 1993; Schein, 2004; Tsai, 2011). To measure each item a review of the literature was undertaken. From this, key concepts were identified, which would form the basis of the indicators outlined previously. The key concepts identified relate to methods, which have been studied by various researchers looking at how organisational culture forms, how values transfer to wider organisational groups, and the influence of

founders and leaders on an organisation's values and culture. The key concepts presented in the literature then formed the basis for each of the 10 items described earlier. The questions were developed to understand, the founder's commitment to the concept, whether the founder implements the key concepts, how they implement them, the obstacles they encounter, and if they don't implement the concepts what are the reasons for not doing so. The study looked to establish a base profile of mechanisms used to transfer and embed a value-based culture. This would form the foundation for further research initiatives that would enable comparisons to be made between methodologies, culture types and the importance of goal-orientated values in SMEs. As well as, investigate how much a SME founder can influence the transferring and embedding of a value-based culture into an organisation, and the strength and type of the culture that results.

A review of literature, from which the items were derived, showed little evidence of studies that offered methodologies or instruments, which were transferrable to this study. Given the absence of existing methodologies to adopt, it was necessary to develop a specific instrument to measure this concept. The 10 indicators selected from literature were deemed sufficient and appropriate measures of the concept, based on the literature reviewed and the question being asked. The 10 interview questions were therefore developed in two parts so as to, firstly, identify the founder's commitment to the indicator and create a pathway to lead the descriptive questions, and secondly, to obtain a detailed response to understand how the founders implemented the indicator in their organisation.

Each of the 10 questions asked in the first part were analysed to understand the founder's commitment to that indicator, based on the portrait description. Following on from this, the text from the semi-structured interview was analysed to look for key words and features that would indicate how well the respondents implemented the indicator into their organisation, if at all. To quantify the content of the text, content analysis was implemented, as it is a flexible research method for quantifying predetermined categories in semi-structured interviews or qualitative studies (Bryman, 2011). Because of the necessity to precisely specify the research question in order to develop a coding schedule, the following research question was used for this portion of the methodology: *How does a founder's commitment to the concepts influence the alignment of core goal-orientated values with the wider organisational group, and the type of culture that exists as a result.* Data was collected on each of the 10 items being measured, creating the basis for the

coding manual. The coding manual detailed the number code for each of the 10 items being measured under the category headings obstacles, methods and reasons for not implementing the item into their organisation. The results were then analysed to build a descriptive profile of the founder's methodologies for implementing the organisation's culture and core values, while identify any obstacles faced.

A comparison of the founder's PVQ, with the results collected from the wider group offered a better understanding of the influence the 10 mechanisms had on the alignment of goal-orientated values, and the type of culture present. Where the founder's commitment and implementation of the 10 indicators was low, the hypothesis was that there would be a poor alignment of dominant values resulting in a weak culture. On the other hand, if the founder's commitment was high, it was hypothesised that the alignment of goal-orientated values and culture type would be higher and the organisation's culture would be stronger. Analysis of the semi-structured interview would enable a more in-depth understanding of the obstacles faced when implementing specific indicators, the methods used, and the primary factors that influence a founder's reluctance to use any of the indicators. From this data analysis it was hypothesised that key steps could be identified to establish a process for transferring and embedding core values and a value-based culture into a wider organisational group, thus creating a more cohesive value based SME culture.

### **3.3 Ethical Considerations**

In business research ethical principles can be broken down into four main areas: (1) whether there is human harm to participants; (2) whether there is a lack of informed consent; (3) whether there is an invasion of privacy, and (4) whether there is deception involved (Diener, 1978). Given these criteria it was decided that participants were unlikely to suffer harm as a result of this research. The procedures set forth by the Massey University Human Ethics Committee revealed this research to be of low risk Appendix. VI. A low risk notification was made to the committee and where appropriate all participants were advised of this. Participants were advised of the purpose of the research and given the opportunity to ask questions, should they have any concerns. Given the sensitive nature of the data collected from a commercial entity and its employees, all data was kept in the strictest confidence and on completion of the research was appropriately discarded or where requested returned to the organisation.

## 4.0 RESULTS

The data was used to identify the dominant culture present within the wider organisational group. As well as, identify the wider group's primary goal-orientated values to look for an association between the dominant culture type, and dominant goal-orientated values. The OCAI and PQV data was used to support qualitative data collected from the founders of the organisation. Qualitative data analysis enabled an understanding of the mechanisms implemented by the founders to transfer the organisation's core values and culture to the wider group, based on 10 concepts drawn from literature. The results have been used to measure: a) the type of goal-orientated values held by both the founders and the wider group, b) the founders desired culture, as well as, the dominant culture present within the wider group and, c) identify key mechanisms which act to improve value and culture transfer. The results are subsequently presented in three sections: section one identifies the dominant values present within the wider group, section two identifies the dominant culture present within the wider group, comparing the results to the dominant values and finally, section three looks to identify mechanisms to transfer the organisation's core goal-orientated values and value culture to the wider group.

### 4.1 Research Results

#### 4.1.1 Goal-orientated Values

##### *The Wider Group's Values*

Data was collected to identify the dominant values within the wider organisational group. The wider groups mean score for each goal-orientated value indicated that the dominant values represented within the wider organisational group were, *Compassion* and *Equality*. While *Authority* and *Tradition*, were the least representative of the group's values, Table. 9. Further analysis was undertaken, which looked at the standard deviations for each item to measure the combined strength of each value across the wider group. The standard deviations indicated that there was consistency across each of the 10 values (SD = .59 - .82), with the exception is *Tradition*, which demonstrated a wider standard deviation across the group (SD = 1.03). The results indicate that the wider group maintains similar core, goal-orientated values across each of 10 value indicators, apart from tradition, and demonstrates a Cronbach alpha of .833 supporting the instruments reliability.

Table 9. **The wider group's dominant values**

	N	Mean	Std. Deviation
<i>Compassion</i>	13	<i>1.8169</i>	<i>.82238</i>
<i>Equality</i>	13	<i>1.8685</i>	<i>.75177</i>
Self-indulgence	13	1.9200	.69491
Security	13	1.9977	.59240
Independence	13	2.0231	.63084
Conformity	13	2.2538	.62629
Achievement	13	2.3038	.68584
Stimulation	13	2.7415	.81732
Tradition	13	2.8162	1.03274
Authority	13	3.0477	.75508
Valid N	13		

### ***The Founder's Values***

The founders combined motivational values indicated that *Achievement* and *Independence* were the dominant values. Which, is consistent with the characteristics of an entrepreneur, that being, people who are self-confident, determined and have created strong assumptions about the world, human nature, relationships (Schein, 1983). However, further analysis of the standard deviations identified that while *Achievement* and *Independence* were the same (SD = .47), and the founders scored the same for *Security*, *Self-indulgence* and *Stimulation* (SD = .00), the data identified a wider standard deviation between *Equality*, *Authority* and *Compassion* (SD = 1.18 - 1.64). This indicates that the founders had conflicting scores for these motivational values. Detailed analysis of the founder's individual results, showed that one of the founders was biased toward *Equality* and *Compassion*, this is in contrast to the other founder who demonstrated a strong bias toward *Achievement*.

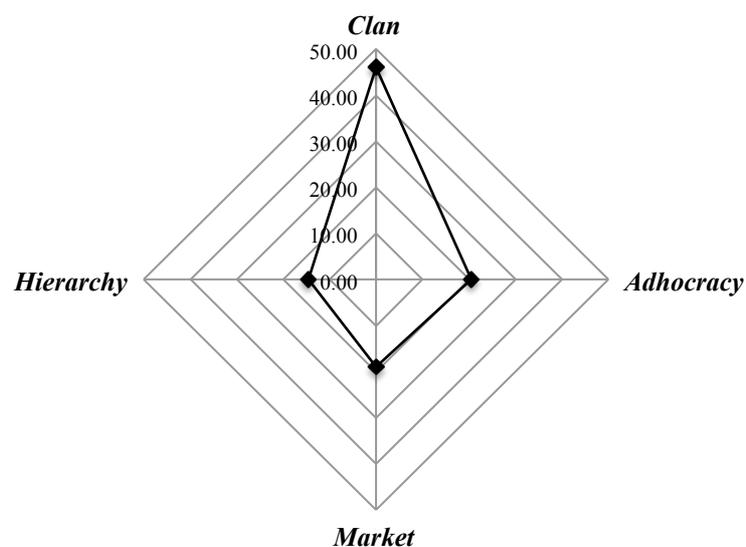
Additional analysis of the data showed that when correlating the combined motivational values of the founders, against the wider group, no relationship existed. However, more detailed analysis of the founder's personal values compared each one individually to the wider group. The results showed that one of the founders demonstrated no relationship to the wider group, while the other demonstrated a statistically significant relationship ( $p < .001$ ). This indicates that while the founders had different personal values, they may have shared the same view on what the company's core values should be.

#### 4.1.2 Type of Culture Present

##### *The Wider Group's Dominant Culture Type*

Analysis of the type of culture present within the wider group showed a strong dominance toward a *Clan* culture Fig. 6. This suggests that the wider group sees the organisation as a family friendly place, whereby the founder is held up as a role model. A clan culture is generally a friendly place to work where people share a lot of themselves and the group is held together by loyalty and tradition (Cameron & Quinn, 2011). The primary emphasis is on long-term human resource and the benefit of human development, cohesion and high morale. One may expect to see an organisation where success is based on a sensitivity toward customers, a concern for people, a focus on teamwork, and consensus (Cameron & Quinn, 2011). The results suggest that there is an association between the organisation's dominant culture type, and the dominant goal-orientated values, *Compassion* and *Equality*. The dominant motivational values can be defined as a person who seeks to preserve and enhance the welfare of people they have regular close contact with, while wanting to understand, tolerate, appreciate and protect the welfare of all people. The core value traits are similar to those of the dominant clan culture, which include a commitment to people, open communication, human development and an outward focus on people and customers (Cameron & Quinn, 2011).

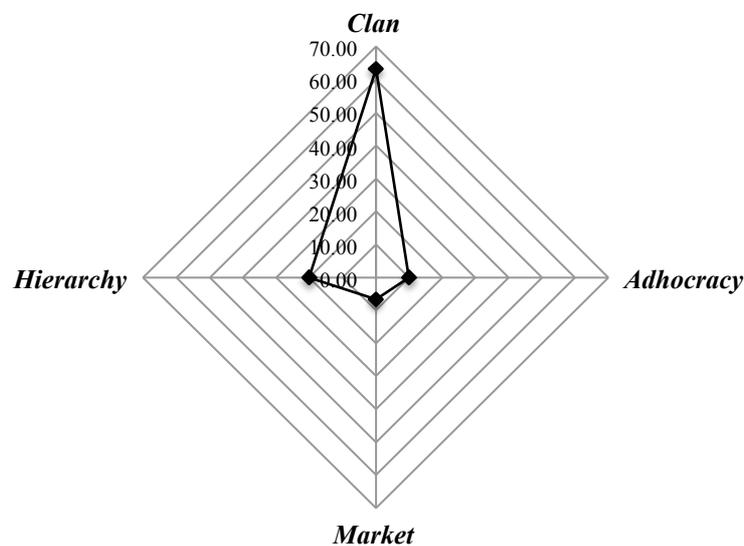
Figure 6. **The wider group's dominant culture type**



### ***The Founder's Desired Culture Type***

Further analysis of data collected from the founders looked to understand the type of culture, the founders were trying to achieve for the company, based on the organisation's four core values. The results showed a similar pattern to that of the dominant culture present within the wider organisational group Fig. 7. The exception was *Hierarchy*, which the founders placed more importance on than was shown to be present within the wider organisational group.

Figure 7. **The founder's desired culture type**



The results suggest that the type of culture, the founders are trying to achieve is closely aligned to the dominant culture present within the wider organisational group. Additional statistical analysis showed that the relationship between the wider group's culture and the culture, which the founders are communicating, was not statistically significant. However, the association is apparent when comparing Fig. 6 and Fig. 7.

#### **4.1.3 Mechanisms to Enhance Value Transfer**

The following data was collected from the founders to create a profile based on 10 indicators drawn from the literature. Each of the following 10 indicators act to build a profile of the mechanisms and process implemented by the founders to transfer the organisation's core values to the wider group over a period of time. The results of the interview indicate that the founder's made a commitment to most of the 10 indicators. And

that the four core values defined for the organisation were consistent with the dominant motivational values and primary culture type present within the wider organisational group.

### 1) *Openly Share*

The first indicator demonstrated that the founder’s commitment to the concept was *very high*, indicating they openly shared their personal values with the wider organisational group. The process of sharing the organisation’s values was primarily incorporated into four core values, which were defined by the organisation’s founders as being: (1) *People*: People are number one, (2) *Mistakes*: Honest mistakes are learning opportunities, (3) *Personal Development*: Pursuit of continual personal development and, (4) *Enjoyment*: Have fun and enjoy work. Each of the organisation’s core values, which were defined by the founders, corresponds to one of the 10 goal-orientated values defined by Schwartz (1992). As demonstrated in, Table. 10, below:

Table 10. **The organisation’s core values and corresponding goal-orientated values**

<b>Core Values and Corresponding Goal-orientated Values</b>		
	<b>Organisation’s Defined Value</b>	<b>Schwartz (1992) Corresponding Value</b>
1	<i>People - People are number one</i>	<b>Compassion</b> : A person will seek to restrain their actions in order to avoid upset or harm to others and impulses likely to violate social norms
2	<i>Mistakes - Honest mistakes happen</i>	<b>Equality</b> : The person will seek to understand, tolerate, appreciate, protect the welfare of people
3	<i>Personal Development - Pursuit of continual personal development</i>	<b>Independence</b> : A person will seek to have independent thoughts and actions
4	<i>Enjoyment - Have fun and enjoy work</i>	<b>Self-indulgence</b> : A person will seek pleasure and gratification for one-self

Sharing of core company values primarily occurred through a sub-conscious commitment to role model their personal values to the wider organisational group through daily formal and informal interactions. The sub-conscious act of role modelling was supported by visual aids, in the form of, visual representations of the core values, and inclusion of the values into the company’s employee induction packs. Further support is added to the sharing of values through open discussions with employees during regular meetings and the way in which verbal interactions occur between the founders and the wider group on a daily basis.

The only resistance observed through the sharing process was, reluctance by the wider group, to learn the values and share these during regular group meetings.

## **2) Align Values**

The founder's commitment to the indicator was *very high*, ensuring employee values, both new and existing, aligned with those of the company. Through the recruitment process candidates were made aware of the company values and questioned about their own values to ensure they aligned with the four core values of the organisation. The process of aligning values was stipulated in company policy, and forms an important part of the recruitment process. Ensuring new members to the group are aligned with the existing value culture.

However, an early obstacle to aligning the company's values with the wider group occurred during the initial stages of the business, this is demonstrated on the following page with a quote from one of the founders:

*“There were some people in the early days who didn't align with our core beliefs and values, this caused a number of issues, which resulted in a poor company performance that year. We are now a lot more focused on employing people to fit our values than in the past”.* (Founder)

## **3) Exemplary Behaviour**

The founders demonstrated a *very high* commitment to the indicator ensuring where possible their behaviour exemplified the four core values defined for the organisation: people, mistakes, personal development and, enjoyment. In general, the founders made a conscious effort to behave in a manner that reflected the organisation's four core values. The founders demonstrated the core values during interactions with both employees and customers. In relation to critical events the founder's reaction to these occurrences were more often than not consistent with the four core values. However, the founder's believed that their reaction, in relation to their personal values, tended to be more of a sub-conscious than conscious reaction.

## **4) Teach & Embed**

The commitment to the indicator was demonstrated to be *very high*. The founders demonstrated a strong commitment to introducing new members of the group to the four core values presented above, both during the recruitment process and ongoing through continual reinforcement and mentoring. This primarily occurred as a result of undertaking

to reinforce the core values through monthly team meetings, and one on one, training sessions. Regular mentoring of key employees, to embed the value culture, ensured key members were adhering to and demonstrating the four core values to the wider group, supporting the process of reinforcement.

The process of teaching and embedding the core values was met with little resistance by the wider group, and in most instances was embraced as an important function. However, the founders identified an obstacle occurred during a stage of rapid growth. Distraction due to limited time, meant they were not as committed to the ongoing teaching and embedding of the core values as they had previously been:

*“During a stage of rapid growth gaps occurred in the value system, which required a considerable effort to realign”.* (Founder)

The time required to teach and embed the company values was demonstrated to be significant, resulting in an obstacle when the ability to commit time was reduced.

### **5) Measure & Control**

While the founders demonstrated a commitment to the organisation’s core values, a regular commitment to measure and control the values and culture were deemed to be *low*. The founders did not implement a process for measuring and controlling the organisation’s core values. This was due to a lack of methodology to measure the values, and an unawareness of the need to regularly assess and control the values and culture present within the wider group.

*“We really have know way of measuring values, we have tried a few things but it is a bit of an unknown”.* (Founder)

### **6) Critical Events**

The founder’s commitment to the indicator was *high*, demonstrating actions consistent with both their personal values and the organisation’s four core values. Reactions to critical events within the wider group were balanced, and in general, people focused. This was in line with the first of the company’s core values, “people are number one”. The founders believe that they consistently controlled their reaction to critical events in a

manor, which demonstrated little deviation from their personal values. While every effort was made to ensure a consistent response to critical events, in a manner consistent with company values, a personal commitment to the alignment of reactions and values was often difficult to maintain.

### **7) Define Objectives**

The founder's commitment to defining the company objectives was *very high*. The objectives were defined visually and reinforced through ongoing teaching to the wider group. The organisation's strategic objectives are defined through the use of a mission statement and visual representations on the walls of the workplace. This is further reinforced through weekly reports and monthly meetings where the company objectives are regularly discussed. The use of shared objectives and team goals, as well as regular reporting demonstrates a commitment to sharing the company objectives to the wider organisational group.

### **8) Values & Objectives**

The founders demonstrated a *moderate* commitment to aligning the core values with the organisation's strategic objectives. Where possible the founders incorporated the company's core values into strategic decisions, however, there was no formal policy to do so. The alignment of values and strategy were observed to be more subconscious than conscious. While the overarching strategy demonstrated a loose connection to the core values, and a tendency toward a value-based strategy, it was not aligned through formal policy. This led to conflict between a person-focused core value system and an achievement-based strategy and objective.

The primary obstacle that the founders identified was a lack of personal commitment to actively align the core values with all strategic decisions. Instead, the alignment occurred subconsciously, as apposed to consciously or policy driven.

*“Yes, I would say we make strategic decisions that are based on our values, but not consciously”.* (Founder)

### **9) Role Modelling**

While the founders demonstrated an active interest in role modelling the company's core values as presented above, the commitment was deemed only *moderate*. Role modelling in the organisation was primarily limited to consciously acting in a manner consistent with the organisation's four core values. The reactions were therefore deemed to be a more conscious than sub-conscious decision. However, the manner in which the founders communicate, through verbal means and physical gestures, was more consistent with their personal values and deemed to be more of a sub-conscious decision than a conscious one.

While the founders understood that role modelling was beneficial the primary obstacle facing the implementation of a role modelling policy, was their personal commitment, patience and lack of formal process.

### **10) Visual Statements**

The founder's commitment to using visual statements was deemed to be *very high*. There was an active commitment to display and communicate four core values to both the wider group and new members to the group. This primarily occurred through induction packs and a commitment to display the values and objectives publically within the workplace. The values are further embedded through the use of a word wall. Whereby, members of the group were asked to supply a single value based word to describe what the company stood for, this was then painted on a public wall in the building. Finally, the founders made a commitment to the physical environment, designing and presenting the workspaces in a way, which was representative of the four core values and organisation's objective as a health provider.

### **Summary of Findings**

Analysis of 10 indicators identified that the founders of the organisation demonstrated a commitment to implementing a value-based strategy. The results show that the founders implemented policy and initiatives in a manner consistent with the organisation's four core values. This was primarily achieved through defining the core values, visually representing them throughout the organisation, aligning the values of new members with those of the organisation, behaving in a manner consistent with the core values, teaching and embedding the values through ongoing mentoring and interactions, and finally, reacting to critical events in a manner consistent with the core values, albeit sub-consciously. The

results identified that while the founders were committed to most of the indicators they did not implement a policy to measure and control the culture or core values, as they didn't have the tools or knowledge required to implement this into policy. This adds support to the obstacles identified, which included personal commitment and a lack of knowledge.

From the results six key mechanisms have been identified: (1) Defining and aligning the organisation's values and objects, (2) Creating visual statements to communicate the core values, (3) Aligning new and existing members of the group to the core values, (4) Teaching and embedding core values, (5) Exemplary behaviour, which role models the core values and, (6) Ongoing measurement and control of the culture and values.

### ***Chapter Summary***

The results collected from both the founders and the wider organisational group identified, that the wider group maintained a dominant culture type consistent with a clan culture. The relationship between the founders desired culture and the wider group demonstrated no significant relationship, however, there were distinct similarities across all four-culture types, with the founders indicating a desire for a dominant clan culture. The dominant culture type is supported within the wider organisational group by the dominant goal-orientated values *Compassion* and *Equality*. The results indicate that there may be an association between the dominant values present within the wider group and the dominant culture type. However, comparison of the combined founder's values with the wider group showed no relationship, this is, in contrast to the individual comparisons undertaken, which showed no relationship for one founder, but a statistically significant relationship for the other. The results suggest that the culture and values defined for the organisation, and the communication of these values may have more influence on the dominant culture and values than the founders' personal values.

Analysis of the mechanisms used to transfer the organisation's core values to the wider group demonstrated a strong commitment by the founders to most of the indicators. The founder's commitment to the indicators demonstrated that the process of implemented influences both the type of culture present, and the core goal-orientated values present within a wider organisational group. The results suggest that the alignment of the dominant culture type and dominant values could be a result of founder intervention. From the

results, six key mechanisms were identified, which could be used as the basis for a transfer process to enhance the transitioning of core values to a wider group.

## **5.0 DISCUSSION**

This study aimed to identify concepts that would enable SME founders to implement a value-based culture, through the use of mechanisms to enhance the transfer of values and a value-based culture from SME founders to a wider organisational group. Thus, creating a better-aligned and stronger culture consistent with the organisation's core values and objectives. The literature identified the role goal-orientated values play in an organisation's culture and how a manifestation occurs at differing levels of an organisation to create a culture specific to that group. At the core of this process lay values and it is the transfer of goal-orientated values and value-based cultures from SME founders to a wider group, and the mechanisms used to embed the culture, which is of primary interest. The results of this study support the notion that SME founders can transfer core goal-orientated values to a wider group, creating a culture type consistent with the organisation's predefined values. Indicating that predefined values and the mechanisms implemented by founders could have the greatest impact on embedding a SMEs culture over time.

As a result of the findings it is suggested that six key mechanisms can be implemented into a SME to enhance the transfer process and embed a predefined, value-based culture. The following discussion seeks to draw detailed conclusions from literature and results. As well as, identifying the key mechanisms for embedding a value-based culture, the study seeks to provide a better understanding of the influence this process has on the type of culture that forms as a result. The discussion will draw together all the key points to create a refined model that can be tested in future longitudinal research on mechanisms that enhance the transfer process and embed value-based SME cultures.

### **5.1 The Role of Values in SMEs**

Values in the context of this study relate to the core values, which act to define the type of culture that develops over a period of time as the founder's values, or the values defined for the organisation, transfer to the wider group and are normalised as daily practices. The notion of values being at the core of an organisation's culture is supported in the literature by (Deal & Kennedy, 1983; Hofstede et al., 1990; Schein, 2004). At a deeper level, values can be broken down into 10 value orientations, which are distinguished by the type of goal orientation that the value expresses (Schwartz, 1992). Schwartz (1992) argues that the

structure or relationship that exists between the 10 value-orientations can create conflict between some values, but show congruence with others. Schwartz presented 10 value relationships in a circular continuum, which showed the relationship between each of the values and the potential conflict that may arise. The concept of conflicting value-orientations is supported by the CVF (Quinn, 1983), which defined four culture types based on competing values. Quinn (1983) suggested that each of the four culture types represented the characteristics of values associated with that particular culture. Quinn goes on to argue that an organisation with a strong adhocracy culture would conflict with the values of an organisation with a strong hierarchy culture. The literature supports the notion that values are at the core of organisational culture and that depending on the goals, which underpin the values conflict may occur. The CVF supports this further by suggesting that the culture that forms within an organisation is based on a set of competing values.

Results from this study, relating to values and culture type, further support the notion of conflicting values. Within the wider group it was found that the dominant values were *Compassion* and *Equality*. These results indicate that the wider group's values are determined by goals associated with a; desire to preserve and enhance the welfare of people they have regular close contact with, while seeking to understand, tolerate, appreciate and protect the welfare of people (Schwartz, 1992). The results of the PVQ survey demonstrate underlying values similar to the values one would expect to see in an organisation with a dominant *Clan Culture*. A clan culture would demonstrate values, which emphasise an internal organic focus on people, the creation of a sense of we-ness, employee involvement and an outward focus on customers (Cameron & Quinn, 2011). However, a comparison of the founder's PVQ results with those of the wider groups proved to be inconsistent with what the literature suggests. One would have expected to see the core values of the founders transfer to the wider group as presented by Hofstede et al. (1990) and (Schein, 2004), who suggested that a founder's values transfer to a group over time and are then normalised as shared assumptions.

The findings are in contradiction to what was hypothesised. Instead, the results indicate that the founder's values do not align with the wider group. The founders combined dominant values were *Achievement* and *Independence*, which were more consistent with those of an entrepreneur. However, further analysis of the founder's individual results, showed that one of the founders, demonstrated a significant relationship between their

personal values and the wider groups. The dominant values identified in this founder were biased toward *Equality* and *Compassion*, meaning they looked to preserve, protect and enhance people's welfare, while understanding and tolerating the people around them. This is in contrast to the other founder who demonstrated no relationship and a bias toward *Achievement* or leadership, prestige and dominance. These results suggest that both founders are entrepreneurial, however, it also indicates that one of the founders may have more influence over the wider group than the other. Alternatively, they have come to a consensus about the type of culture and core values they communicate to the wider group. While the wider group demonstrated values consistent with the dominant culture, the founders demonstrated no relationship to the core goal-orientated values of the wider group, and the values associated with the dominant culture. The results indicate that it may be the core values and culture defined for the organisation and shared with the wider group through communicable mechanisms, which have transferred to the wider group, not the founder's personal values as hypothesised.

To further understand the association between the inner ring of goal-orientated values and the underlying values associated with each of the out ring culture types, the results of the PVQ values survey and OCAI culture survey, were compared. The comparison sought to identify associations between the dominant goal-orientated values and underlying values associated with the dominant culture type. The definitions of each of the culture types were compared to the definitions of the goal-orientated values that were closest in alignment to those of the corresponding culture type. Table. 11 on the following page, demonstrates the association between the culture types presented in the CVF and the underlying goals expressed by the eight corresponding values that were identified as being closest to the corresponding culture type:

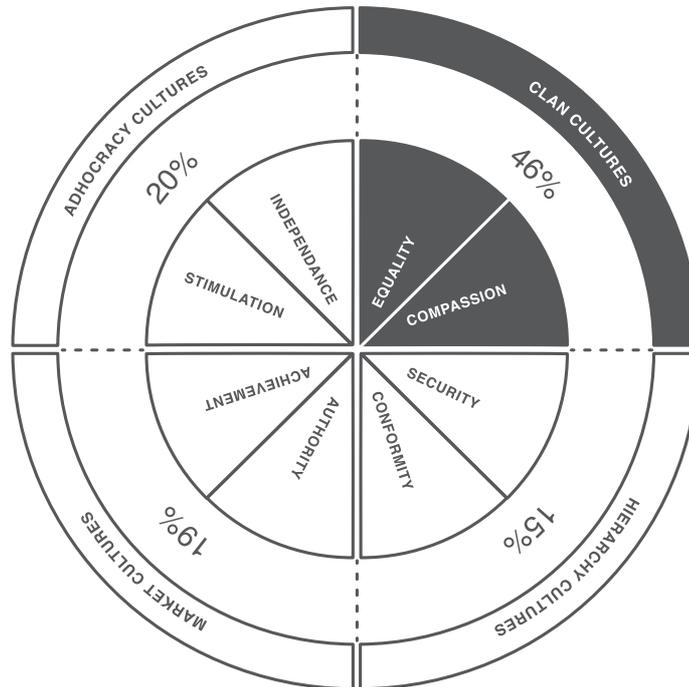
Table 11. **Comparison of culture types and values**

<b>Comparison of Culture and Paired Values</b>	
<b>Clan Cultures:</b>	<b>Goal Expressed by the Paired Values</b>
Are representative of family friendly organisations characterised by employee involvement, a focus on people, teamwork and a commitment to employees and customers.	<i>Compassion:</i> A person will seek to preserve and enhance the welfare of people they have regular close contact with; <i>Equality:</i> The person will seek to understand, tolerate, appreciate and protect the welfare of people.
<b>Adhocracy Cultures:</b>	<b>Goal Expressed by the Paired Values</b>
Are representative of organisations that are dynamic and creative. They are characterised by creating visions for the future, organised chaos, and disciplined imagination.	<i>Independence:</i> A person will seek to have independent thoughts and actions; <i>Stimulation:</i> A person will seek novelty and challenge in what they do.
<b>Market Cultures:</b>	<b>Goal Expressed by the Paired Values</b>
Are representative of organisations that are results driven and focused on getting the job done. They are characterised by profitability, bottom-line results and secure a customer base. There is a strong emphasis on external positioning and control.	<i>Achievement:</i> A person will seek to demonstrate personal success through social standards and achievement; <i>Authority:</i> A person will seek leadership, prestige and dominance over others;
<b>Hierarchy Cultures:</b>	<b>Goal Expressed by the Paired Values</b>
Are representative of organisations that are formalised, stable and structured. The organisation is characterised by clear lines of decision-making, authority, standardised rules and procedure. Maintaining a stable smooth running organisation is important.	<i>Security:</i> A person will seek a safe environment, harmony and stability of relationships; <i>Conformity:</i> A person will seek to restrain their actions in order to avoid upset and impulses likely to violate social norms. A person will seek to understand and conform to established customs.

(Cameron & Quinn, 2011; Schwartz, 1992)

The results demonstrate that there is an association between the expressed goals that underlie each of the values and the culture types presented in the CVF. When the results of the wider group's OCAI survey and PVQ survey are paired accordingly an association is shown. This suggests that the goals, which are expressed by each set of values, have transferred to the wider group either from the founders subconsciously or as a result of conscious intervention. Given the absence of any relationship between the founder's core values and the wider group, it can be assumed that the transfer of values may have been a result of a direct effort by the founders to communicate a set of defined core values and culture to the wider group, not a subconscious transaction. Fig. 8 on the following page illustrates the association between the eight goal-orientated values presented in Table. 11, and the corresponding culture types identified. The shaded quadrant demonstrates that the wider group's dominant culture, 46%, aligns with the dominant goal-orientated values identified.

Figure 8. Paired values and culture types



Removed from the paired values were *Self-indulgence* and *Tradition*. The results of the values survey indicated that self-indulgence ranked highly as a value, while tradition ranked much lower. However, a wide standard deviation was demonstrated indicating that tradition was not a consistent value held by the group. In comparison self-indulgence had a narrow standard deviation, which indicates, the wider group had goals associated with a seeking of pleasure and self-gratification. Based on the definitions: (1) *Tradition*: A person will seek to respect and commit to the customs and beliefs that a culture or religious group provides and, (2) *Self-Indulgence*: A person will seek pleasure and gratification for ones-self. The results suggest that both self-indulgence and tradition are personal values, which may influence the way a person views the world, but does not necessarily have an influence on goal-orientated values, which form the basis of an organisational culture. However, consideration should be given to the founders emphasis on communicating the core value *Enjoyment*, it is possible that the strong presence of self-indulgence is a result of an increased emphasis being placed on enjoying ones-self at work. In which case, the latter, adds further support to the notion that founders can have an influence on the underlying goal-orientated values that manifest into an organisation's culture.

### **5.1.1 Defining Core Values and Expressed Goals**

The literature and results have identified that there may be an association between goals which underlie the paired values and the goals which are expressed by the culture types. The study supports the notion that values can be distinguished by the goals, which each value expresses, and that values can be congruent or conflicting. To define the concept of values in the context of this study the eight-paired values have been given a definition, based on the goals expressed by each value set. The following outlines a definition for each of the paired values, defined previously, taking into consideration the goals, which underpin each value set:

#### ***1) Compassion / Equality***

The organisation's founders and key leaders will seek to preserve and enhance the welfare of employees while tolerating, protecting and appreciating people associated with the organisation. The organisation will seek to enhance an employee's personal development and build strong customer relationships.

#### ***2) Independence / Stimulation***

The organisation's founders and key leaders will seek to encourage employees to have independent thoughts and actions, while enabling a novel, stimulating and challenging workplace. The organisation will allow employees the freedom to take risks and seek to build customer relationships through innovation.

#### ***3) Achievement / Authority***

The organisation's founders and key leaders will seek to encourage employees to demonstrate personal success through achievement and social position. They will encourage strong leadership and seek to dominate others in the organisation. The organisation will encourage employees to have a winning attitude and customers are seen as a way to increase market share.

#### ***4) Security / Conformity***

The organisation's founders and key leaders will seek to build a safe and harmonious environment, which offers employees stability. They encourage restrained actions in order to avoid violating social norms and require employees to conform to established rules,

regulations and customs. The organisation will offer employees a safe and structured environment, which is focused on building stable long-term customer relationships.

## **5.2 Type of Culture Present**

As an organisation's values transfer from the founders to the wider group there is a manifestation that occurs at different levels to form an overarching culture within the wider group. Beliefs and values occur as a result of shared experiences, these shared assumptions then form the basis for a group's culture (Schein, 2004). Therefore, culture formation is a process of manifesting shared assumptions that occur at different levels to create a group's identity. A number of theories have been presented on levels of culture that exist in an organisation (Cameron & Quinn, 2011; Deal & Kennedy, 1983; Hofstede et al., 1990; Johnson, 2000; Schein, 2004), however, there are a number of core manifestations, which are common amongst the theories. At the core of most theories sits values, which spread outwardly through the wider group to rituals, heroes, stories and symbols. As values transfer from founders to a wider group they manifest to form an organisational culture.

As an organisation's core values manifest through each level of an organisation they begin to create a culture specific to that group. The types of culture that one may expect to observe in an organisation have been presented previously in the literature review (Deal, 2000; Handy, 1993; Quinn, 1983; Trompenaars, 1993). Even though there were similarities identified between the perspectives there remains a strong association to the original CVF presented by Quinn (1983). Quinn (1983) theorised four culture types that were characterised as clan, adhocracy, hierarchy and market cultures, which were founded on the theory that each culture type had opposing core values associated with it. Meaning an organisation with a dominant clan culture would hold values that competed with an organisation demonstrating the characteristics of a dominant market culture.

The results of this study demonstrated an association between the wider organisation's dominant goal-orientated values and values, which underlie the dominant culture type, supporting the theory that the type of culture that exists in an organisation is founded on the goals, which are expressed by those values. It also supports Quinn (1983) and the notion that values will compete with each other. The results go further, and also support Schwartz (1992) who suggested that values represented and in a circular continuum will be

either congruent or conflict with opposing values, and that these values are founded on the goals that motivate them.

### **5.2.1 Defining a Value Based Culture**

The literature and results have so far identified that there is an association between the underlying values present in the sample and the goals expressed by the underlying values associated with the types of culture identified. In addition, the study supports the notion that values can be distinguished by the goal-orientations, which they express, and that values can be congruent or conflicting. To define the concept of a value-based culture, the culture types have been redefined and renamed to better align with the values that are expressed by each of the goals, which underlie the four culture types. The following outlines a definition for each of the four culture types, taking into consideration the values and goals, which underpin each culture type in an organisational setting:

#### ***1) People Orientated Cultures***

These organisations are personal places where there is a focus on enhancing the wellbeing of employees. The leadership will exemplify equitable and compassionate behaviour, while encouraging personal development. Leaders will be thoughtful and make decisions based on consensus. The organisation will be held together by a concern for others and a commitment to enhancing people's wellbeing. The organisation's strategic emphasis will be on positive human interactions and treating customers like partners. Success will be defined by developing human resource, teamwork, employee commitment and enhanced customer relations.

#### ***2) Innovation Orientated Cultures***

These organisations are places where independent thinking is encouraged and employees are allowed to think for themselves and take risks. The leadership exemplifies creative independent thinking and encourages a stimulating workplace. Leaders will be risk takers, innovative and encourage uniqueness, and decisions are based on doing things the organisation's way. The organisation is held together by its unique commitment to independent thinking and freedom, there is an emphasis on challenge and novelty. The organisation's strategic emphasis is the creation of new challenges and prospecting for new opportunities and customers. Success will be defined on the basis of freethinking, having

the most innovative and unique products and seeking a freedom of thought and expression within the wider group.

### ***3) Outcome Orientated Cultures***

These organisations are places where results are important and people in the organisation are competitive, achievement-focused and seek prestige. The leadership exemplifies strong leadership, and have a result-orientated focus. They encourage strong leaders, competition and market dominance. They encourage personal success and prestige; and decisions are made through decisive leadership. The organisation is held together by an emphasis on personal achievement, strong leadership and winning in the market place. The organisation's strategic emphasis is on competitive actions, leadership initiatives, hitting targets and success in the market place. Success is defined by outpacing the competition market leadership and prestige.

### ***4) Structure Orientated Cultures***

These organisations are places where stability, restrained actions and formal procedures generally govern what people do. The leadership exemplify harmonious and restrained efficiency and a safe and consistent workplace. They are characterised by defined procedures and stable relationships, decisions are made based on rules and procedure. The organisation is held together by stable and secure relationships, which make for a harmonious and calm workplace. The organisation's strategic emphasis is founded on permanence, efficiency and smooth operations. Delivering to the customer on time is important, even critical. Success is defined by restrained actions, a safe-structured workplace and stable customer relationships.

## **5.2.2 Aligning Culture and Leadership**

The results of this study showed that there was a difference in the values held by each of the founders, with one of the founders demonstrating a significant relationship to the values held by the wider group, while the other demonstrated, no relationship. The role of founders in transferring of a SME's core values is critical to the success of the process. Cameron and Quinn (2011) extensively studied organisations over a number of years and found that the most effective managers and leaders demonstrated characteristics matching the leadership characteristics of the dominant culture type. For example, leaders in organisations with a dominant clan culture were seen as parent figures, team builders,

nurturers and mentors, while leaders in hierarchy cultures were good at organising, controlling, administering and showed a high level of efficiency. When looking at market cultures, successful leaders were hard driving, commanding competitors and good at producing results, negotiating and motivating others. Finally, effective leaders in adhocracy cultures tended to be entrepreneurial, visionary, risk orientated and innovative.

Cameron and Quinn (2011), suggest that when leadership strengths are congruent with the dominant culture they tend to be more successful and lead more successful organisations. This argument is supported by more recent studies, which identified that key managers need to buy into an organisation's culture, values and beliefs to ensure subordinates do not receive mixed messages (Ryu, 2015). This argument is further supported by Molenberghs (2015) who demonstrated that when there is group identity between leaders and followers, the followers are more likely to respond positively. The role of founders and key leaders has been shown to play an important role in transferring values and cultures to a wider organisational group, in order to gain acceptance and achieve positive results.

Given the role leaders play in the success of an organisation it is important that the founders and key leaders of a SME demonstrate a level of congruence with the dominant culture type and goals expressed by the core values. However, the results of this study suggest that the combined values of the founders are not congruent with the wider group, yet when asked to define the type of culture they were trying to achieve there was congruence with the dominant culture present in the wider group. The literature (Hofstede et al., 1990; Schein, 2004), suggests that the founders and leaders values transfer to the wider group over time becoming shared assumptions, which are normalised as a shared culture. However, the results of this study suggest that the values of the founders have not transferred to the wider group, subconsciously, instead the organisation's four core values, which were founded on a set of goal-orientated values consistent with compassion and equality, have normalised to become the dominant culture.

The founders identified a desired culture with values that expressed goals similar to the dominant culture identified in the wider group, even though they didn't have values that were congruent. The results suggest that it is not the founder's values that transferred to the wider group instead it was the envisioned values and culture that were communicated to the group, which transferred to create a specific organisational culture. The results further

suggest that even if the founders have different values they can hold a common view of the desired culture and core values, transferring them to the wider group. As long as the founders and key leaders demonstrate a commitment to the values and culture, the wider group will perceive the founders and key leaders as inspirational role models and follow their lead. Adopting the values and behaviour that is role-played to them by the founders and key leaders.

### **5.3 Transferring an Organisation's Value and Culture**

Organisational culture originates from one of three places; (1) the beliefs and assumptions of the founder, (2) the learning experience of a group as their organisation evolves and, (3) beliefs, assumptions and values brought into a group by new leaders (Schein, 2004).

This study looks specifically at beliefs, values and assumptions brought into a group by SME founders and the mechanisms to transfer these values and assumptions to a wider group. The results of the founders and wider group's values surveys suggested that there was not a natural transition of values, instead the values, which were transferred, came about as a result of the founders agreeing on a common set of values and culture to communicate. The results showed that the founder's individual values were more consistent with entrepreneurial behaviour than that of equality and compassion values, which were dominant values in the wider group. The goal-orientations which define an entrepreneur's values may not align with the organisations as they are often self-confident, determined people who have created strong assumptions about the world (Schein, 1983). The results showed that the founders of the organisation had the dominant value-orientations achievement and independence. However, neither of these values was shown to be dominant in the wider group. The focus then needs to be on what the founders collectively defined as core values and the mechanisms they implemented to communicate these to the wider group.

From the literature 10 key mechanisms were identified that were used to better understand the commitment, the founders made to the indicators, how they implemented them, if at all, and what obstacles were met. Hofstede et al. (1990) argued that founders and key leaders undoubtedly influence the shared practices and assumptions of an organisation's members. The positive influence of leaders on a wider organisational group is supported by Tsai

(2011) who argues that by clearly communicating a vision to employees, leaders can enhance shared practices within the group. It was Schein (1983) though who observed that the most potent influences for embedding values are: (1) deliberate role modelling, (2) teaching and coaching, (3) measurement and control and, (4) leaders' reactions to critical events. The literature identified other key elements for transferring and embedding values, including, the alignment of an organisation's core values and its objectives and the behaviour of key leaders (Vaňová & Babel'ová, 2012). Following on from this it has been argued that even though a person may identify with an organisation's values their personal values don't disappear (Hitlin, 2003), and they are more likely to fit into an organisation where their personal values align with the organisation's core values and culture (Posner & Schmidt, 1993). Each of these arguments formed the basis for identifying 10 key mechanisms for further analysis.

The results identified that the founder's made a strong commitment to defining four core values for the organisation, and through communicable methods shared this with the wider group. The first and most important value defined by the founders was *People*, which corresponded to the goal-orientated value *Compassion*. This result is also consistent with the underlying values associated with the culture identified as the most desired for the organisation. That being, a *Clan Culture*, which has underlying goal-orientations associated with *Equality* and *Compassion*. These results are further supported by the results collected from the wider group, which identified dominance in *Clan Culture*, *Equality* and *Compassion*. During the interview process, the founders continually emphasised the importance of this value. The results demonstrate that the founder's conscious effort to define values specific to the organisation, and embed these through communicable methods has been successful.

To embed an organisation's core values and a value-based culture into a wider group requires a process of transitioning, part of this process requires values to manifest at different levels of an organisation creating an overarching culture of shared practices. Six core mechanisms have been identified to define, transfer, embed and measure a value-based organisational culture. Each of the six steps and mechanisms suggested plays a role in the process of creating a value-based SME culture. The six mechanisms were derived as a result of the interview with the founders. Analysis of the semi-structured interview, and the original 10 mechanisms, identified six key reoccurring themes that were classified as

core mechanisms for embedding a value-based culture. Each of the six steps, with the exception of measure and control, was identified as being implemented by the founders to embed the organisation's values and envisioned culture. Even though the founders did not implement measurement and control, literature suggests that it plays an important role in the ongoing embedding of a value-based culture (Schein, 1982), which is why it has been included as a sixth step in the process. The following lists each of the six steps; embedded into each step are the manifestations defined by Hofstede et al. (1990), that being, symbols, rituals, heroes and values:

### ***1) Values & Objectives***

Define the organisation's desired culture based on the core value sets, aligning the organisation's objectives with a value-based culture. Ensure the culture, values and objectives align in such a way as to complement each other. If an organisation has a dominant clan culture, it is unlikely to succeed in an industry that requires a highly competitive market driven culture (Cameron & Quinn, 2011).

### ***2) Visual Statements & Representations***

Visually display the organisation's vision and value statements using posters and visual representations. This includes creating a physical environment, which reflects the core values, the desired culture and organisation's objectives. The argument for value-based vision statements in organisations is supported by (Ryu, 2015).

### ***3) Alignment of Values***

Ensure that existing and new members to the group have core values that align with those of the organisation. Implement a formal recruitment policy to ensure new member's values align with the organisations, ensure new members are made aware of the organisation's values, objectives and culture. This is supported by Cable (1996) who argues that interviewers should ensure new employees beliefs and vales align with the organisation's values and culture. Identify key leaders to lead the change process, ensuring their personal values align with the organisations. It has been shown to improve job satisfaction amongst employees, when managers have values and beliefs that align with the organisations (Ryu, 2015).

#### ***4) Teach & Embed***

Deliberately embed the organisation's values through, regular meetings, ongoing coaching and mentoring of key personnel. This should extend to both new and existing members of the wider group. Schein (1983) observed that teaching and embedding culture and values was one of three, potent tools, available to an organisation's leaders. Further consideration should be given to celebrating early wins by rewarding members of the group for adopting the values and culture. This notion is supported by Kotter (1995).

#### ***5) Exemplary Behaviour***

Ensure the organisation's founders and key leaders consciously demonstrate behaviour consistent with the organisation's core values, and desired culture. This argument is supported by Schein (1983) and Hoffman (2011) who suggests that managers must buy into, and be trained, on the values and vision of the organisation to ensure they exemplify them to subordinates. This should include the manner in which founders and key leaders react to critical events, both internally and externally. Founders and key leaders should be role models who exemplify the organisation's values and culture.

#### ***6) Measure & Control***

Regularly measure and control the organisation's culture and objectives, making changes as required. Ensure the organisation's values continue to align with its strategic objectives, as they change over time. The process of measuring and controlling values and culture has a critical and potent influence on embedding values in an organisational group (Schein, 1982).

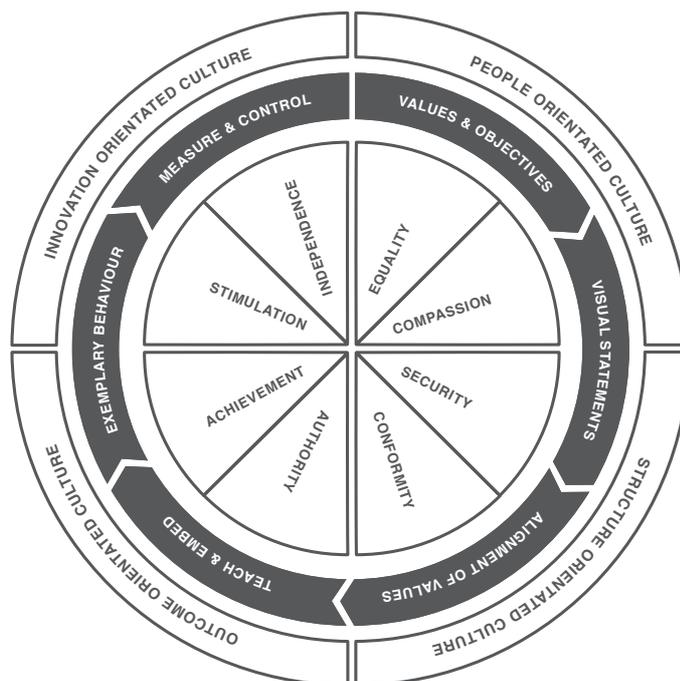
### **5.4 Values, Culture and Enhancing Value Transfer**

Through analysis of literature and supporting results this study explored and identified a theoretical model, which proposed eight goal-orientated values and four value-based culture types, as well as six key mechanisms for embedding core values and a value-based culture. From the literature and results an applied model, Fig. 9 on the following page, has been created. At the core the model shows the eight-paired values in a circular model, with the six transfer mechanisms for embedding a value-based culture located in the middle, the outer ring represents the type of culture that occurs as a result of implementing a value-based culture. The four culture types are founded on the goals expressed by each of the

paired value sets. The study supports Quinn (1983) and the CVF in suggesting that at the core of each of the culture types lay conflicting and congruent values, which form the basis for that culture type. The circular model also builds on Schwartz (1992), in that, what distinguishes each value in an organisational setting is the type of goal that the value expresses. So each culture type has a set of underlying values distinguished by the goals that the paired-values express, and these underlying values can conflict with opposing values, or be congruent with the values either side of them.

Sitting between the core values and corresponding culture types sits six mechanisms identified to enhance the process of transferring a value-based culture from founders to a wider SME group. In essence, founders would define a value-based culture type for their SME, which aligned with the organisation’s objectives, then implement the necessary mechanisms to embed a value-based culture. The underlying values should be specific to the organisation and the over arching strategy and objectives. The applied model presented in this study is based on the notion that founders of a SME can define a value-based culture specific to their organisation and objectives, then implement a process to embed the associated core values and culture over time.

Figure 9. **The refined model**



#### **5.4.1 Measuring SME Values and Culture**

The theoretical model suggested by this study has been developed to assist future longitudinal research into mechanisms to enhance the transfer of value-based cultures in SMEs. To implement the model in future research, a revised OCAI questionnaire survey has been developed, Values Based Cultural Assessment (VBCA), Appendix. IV. The survey takes each of the questions and rewords them to align with the corresponding goal-orientated values derived from Schwartz (1992), and supported by the results of this study. In essence, each culture type is based on the corresponding-paired values presented previously. To measure the values in new and existing members of the wider group, aligning them with the organisation's values and culture, a revised values survey, Organisational Values Survey (OVS), has been developed Appendix. V. The survey consists of 24 questions with three questions allocated to each of eight values. The VBCA survey is used to identify a desired culture type, based on the underlying core goal-orientated values identified, and measure the type of culture present within the wider group over a period of time. Whereas, the OVS can be used to align new members and managers to the underlying values and culture of the organisation, to ensure they hold values congruent with the organisation.

#### **5.5 Limitations of the Study**

This study sought to explore a theoretical model to identify mechanisms to embed a value-based culture. As a direct consequence of the multi-method methodology implemented, the quantitative data collected to support the primary variable, identified an association that was not hypothesised. As a result, the literature and data needed to be given more consideration as the supporting variables formed an important role in the overall model development. While the study was exploratory in nature, and intended to explore mechanisms that could be implemented to enhance the process of embedding a value-based culture, literature and results identified additional gaps that were not anticipated. As a result, the theoretical model presented above requires, further, more in-depth research before it can be implemented into a longitudinal study. While the limitations were not anticipated, they have allowed for the exploration of a more robust model, which will result in a deeper understanding of the concepts. Ultimately, a deeper understanding of the model will result in a more robust longitudinal study in the future.

## ***Chapter Summary***

This study has built on the work of previous theorists to identify an association between the values and the type of culture, which occurs in a SME. The results support Quinn (1983) and the principle that each culture type has conflicting core values. This study has built on Quinn (1983) by looking deeper into the underlying values and goal-orientations that sit at the core of an organisation. The results further identified that the founder's personal values didn't influence the wider group's culture instead it was the envisaged culture and values, which the founders defined collectively that had the greatest influence. The results along with the literature identified six core mechanisms, which could be used to enhance the transfer process and act to embed a value-based culture. The study has identified an applied model to define, transfer and measure a value-based SME culture.

## **6.0 CONCLUSIONS**

This study set out to explore the concept of mechanisms to enhance and embed a value-based culture, in order to build stronger value-based SME cultures. The general literature, in the context of this study, offered inconclusive evidence of a single process to enhance the transfer of core organisational values to create a value-based SME culture. The literature independently argued theories that defined related concepts for enhancing organisational values and culture. However, no single theorist combined all the mechanisms together in the context of transferring values to create stronger value-based cultures. The study positively hypothesised that identifying mechanisms to transfer and embed core goal-orientated values would result in a stronger value-based SME culture. The resulting theoretical model has enabled a deeper understanding of the creation of value-based SME cultures and the way in which they manifest over time. The study has therefore created a deeper applied model that incorporates goal-orientated values and the corresponding culture that forms as a result of these. The literature and results have enabled the development of a model to define a value-based culture and implement mechanisms to transfer this from a founder to a wider organisational group. Thus creating a stronger better-aligned SME culture, based on a set of envisioned goal-orientated values.

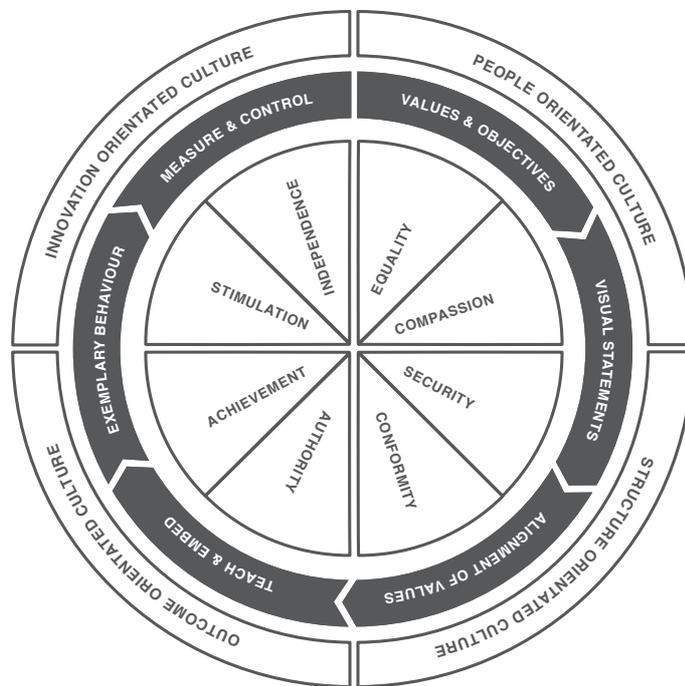
### **6.1 Key Findings**

The main findings of the study suggest that the core goal-orientated values held by humans, as defined by Schwartz (1992) are transferable to an organisational setting. The findings suggest that the goals expressed by each value have an association with the type of culture that develops within a wider organisational group over time. The study demonstrated that these underlying goal-orientated values will be either congruent or conflict with each other depending on where they sit within the theoretical continuum. It was further suggested that the founder's personal values did not transfer to the wider group as hypothesised, but instead the founder's envisioned values and culture, transferred to the wider group.

These results brought into context the primary variable of interest in this study, which was, the mechanisms required to transfer an organisation's core goal-orientated values and valued-based culture from the founders to a wider group. The study builds on the theory of value transfer by suggesting that a founder can define a specific type of value-based

culture and through the use of specific mechanisms successfully transfer this to a wider group. The results of this study suggest that a founder's values can be unrelated to the organisation's core values, and therefore create a value-based culture different to what the founder's underlying personal values are. The primary finding of the study is the identification of six mechanisms to enhance the transfer process and a methodology to embed a value-based culture. As a result of the study the following refined model is proposed, Fig. 10:

Figure 10. **The refined model**



The circular continuum presented above, defines each of the culture types and corresponding goal-orientated values, which underlie the respective culture type. In the middle of the underlying values and corresponding culture, sits the six mechanisms proposed to enhance the transfer process and embed a value-based SME culture. The values represent the goals expressed by the organisation for each of the culture types. The culture types and underlying values are presented in such a manner as to demonstrate, which cultures are congruent and which cultures conflict. Opposite cultures on the circular continuum have goal-orientated values, which will conflict while the cultures next to each other will be more congruent. In essence, the model demonstrates the type of culture a

SME founder can define for their organisation, the goal-orientated values which underpin the culture and a process to transfer the desired culture type from founders to a wider organisational group. Thus, embedding it as a value-based SME culture, which supports the organisation's objectives and strategy. The following definitions were developed and attributed to each of the culture types and paired values. The definitions are based on the goals that are expressed by each value and the culture that forms as a result:

### ***1) People Orientated Cultures***

These organisations are personal places where there is a focus on enhancing the wellbeing of employees. The leadership will exemplify equitable and compassionate behaviour, while encouraging personal development. Leaders will generally be thoughtful and make decisions based on group consensus. The organisation will be held together by a concern for others and a commitment to enhancing people's wellbeing. The organisation's strategic emphasis will be on positive human interactions and treating customers like partners. Success will be defined by developing human resource, teamwork, employee commitment and enhanced customer relations.

*Underlying Values:* The organisation's founders will seek to preserve and enhance the welfare of employees while tolerating, protecting and appreciating people associated with the organisation. The organisation will seek to enhance an employee's personal development and build strong customer relationships.

### ***2) Innovation Orientated Cultures***

These organisations are places where independent thinking is encouraged and employees are allowed to think for themselves and take risks. The leadership exemplifies creative independent thinking and encourages a stimulating workplace. Leaders will be risk takers, innovative and encourage uniqueness, and decisions are based on doing things the organisation's way. The organisation is held together by its unique commitment to independent thinking and freedom, there is an emphasis on challenge and novelty. The organisation's strategic emphasis is the creation of new challenges and prospecting for new opportunities and customers. Success will be defined on the basis of freethinking, having the most innovative and unique products and seeking a freedom of thought and expression.

*Underlying Values:* The organisation's founders will seek to encourage employees to have independent thoughts and actions, while enabling a novel, stimulating and challenging workplace. The organisation will allow employees the freedom to take risks and seek to build customer relationships through innovation.

### ***3) Outcome Orientated Cultures***

These organisations are places where results are important and people in the organisation are competitive, achievement-focused and seek prestige. The leadership will exemplify strong leadership, and have a result-orientated focus. They encourage personal success and prestige; and decisions are made through decisive leadership. There is an emphasis on personal success, prestige and decisive leadership. The organisation is held together by a commitment to personal achievement, strong leadership and winning in the market place. The organisation's strategic emphasis is on competitive actions, leadership initiatives, hitting targets and success in the market place. Success is defined by outpacing the competition, market leadership and prestige.

*Underlying Values:* The organisation's founders will seek to encourage employees to demonstrate personal success through achievement and fulfilling personal goals. They will demonstrate strong leadership and seek to dominate others in the industry. The organisation will encourage employees to have a winning attitude and customers are seen as a way to increase market share.

### ***4) Structure Orientated Cultures***

These organisations are places where stability, restrained actions and formal procedures generally govern what people do. The leadership will exemplify harmonious and restrained efficiency and a safe and consistent workplace. They are characterised by defined procedures and stable relationships, decisions are made based on rules and procedure. The organisation is held together by stable and secure relationships, which make for a harmonious calm workplace. The organisation's strategic emphasis is based on permanence, efficiency and smooth operations. Delivering to the customer on time is important. Success is defined by restrained actions, a safe-structured workplace and stable customer relationships.

*Underlying Values:* The organisation's founders will seek to build a safe and harmonious environment, which offers employees stability. They encourage restrained actions in order to avoid violating social norms and require employees to conform to established rules, regulations and customs. The organisation will offer employees a safe and structured environment, which is focused on building stable long-term customer relationships.

### **6.1.1 Key Transfer Mechanisms**

As a result of this study, and located in the middle of the refined model, are six mechanisms, which could be implemented to transfer and embed a predefined value-based culture, which aligns with the organisation's objectives. The following definitions were developed and attributed to each of the mechanisms, to create what is in effect a six-step process to transfer a predefined value-based culture from the founders to a wider organisational group. Each of the mechanisms is defined in detail below:

#### ***1) Values & Objectives***

Define the organisation's desired culture based on the core value sets and aligning the organisation's objectives with the core values. Ensure the culture, values and objectives align in such a way as to complement each other.

#### ***2) Visual Statements & Representations***

Visually display the organisation's core values, desired culture and value statements using posters and visual representations. This includes creating a physical environment, which reflects the core values, the desired culture and organisation's objectives.

#### ***3) Alignment of Values***

Ensure that new members to the group have values that align with those of the organisation. Implement a formal recruitment policy to ensure new member's values align with the organisations, ensure the new members are made aware of the organisation's values, objectives and culture. Identify key leaders to lead the process, ensuring their personal values are congruent with the organisations. Use the OVS to align the new member's values with the organisations.

#### ***4) Teach & Embed***

Deliberately embed the organisation's values through, regular meetings, ongoing coaching and mentoring of key personnel. This should extend to both new and existing members of the wider group. Events and special occasions, which reflect the organisation's values, and culture should become regular occurrences.

#### ***5) Exemplary Behaviour***

Ensure the organisation's founders and key leaders consciously demonstrate behaviour consistent with the organisation's values, desired culture and objectives. This includes the manner in which founders and key leaders react to critical events, both internally and externally. Define and communicate to new and existing members, role models who exemplify the organisation's values, culture and objectives. Founders and key leaders should be role models who exemplify the organisation's values, culture and objectives;

#### ***6) Measure & Control***

Regularly measure and control the organisation's culture and objectives, making changes as required. Ensure the organisation's values continue to align with its strategic objectives as they change over time. Use the VBSA survey to measure the dominant culture type, ensuring it aligns with the desired culture and company objectives.

## **6.2 Implications**

This exploratory study has introduced a theoretical model to define, transfer, embed and measure a value-based culture in SMEs. At the core of the applied model argued for in this study, sit goal-orientated value sets, which underlie each culture type that may be present in an organisation. The underlying values are founded on human values presented by Schwartz (1992) and adapted so as to correspond to the associated culture types presented by Quinn (1983). This study supports the argument that values form the basis for an organisation's culture (Deal & Kennedy, 1983; Hofstede et al., 1990; Schein, 2004) and the notion that conflicting values can occur within an organisational culture Quinn (1983). However, where Hofstede et al. (1990) and Schein (2004) argue that founder's values transfer to the wider group where they are normalised as shared assumptions, this study suggests it is not necessarily the founder's personal values that are transferred, but can also be a set of predefined values, which align with an organisation's objectives and strategy.

The applied model presented in this study adds another dimension to the arguments presented by Hofstede et al. (1990) and Schein (2004). The results suggest that where the desire to create a specific value-based culture is strong enough, founders can define a desired state and implement a process to embed a specific value-based culture.

The study highlights the importance of creating a value-based culture in SMEs, supporting the arguments of other theorists, including (Haimmerl, 2014). The implications of the study are that SME founders can define and embed a value-based culture aligning it with the organisation's objectives and strategy. The study suggests that SME founders can consciously embed stronger cultures that are better aligned with goal-orientated values that support the organisation's objectives.

By building on supporting evidence, the study identified six core mechanisms, which were founded on the arguments of (Hitlin, 2003; Posner & Schmidt, 1993; Schein, 1983; Tsai, 2011; Vaňová & Babel'ová, 2012). The theories presented by these theorists formed the basis for mechanisms that can be implemented by SME founders to enhance the transfer of a value-based culture from themselves to a wider organisational group. The implications of this study for SMEs is the ability to define, transfer, embed and measure a value-based organisational culture, thus better aligning the organisation's culture and objectives with its underlying values. While the study has long-term implications for SMEs, the results also bring into question, the ability for key organisational leaders in larger firms, to define a value-based culture and actively embed it into a wider organisational group.

### **6.3 Recommendations for Further Research**

To gain a better understanding of the applied model presented in this study, there is a need to explore the relationship between culture type and corresponding goal-orientated values. Further research is recommended to test the relationship between the inner and outer rings of the model across a larger SME sample from differing industries and professions. This is recommended to gain a deeper understanding of how the underlying values that express the corresponding culture type relate to each other. Further research is also required to better understand how the six core mechanisms identified relate to other industries and organisations, to ensure the embedding process is robust and testable across differing industries.

In summary, the purpose of this exploratory study was to identify mechanisms to embed a value-based SME culture. In doing so an applied model was created, which could be implemented into future longitudinal research that would test the model over an extended period of time across multiple SMEs. It is recommended that future research should; (1) gain a better understanding of the association between the eight underlying values and four culture types, (2) seek to better understand the effectiveness of the six mechanisms presented and, (3) longitudinally test the model in SMEs to seek a better understanding of the changes that occur within the organisation's culture over an extended period of time.

The study supports previous theories that suggest organisational culture is founded on a set of conflicting values, which manifest over time at different levels as they are transferred from founders and key leaders to a wider organisational group. The study has built on these theories and argues that SME founders can define a value-based culture, which is founded on a set of eight goal-orientated values, and implement mechanisms to transfer a desired culture, embedding it into a wider organisational group. From the literature and results a refined model was presented for further research and implementation in a longitudinal study of value-based cultures in SMEs. A future longitudinal study would seek to better understand whether defining a value-based culture and implementing mechanisms to transfer the core values, results in the embedding of a stronger more aligned organisational culture, which improves SME performance.

## APPENDIX. I

### Organisational Culture Assessment Instrument

1. Dominant Characteristics		Score
A	The organisation is a very personal place. It is like an extended family. People seem to share a lot of themselves.	
B	The organisation is a very dynamic entrepreneurial place. People are willing to stick their necks out and take risks.	
C	The organisation is very results oriented. A major concern is with getting the job done. People are very competitive and achievement oriented.	
D	The organisation is a very controlled and structured place. Formal procedures generally govern what people do.	
<b>Total</b>		<b>100</b>
2. Organisational Leadership		Score
A	The leadership in the organisation is generally considered to exemplify mentoring, facilitating, or nurturing.	
B	The leadership in the organisation is generally considered to exemplify entrepreneurship, innovating, or risk taking.	
C	The leadership in the organisation is generally considered to exemplify a no-nonsense, aggressive, results-oriented focus.	
D	The leadership in the organisation is generally considered to exemplify coordinating, organizing, or smooth-running efficiency.	
<b>Total</b>		<b>100</b>
3. Management of Employees		Score
A	The management style in the organisation is characterized by teamwork, consensus, and participation.	
B	The management style in the organisation is characterized by individual risk-taking, innovation, freedom, and uniqueness.	
C	The management style in the organisation is characterized by hard-driving competitiveness, high demands, and achievement.	
D	The management style in the organisation is characterized by security of employment, conformity, predictability, and stability in relationships.	
<b>Total</b>		<b>100</b>

4. Organisation Glue		Score
A	The glue that holds the organisation together is loyalty and mutual trust. Commitment to this organisation runs high.	
B	The glue that holds the organisation together is commitment to innovation and development. There is an emphasis on being on the cutting edge.	
C	The glue that holds the organisation together is the emphasis on achievement and goal accomplishment. Aggressiveness and winning are common themes.	
D	The glue that holds the organisation together is formal rules and policies. Maintaining a smooth-running organisation is important.	
<b>Total</b>		<b>100</b>
5. Strategic Emphases		Score
A	The organisation emphasizes human development. High trust, openness, and participation persist.	
B	The organisation emphasizes acquiring new resources and creating new challenges. Trying new things and prospecting for opportunities are valued.	
C	The organisation emphasizes competitive actions and achievement. Hitting stretch targets and winning in the marketplace are dominant.	
D	The organisation emphasizes permanence and stability. Efficiency, control and smooth operations are important.	
<b>Total</b>		<b>100</b>
6. Criteria of Success		Score
A	The organisation defines success on the basis of the development of human resources, teamwork, employee commitment, and concern for people.	
B	The organisation defines success on the basis of having the most unique or newest products. It is a product leader and innovator.	
C	The organisation defines success on the basis of winning in the marketplace and outpacing the competition. Competitive market leadership is key.	
D	The organisation defines success on the basis of efficiency. Dependable delivery, smooth scheduling and low-cost production are critical.	
<b>Total</b>		<b>100</b>

(Cameron & Quinn, 2011)

## APPENDIX. II

### PVQ Based Values Survey

		<i>Very much like me</i>	<i>Like me</i>	<i>A little like me</i>	<i>Not like me</i>	<i>Not at all like me</i>
1	Thinking up new ideas and being creative is important to them. They like to do things in their own original way. IN	1	2	3	4	5
2	It is important to them to be in charge and tell others what to do. They want people to do what they say. AU	1	2	3	4	5
3	They want everyone to be treated justly. It is important to them to protect less fortunate people. EQ	1	2	3	4	5
4	It is very important to them to show their abilities. They want people to admire what they do. AC	1	2	3	4	5
5	It is important to them that things are organised and clean. They don't like their surroundings to be untidy. SE	1	2	3	4	5
6	They like surprises. It is important to them to have an exciting life. ST	1	2	3	4	5
7	They believe that people should do what they are told. They think people should follow rules at all times, even when no one is watching. CF	1	2	3	4	5
8	It is important to them to listen to people who are different from them. Even when they disagree with them, they still want to understand them. EQ	1	2	3	4	5
9	It is important to them to be humble and modest. They try not to draw attention to themselves. TR	1	2	3	4	5
10	Enjoying life's pleasures is important to them. They want enough money to spoil themselves. SI	1	2	3	4	5
11	It is important to them to be independent. They like to rely on themselves not others. IN	1	2	3	4	5
12	It is very important to them to respond to the needs of others. They try to support those around them. CO	1	2	3	4	5
13	They think it is important to do lots of different things in life. They always look for new things to try. ST	1	2	3	4	5
14	Forgiving people who might have wronged them is important to them. They try to see what is good in them and not hold a grudge. CO	1	2	3	4	5
15	They think it is important to be ambitious. They want to show people how capable they are. AC	1	2	3	4	5

		<i>Very much like me</i>	<i>Like me</i>	<i>A little like me</i>	<i>Not like me</i>	<i>Not at all like me</i>
16	It is important to them to be obedient. They believe they should always show respect to leaders and older people. CF	1	2	3	4	5
17	It is important to them to make their own decisions about what they do. They like to be free to plan and to choose activities themselves. IN	1	2	3	4	5
18	Getting ahead is important to them. They strive to do better than others. AC	1	2	3	4	5
19	Safe surroundings are very important to them. They avoid anything that might endanger their safety. SE	1	2	3	4	5
20	They like to take risks. They are always looking for new adventures. ST	1	2	3	4	5
21	It is important to them to always behave properly. They want to avoid doing anything people would say is wrong. CF	1	2	3	4	5
22	They always want to be the one who make the decisions. They like to be the leader. AU	1	2	3	4	5
23	They think it is important that every person be treated the same. They want justice for everybody, even for people they don't know. EQ	1	2	3	4	5
24	They think it is important <b>not</b> to ask for more than what they have. They believe that people should be satisfied with what they have. TR	1	2	3	4	5
25	They seek every chance they can to have fun. It is important to them to do things that give them pleasure. SI	1	2	3	4	5
26	They try to avoid getting sick. Staying healthy is very important to them. SE	1	2	3	4	5
27	It is very important to them to help people around them. They want to care for other people. CO	1	2	3	4	5
28	They believe it is best to do things in traditional ways. It is important to them to follow established customs they have learned. TR	1	2	3	4	5
29	They really want to enjoy life. Having a good time is very important to them. SI	1	2	3	4	5
30	It is important to them to be wealthy. They enjoy owning possessions, which are expensive. AU	1	2	3	4	5

(Schwartz, 2001a)

## APPENDIX. III

### Founder's Values Questionnaire

- 1) The founder of the organisation is committed to their values and openly shares these with the wider organisational group. OS

1. Very much like this organisation
2. Like this organisation
3. A little like this organisation
4. Not like this organisation
5. Not like this organisation at all

Briefly describe how you openly share your personal values with the wider organisational group. Describe any obstacles that you encounter.

If you indicated either 4 or 5 above, explain why you don't openly share your values with the wider group.

- 2) The founder of the organisation spends time ensuring that existing and new members of the wider group have values that align with those of the organisation. AV

1. Very much like this organisation
2. Like this organisation
3. A little like this organisation
4. Not like this organisation
5. Not like this organisation at all

Briefly describe how you ensure existing and new members of the wider group have values that align with your own. Describe any obstacles that you encounter.

If you indicated either 4 or 5 above, explain why you don't align your values with new and existing members of the wider group.

- 3) The daily behaviour of the organisation's founder is exemplary and consistent with their values and those expected of the wider group. EB

1. Very much like this organisation
2. Like this organisation
3. A little like this organisation
4. Not like this organisation
5. Not like this organisation at all

Briefly describe how you ensure that you behave in a manner that exemplifies your own values. Describe any obstacles that you encounter.

If you indicated either 4 or 5 above, explain why you may not display exemplary behaviour consistent with your own values.

- 4) The founder of the organisation spends time deliberately embedding, teaching and coaching values to the wider group. *TE*

1. Very much like this organisation
2. Like this organisation
3. A little like this organisation
4. Not like this organisation
5. Not like this organisation at all

Briefly describe the methods you use to embed, teach and coach your organisations values to the wider group. Describe any obstacles that you encounter.

If you indicated either 4 or 5 above, explain why you don't implement any techniques to teach and embed values and shared assumptions.

- 5) The founder of the organisation pays close attention to the organisation's values and culture, regularly measuring and controlling the outcomes. *MC*

1. Very much like this organisation
2. Like this organisation
3. A little like this organisation
4. Not like this organisation
5. Not like this organisation at all

Briefly describe how you measure and control the wider groups understanding of your organisation's values and culture. Describe any obstacles that you encounter.

If you indicated either 4 or 5 above, explain why you don't consider it important to measure and control outcomes associated with the organisations values and culture.

- 6) The way the founder reacts to critical events, internally and externally, is consistent with their personal values and the values they share with the wider organisational group. *CE*

1. Very much like this organisation
2. Like this organisation
3. A little like this organisation
4. Not like this organisation
5. Not like this organisation at all

Briefly describe how you might react to a critical event in your organisation, and describe how it is consistent with your values. Describe any obstacles that you encounter.

If you indicated either 4 or 5 above, explain why your reaction to critical events is not consistent with your values.

7) The founder of the organisation ensures the organisation's strategic objectives are clearly defined and shared with the wider organisational group. DO

1. Very much like this organisation
2. Like this organisation
3. A little like this organisation
4. Not like this organisation
5. Not like this organisation at all

Briefly describe how you define and share the key objectives of your organisation with the wider group. Describe any obstacles that you encounter.

If you indicated either 4 or 5 above, explain why you don't ensure the organisations objectives aren't shared and defined to the wider group.

8) The organisation's overarching values are aligned with the organisation's strategic objectives. VO

1. Very much like this organisation
2. Like this organisation
3. A little like this organisation
4. Not like this organisation
5. Not like this organisation at all

Briefly describe how you align the organisation's values with the strategic objectives, and how these are communicated. Describe any obstacles that you encounter.

If you indicated either 4 or 5 above, explain why you don't align your values with the objectives of the organisation.

9) The founder of the organisation deliberately role models their values to the wider organisational group. RM

1. Very much like this organisation
2. Like this organisation
3. A little like this organisation
4. Not like this organisation
5. Not like this organisation at all

Briefly describe how you role model your personal values to members of the wider organisational group. Describe any obstacles that you encounter.

If you indicated either 4 or 5 above, explain why you don't deliberately role model your values to the wider organisational group.

10) The founder of the organisation embeds the organisation's values through a value statement and other visual techniques. *VS*

1. Very much like this organisation
2. Like this organisation
3. A little like this organisation
4. Not like this organisation
5. Not like this organisation at all

Briefly describe how, and what techniques you use, to visually communicate the organisation's values to the wider group. Describe any obstacles that you encounter.

If you indicated either 4 or 5 above, explain why you don't implement visual aids to communicate the organisation's values.

## APPENDIX. IV

### Values Based Cultural Assessment (VBCA)

1. Dominant Characteristics		Current	Future
A	The organisation is a very personal place. It is focused on enhancing the wellbeing of employees. People are generally tolerant and appreciative of each other.		
B	The organisation is a stable and structured place. Formal procedures, rules and an emphasis on restrained actions generally govern what people do.		
C	The organisation is results orientated and demonstrating success is important. People are competitive, achievement-oriented and seek market dominance.		
D	The organisation encourages independent and innovative thinking. People are willing to think for themselves, stick their necks out and take risks.		
<b>Total</b>		<b>100</b>	<b>100</b>
2. Organisational Leadership		Current	Future
A	The leadership is generally considered to exemplify strong leadership, and a result-oriented focus. They encourage a competitive and market driven workplace.		
B	The leadership is generally considered to exemplify creative independent thinking and risk taking. They encourage an innovative and stimulating workplace.		
C	The leadership is generally considered to exemplify equitable and compassionate behaviour. They encourage personal development and tolerance.		
D	The leadership is generally considered to exemplify harmonious, and restrained efficiency. They encourage a structured and stable workplace.		
<b>Total</b>		<b>100</b>	<b>100</b>
3. Management of Employees		Current	Future
A	The management style in the organisation is characterised by consensus, thoughtfulness toward others, and a focus on people.		
B	The management style in the organisation is characterised by individual risk-taking, innovation and uniqueness.		
C	The management style in the organisation is characterised by clearly defined procedures, restrained actions and stability of relationships.		
D	The management style in the organisation is characterised by personal success, high demands, prestige, and decisive leadership.		
<b>Total</b>		<b>100</b>	<b>100</b>

4. Organisation Glue		Current	Future
A	The glue that holds the organisation together is a unique commitment to independent thinking and innovation. There is an emphasis on novelty, challenge and stimulation.		
B	The glue that holds the organisation together is a concern for the wellbeing of others. There is a genuine commitment to people, both internally and externally.		
C	The glue that holds the organisation together is an emphasis on personal achievement and strong leadership. Dominance and winning in the market place are common themes.		
D	The glue that holds the organisation together is defined process and security of relationships. Maintaining a structured and stable working environment is important.		
<b>Total</b>		<b>100</b>	<b>100</b>
5. Strategic Emphases		Current	Future
A	The organisation emphasises positive human interactions. High levels of appreciation and tolerance persist. Customers are thought of as partners.		
B	The organisation emphasises permanence and stability. Efficiency and smooth operations are important. Delivering products to the customer on time is a primary focus.		
C	The organisation emphasises competitive actions and leadership initiatives. Targets, success in the marketplace and gaining market share and new customers are important.		
D	The organisation emphasises independent thinking and creating new opportunities. There is a focus on offering customers new and exciting products.		
<b>Total</b>		<b>100</b>	<b>100</b>
6. Criteria of Success		Current	Future
A	The organisation defines success on the basis of winning in the marketplace and outpacing the competition. Market leadership, dominance and prestige are key.		
B	The organisation defines success on the basis of having the most unique or innovative products. It is an innovator and encourages freedom of thought in order to create the best products.		
C	The organisation defines success on the basis of developing human resources, employee's commitment to each other, and a focus on enhancing customer relations.		
D	The organisation defines success on the basis of restrained actions and stability. A structured, well-defined workplace and stable customer relations are important.		
<b>Total</b>		<b>100</b>	<b>100</b>

Adapted from: (Cameron & Quinn, 2011)

## APPENDIX. V

### Organisational Values Survey (OVS)

		<i>Not at all like me</i>	<i>Not like me</i>	<i>A little like me</i>	<i>Like me</i>	<i>Very much like me</i>
1	Thinking up new ideas and being creative at work is important to them. They like to do things in their own original way. IN	1	2	3	4	5
2	It is important to them to be in charge at work. They want the people around them to do what they say. AU	1	2	3	4	5
3	They want people to be treated fairly. It is important to them that their workplace reflects this. EQ	1	2	3	4	5
4	It is important to them to show their abilities. They want their colleagues to admire their skills. AC	1	2	3	4	5
5	It is important to them that things are ordered. They don't like their work surroundings to be untidy or disorganised. SE	1	2	3	4	5
6	They like their work day to be stimulating. It is important to them to have a varied and interesting work life. ST	1	2	3	4	5
7	They think the people they work with should follow defined rules at all times, even when no one is watching. CF	1	2	3	4	5
8	They think it is important to listen to the people they work with. Even when they disagree with them. EQ	1	2	3	4	5
9	It is important to them to have independence at work. They like to rely on themselves not others. IN	1	2	3	4	5
10	They think it is important to understand the needs of people they work with. They appreciate those around them. CO	1	2	3	4	5
11	They think it is important to do lots of different things at work. They always look for new things to try and are stimulated by new challenges. ST	1	2	3	4	5
12	Forgiving people is important. They try to see the good in everyone they work with and not hold a grudge. CO	1	2	3	4	5
13	They think it is important to have ambitious career goals. They want to show people how successful they can be. AC	1	2	3	4	5

		<i>Not at all like me</i>	<i>Not like me</i>	<i>A little like me</i>	<i>Like me</i>	<i>Very much like me</i>
14	It is important to them to be obedient at work. They believe people should show respect to those in authority. CF	1	2	3	4	5
15	It is important to them to make their own decisions about what they do. They like to be free to plan and to choose what their work day looks like. IN	1	2	3	4	5
16	Getting ahead is important to them. They strive to do better than others and set ambitious career goals. AC	1	2	3	4	5
17	Safe surroundings are very important to them. They avoid anything that might endanger their safety at work. SE	1	2	3	4	5
18	They like to take risks. They are always looking for new opportunities that will make their work more exciting. ST	1	2	3	4	5
19	It is important to them to always behave properly at work. They want to avoid doing anything people would say is wrong. CF	1	2	3	4	5
20	They always want to be the one who makes the decisions. They like to be the person in the workplace who makes key decisions. AU	1	2	3	4	5
21	They think it is important that every person be treated the same at work. They want total equality, even for people in lesser roles. EQ	1	2	3	4	5
22	It is important to them to follow procedure and workplace guidelines. They believe that procedures make for an efficient workplace. SE	1	2	3	4	5
23	It is important to them to preserve relationships. They want to ensure they enhance the welfare of people they work with. CO	1	2	3	4	5
24	It is important to them to have a career that rewards them financially. They enjoy the benefits of having a high income and financial security. AU	1	2	3	4	5

Adapted from: (Schwartz, 2001a)

# APPENDIX. VI

## Massey University Low Risk Notification



MASSEY UNIVERSITY  
ALBANY

8 April 2015

Andrew Wallace  
C/O School of Management  
Albany campus

Dear Andrew

**Re: The Origins of Organisational Culture in New Zealand SMEs**

Thank you for your Low Risk Notification which was received on 8 April 2015.

Your project has been recorded on the Low Risk Database which is reported in the Annual Report of the Massey University Human Ethics Committees.

You are reminded that staff researchers and supervisors are fully responsible for ensuring that the information in the low risk notification has met the requirements and guidelines for submission of a low risk notification.

The low risk notification for this project is valid for a maximum of three years.

Please notify me if situations subsequently occur which cause you to reconsider your initial ethical analysis that it is safe to proceed without approval by one of the University's Human Ethics Committees.

Please note that travel undertaken by students must be approved by the supervisor and the relevant Pro Vice-Chancellor and be in accordance with the Policy and Procedures for Course-Related Student Travel Overseas. In addition, the supervisor must advise the University's Insurance Officer.

**A reminder to include the following statement on all public documents:**

*"This project has been evaluated by peer review and judged to be low risk. Consequently, it has not been reviewed by one of the University's Human Ethics Committees. The researcher(s) named above are responsible for the ethical conduct of this research.*

*If you have any concerns about the conduct of this research that you wish to raise with someone other than the researcher(s), please contact Dr Brian Finch, Director (Research Ethics), telephone 06 356 9099, extn 86015, e-mail humanethics@massey.ac.nz".*

Please note that if a sponsoring organisation, funding authority or a journal in which you wish to publish requires evidence of committee approval (with an approval number), you will have to provide a full application to one of the University's Human Ethics Committees. You should also note that such an approval can only be provided prior to the commencement of the research.

Yours sincerely

A handwritten signature in blue ink that reads "B T Finch".

Brian T Finch (Dr)  
**Chair, Human Ethics Chairs' Committee and  
Director (Research Ethics)**

cc    Dr William Kirkley                      Professor Sarah Leberman  
      School of Management                Head of School, School of Management  
      Albany Campus                         Albany Campus

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Massey University Human Ethics Committee  
Accredited by the Health Research Council

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