



LUT School of Business and Management
Supply Management

CHANGING THE CORPORATE CULTURE OF THE CASE COMPANY
- the viewpoints of the management team and employees

Master's Thesis, 2020

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ABSTRACT

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This qualitative master's thesis examined corporate culture in organizations today via a case study. Corporate culture was everywhere within the organization and involved employees at all levels of the organization. The objective was to find out whether it was possible to change the corporate culture of a company and what kind of factors might enable change of the corporate culture in the case company. The role of leadership in the organization's corporate culture was crucial. Therefore, the study also aimed to find out how corporate culture was led in the case company; how leaders engaged employees, how atmosphere and environment were taken into account by leaders.

The theoretical part of the study contained three main parts: corporate culture, leadership and change management. All three parts were examined via numerous scientific articles from different decades. The empirical part of the study had two methods by which the case company was examined: semi-structured interviews and a survey. The management team of the case company was interviewed one at a time via semi-structured interview method. Other selected employees of the case company were sent a link to the survey. The management team members also answered the survey.

The study revealed that corporate culture was seen as the most significant thing for the case company. The role of the management team was emphasized in the development of the corporate culture. Activities that might enable change in the corporate culture culminated to openness in communication, transparency of decision-making, and giving and receiving feedback actively. Common values among the case company and its employees, the example of the management team, and the genuine will to constantly develop the company together set a great platform for the change of the corporate culture in the future.

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Tämä kvalitatiivinen pro gradu -tutkielma tarkasteli organisaatioiden yrityskulttuuria tapaustutkimuksen avulla. Yrityskulttuuri vallitsi kaikkialla organisaatiossa ja jokainen työntekijä oli osa sitä. Tavoitteena oli saada selville, voiko yrityskulttuuria muuttaa ja mitkä tekijät saattoivat mahdollistaa yrityskulttuurin muutoksen case-yrityksessä. Johtamisella oli keskeinen rooli organisaation yrityskulttuurissa. Näin ollen tutkimuksen tavoitteena oli myös selvittää, miten yrityskulttuuria johdettiin case-yrityksessä; miten johtajat sitoutuivat työntekijöitä sekä miten he ottivat huomioon ilmapiirin ja ympäristön johtamisessaan.

Tutkimuksen teoriaosuus koostui kolmesta pääteemasta: yrityskulttuurista, johtamisesta ja muutosjohtamisesta. Kaikkien teemojen tarkastelussa hyödynnettiin lukuisia tieteellisiä artikkeleita eri vuosikymmeniltä. Tutkimuksen empiirisessä osuudessa käytettiin kahta kvalitatiivisen tutkimuksen menetelmää: puolistrukturoitua haastattelua ja kyselylomaketta. Case-yrityksen johtoryhmähaastattelut suoritettiin yksitellen puolistrukturoituna haastatteluina. Muille tutkimukseen valituille case-yrityksen työntekijöille lähetettiin linkki kyselylomakkeeseen. Myös johtoryhmä vastasi kyselylomakkeeseen.

Tutkimuksessa selvisi, että yrityskulttuuri nähtiin merkittävimpänä asiana case-yrityksessä. Johtoryhmän roolia korostettiin case-yrityksen yrityskulttuurin kehittämisessä tänään ja tulevaisuudessa. Toiminta, joka saattoi mahdollistaa yrityskulttuurin muutoksen, kulmineitui viestinnän avoimuuteen, päätöksenteon läpinäkyvyyteen sekä aktiiviseen palautteen antamiseen ja vastaanottamiseen. Case-yrityksen ja sen työntekijöiden yhteiset arvot, johtoryhmän esimerkki ja todellinen halu kehittää yhtiötä jatkuvasti yhdessä loivat erinomaisen pohjan yrityskulttuurin muutokselle tulevaisuudessa.

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1. INTRODUCTION

1.1 Background of the study

Corporate culture and its connection to the company's success is a theme that has been examined for decades. Both corporate culture and organizational culture terms are used when discussed about the matter. With corporate culture, as in this master's thesis, the focus is on for-profit organizations, whereas organizational culture also includes nonprofit organizations to discussion. Lund (2003) argues that organizational culture reached the top of its popularity as the object of research in the 1980s. However, the theme continues to arouse interest among researchers also in this millennium. In addition, diagnosis of culture is always essential to successfully achieve organizational change and the long-term effectiveness (Rukh & Qadeer, 2018).

Leadership arouses interest both in the academic world but also in the corporate life. Various theories and models of leadership are created, examined, assessed and utilized during the history. Studies express the common finding that there is a strong correlation between leadership and culture; to go further leadership creates and/or strengthens organizational culture (Yildirim & Birinci, 2013). In a sense, the deepest layer of corporate culture can be found in the leaders of the organizations; culture is of course created together with all employees, but leaders create the frames for it. It is emphasized that in order to manage the culture of the company, leaders need to be eternal learners who operate in an ever-changing world. This is complex as leaders must always consider cultural change in the context of the stage of the organization and different strategies employed by the organization. (Schein, 2010).

The objective of this master's thesis is to deeply examine corporate culture and its leadership in the chosen case company today; how do people see the corporate culture in their everyday work life and how leadership can affect the corporate culture. Despite the industry, size or location, corporate culture is everywhere in the organization. People inside the organization live and breathe the culture so it might be challenging to explain what things are part of the culture and what are not. By executing interviews in the case company, the aim is to find out how the corporate culture is seen in the company at different levels of the organization and in which ways could it potentially change in the future. The most fascinating

part of the study will be to see the similarities and differences with the answers between the directors and their direct subordinates. The corporate culture as a subject is interesting overall as it is always current and affects the lives of all working people. Even though this study only touches the lives of the people working in the case company, I believe it offers insight. Everyone with even a small interest towards the corporate culture theme can find it useful to learn the thoughts of people with a long working history in a company that operates in Finland.

Corporate culture has been an interesting subject in the academic world for decades. Several studies have discussed the relation between corporate culture and performance of the company. Hooijberg and Petrock (1993) stated that corporate culture contributes to improved performance and supports self-managing work teams. Ruževičius, Klimas and Veleckaite (2012) examined the influence of organizational culture on the success of business process management in public sector organizations in Lithuania. The study revealed that the prevalent organizational culture type in the Lithuanian public sector is the hierarchy type from the Competing Values Framework by Cameron & Quinn. With quality-related matters, the highest level of success is achieved with hierarchy. It means a formal and structured environment where efficiency and stability are main values.

Today, due to the rapid technological development, the world is full of global, virtual and dynamic industries. There are many knowledge-intensive based organizations all over the world but also in productional companies, the importance of knowledge sharing has grown. Corporate culture plays an important role in knowledge conversion which is a crucial part of company's success (Tseng, 2010). In a study of the correlation between organizational culture and knowledge conversion on corporate performance became clear that organizational culture and knowledge conversion have a positive effect on corporate performance. Adhocracy culture has the best development of knowledge conversion and corporate performance. (Tseng, 2010)

Innovations are considered to be among the key factors that influence the success and the long-term performance of companies. The determining factors of innovation are studied with growing interest. People, behavior and organizational culture are related to innovations and through them to company's success. A research conducted in Spanish companies revealed that culture can foster both innovation and company performance. However, it can also be

a barrier for both, depending on the values that are supported by the organizational culture. Adhocracy culture has the highest positive effect on company's performance. In addition, flexibility in the corporate culture is needed to improve the performance of the company. (Naranjo-Valencia, Jiménez-Jiménez & Sanz-Valle, 2016)

Although corporate culture has been under research for decades, I feel there is always something new to give to the matter. Nowadays there is more discussion about the importance of cultural fit, as it is widely believed that cultural fit affects the success of both individuals and organizations (Doyle, Goldberg, Srivastava & Frank, 2017). Corporate culture and people in the company need to be a match. Otherwise, the performance of the company will not lead to success. In my master's thesis, I have the privilege to study a company with a demonstrated history in Finland and its people who have been a part of the company's story for years. I'm convinced that the study will offer new perspective to the theme.

1.2 Objectives, research questions and limitations of the study

This master's thesis examines corporate culture today. The leadership of corporate culture is also studied. For the thesis, one case company is selected to offer practical perspective for the research. The case company selected for this study is well-known all over in Finland. The company in question is a public listed company with hundreds of employees in Finland. It has operated several decades in Finland and has solidified its position within the market. The industry in which the company operates, is strictly regulated and supervised in Finland. The company has its offices in two different cities in Finland but there are employees all over Finland in their own areas. The history of the case company is interesting as it has started its business in Finland in a small city and later widen its operations all over the country. Today, the company has their offices in two very different cities in Finland. The cities vary in location, size, population and global conspicuousness. The case company also has its own factory in one of the cities.

The aim of the thesis is to examine corporate culture in organizations today via a case study. Corporate culture is everywhere within the organization and involves all employees of the organization. Therefore, the role of leadership in the organization is crucial. This study aims to find out how corporate culture is lead; how leaders engage employees, how atmosphere

and environment are taken into account by leaders. Leadership in the case company is examined to find out how directors lead their departments from corporate culture's perspective. As the case company has altogether hundreds of employees, the study focuses only on the case company's directors and their near subordinates. The case company has specific growth objectives for the near future. Therefore, the study goes for the answers in what are the required actions to help the strategic change in the case company. The corporate culture of the case company is studied via qualitative methods.

In addition, the objective of the study is to deepen the understanding about the case company's situation; how does the management team see the corporate culture, how about the other employees? What kind of similarities and differences can be observed and what could be the reason for them? Furthermore, the study aims to find out about leadership in the case company. Corporate culture and leadership have a clear bond between them. Therefore, the study examines the thoughts about leadership of the management team and how the team takes corporate culture into account with their actions.

The thesis has one main research question and three sub research questions. The main research question is the core of the study and aims to give as much information as possible of the subject of the thesis.

Main research question:

What are the factors that may enable change of the corporate culture in the case company?

To support and deepen the main research question, the study has three sub research questions. The purpose of the sub research questions is to converse on the topic in more narrow pieces and find out information that supports the main research questions.

Sub research question 1:

How is the corporate culture seen at different levels?

Sub research question 2:

How do the informant groups at different levels of the case company see the management of the corporate culture in the company?

Sub research question 3:

What kind of activities may be supportive in pursuing to change the corporate culture of the case company?

The limitation of the master's thesis is crucial as it gives frames to the study and helps the writer to concentrate on right things. This study has a lot of limitations as it is a qualitative case study made one time in one company. The study focuses solely on the case company, its corporate culture and leadership methods of the culture. Interviews, materials and other advice received from the case company are unique and cannot be connected to any other company. All answers given in the interview situations within the case company represent solely the personal opinions of the interviewees and cannot be generalized to any other people, company, interviews or researches.

1.3 Research methodology

This master's thesis is a qualitative case study which means that it is subjective and primarily relies on qualitative data and inductive theorizing. Qualitative data are nonreducible text which includes words and visuals delivered in static or dynamic form. Even though qualitative data can be digitized, synthesized, and counted, doing so demands interpretation of the data to discern patterns and insights first. Qualitative research uses data and analyses that can flex to fit the preferences of the researcher, although scholars must still ensure rigor and fit. (Bansal, Smith & Vaara 2018).

The qualitative research method focuses on applied and theoretical findings or discoveries, based on research questions through field study in natural conditions. Considering its goal and specific procedures, the method is enough and excellent for discovery. Both observation and interpretation are emphasized in qualitative research method. Data are collected within the context of their natural situations. Same way as the quantitative research, the qualitative research seeks for reliable and valid results. The qualitative research method's validity of

findings is paramount so that the collected data represent the true and full picture of the constructs that are investigated. (Park & Park 2016)

1.4 Conceptual framework and definitions of key concepts

The conceptual framework of the master's thesis is presented in Figure 1. The framework is in the shape of a triangle as there are three main concepts in the study: Corporate culture, leadership and change management. All concepts are connected to each other. People, values, mission, strategy and communication are in the middle of the triangle, because they create the core of each company. Corporate culture, leadership and change management have their own theory chapters in the study. In the corporate culture part, the subject is approached by Edgar Schein's model of organizational culture and competing values framework. Leadership is approached via theories of trait theories, transformational and transactional leadership and laissez-faire. In addition, the full range model of leadership is reviewed. In the change management part, Kurt Lewin's ice model and McKinsey Company's 7S framework model are introduced.



Figure 1. Conceptual framework

Next, the key concepts that form the core of the master's thesis, are reviewed. The purpose of the definitions is to help the reader to understand what the concepts mean and to what they stand for in the study. It is also important to explain in the beginning of reading that organizational culture and corporate culture are regarded as same in the study. The concepts are opened and explained wider in the upcoming chapters of the study.

Corporate culture: A set of norms and values that are widely shared and strongly held throughout a certain organization (O'Reilly & Chatman, 1996).

Leadership: Leadership is about people with certain preferred traits influencing followers to do what the leaders wish to achieve organizational objectives that reflect excellence defined as some kind of higher order effectiveness (Rost, 1991).

Change management: Process that involves moving the organization from its present situation to another desirable situation during a transitional period (Tuchman & Anderson, 1997).

1.5 Structure of the study

This study follows the traditional master's thesis structure with introduction, theoretical part, empirical part and finally conclusions and discussion. In the theoretical part, there are three main chapters: Corporate culture, leadership and change management. The corporate culture part starts with defining culture and pondering about the matter. After that, the three layers of organizational culture are examined. Finally, aspects of corporate culture are researched. The leadership part starts also with defining the concept. After that, different leadership styles are examined, as also the challenges of leadership. The change management part studies change management as a concept and introduces two different change management models. Finally, there is a discussion about the aspects of change management.

The empirical part of the thesis has two parts which are connected to the case company: Interviews with the management team of the case company and the survey which was sent to the management team and other selected employees of the case company. The case

company will stay anonymous in the study. The interviews with the management team are reviewed by three themes chosen by the researcher. The survey is reviewed by the same three themes but in two ways: as a whole and comparisons between the management team's answers and the other employees' answers. In the discussion part, the research questions are answered with the knowledge that is gained from theory and practice. In addition, conclusions, limitations, and possible future research directions are presented.

2. CORPORATE CULTURE, LEADERSHIP AND CHANGE MANAGEMENT

The theoretical part of the study has three main parts: Corporate culture, leadership and change management. The theory begins with defining corporate culture and continues with theories of it. After that, theories of leadership are examined. Finally, change management is studied. In all theoretical parts, the subjects are examined via various scientific articles from different decades. The aim of this part is to give knowledge of the three wide theoretical subjects in order to understand and get more out of the empirical part.

2.1 Corporate culture

In this part, there is discussion about corporate culture. In the academic literature, both corporate culture and organizational culture are used in the scientific articles. In this study, the main term used is corporate culture because the case company is a for-profit company. Nevertheless, the term organizational culture is also found, especially in the theoretical part of the study. First, corporate culture is defined as widely as possible. Next, the competing value framework is introduced. The model has four quadrants which correspond with four organizational culture types. After that, three levels of organizational culture are examined. Finally, the aspects of corporate culture are studied.

2.1.1 Corporate culture as a concept

“Culture is in some sense a magic word — positive in connotations but hard to pin point in any science that attempts to use it as its core term.”

Jaan Valsiner, 2009

The term organizational culture has been defined several ways in the academic literature. Schein (2010) defines organizational culture as “a pattern of shared basic assumptions that

the group learned as it solved its problems of external adaption and internal integration, that 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". As organizational culture is a collective rather than an individual construct, its content is created through social interaction among organization members. The values and norms shared by organization members significantly shape their thoughts and behavior. (Schein, 2010) Culture can be seen as the attitude and behavior held by a group of people living together (Belias & Koustelios, 2014). Organizational culture is seen as a complex set of assumptions, values, beliefs and symbols that define the way in which companies operate. In a way, culture has comprehensive effects on companies; the culture of the company not only defines who its relevant employees, customers, suppliers and competitors are, but also, it defines how the company interacts with these key actors. This conception of organizational culture makes classical distinctions between the culture of the company and its structure and strategy more distinct, as these attributes of companies are direct manifestations of cultural assumptions about what business companies do and how they execute their business. (Barney, 1986) Corporate culture is also known as the method that employees of an organization perform and portray employee engagement towards the organization via the existence of values and belief system that leads them through. Though, the corporate culture consists of both the visible cues like workplace setting, dress code, myths and stories and non-visible cues like belief system, values and norms within the organization (Chang & Lee, 2007)

Shieh and Wang (2010) define corporate culture as the set of leading common values and behaviors within the company, formed by long term managerial influence. Corporate culture is recognized by all within the company. Together with corporate economic development, corporate culture forms the basis of corporate power. That power enables the company to adapt to new environments. It is worth to strengthen the corporate culture because it allows enhanced competitiveness. The ability to compete is equitable to enhance competitive advantage in the rapidly changing and challenging global business environment. (Shieh & Wang, 2010) Millman (2007) states that corporate culture is a collection of assumptions, practices and norms that people within a company adopt over time. One crucial element of corporate culture is that company's immediately affected stakeholders, like employees, have to accept the cultural characteristics such that they become unconsciously held and communicated to new stakeholders. This way over time culture and corporate culture are able to change and develop. In a company, the founders shape corporate culture to a large

extent and hire people who comply with their way of doing things. If the company survives and grows, those processes get the credit, and people continue to do them because they further the success of the company. Even though literature usually discusses the corporate culture of the whole company as one and same, it is vital to understand that the corporate culture does not necessarily exist exactly identical in all departments of the company. For example, product groups, different hierarchical levels or teams may also reflect their own unique cultures. (Cameron and Quinn, 2011)

Furthermore, it is asserted that internally corporate culture is based on oriented beliefs concerned with how to manage. Whereas externally, it is based on oriented beliefs concerned with how to compete. These individual and collective assumptions, beliefs and values strongly shape both the competencies and rigidities of an organization. In addition, corporate culture has been shown to influence the relationships between organizational variables. Prior research has shown that there is a strong relationship between the corporate culture of an organization and the effectiveness of the organization and its attributes. (Bradley, Pridmore and Byrd, 2006) Corporate culture is also known as values upheld and practiced by a group of organizational members which differentiates them from other organizations. This indicates that the organizational culture upheld can aid organizational members to have a sense of belonging. Mutually, the corporate culture should provide good organizational values like fairness, transparency and trust. Additionally, a good and strong corporate culture can retain these values and beliefs if the employees agree to practice it at all times. (Suharti & Suliyanto, 2012)

2.1.2 Organizational culture types from the competing values framework

The four culture types of the competing values framework are called Hierarchy, Market, Clan and Adhocracy (Figure 2). All of these types have rooted in a model of organizational theory research. Each theoretical foundation offers an organizational environment for the values and characteristics of each culture so they can root and become prominently expressed. (Rukh & Qadeer, 2018) The model has been rated as one of the 50 most important models in the history of business study and has proven its worth since its conception. Even though the competing value framework was originally intended primarily as a tool for undertaking cultural audits in organizations, it has been also shown to be useful as a guide and indicator

of cultural change, employee motivation and development of leadership skills. (Igo & Skitmore, 2006)

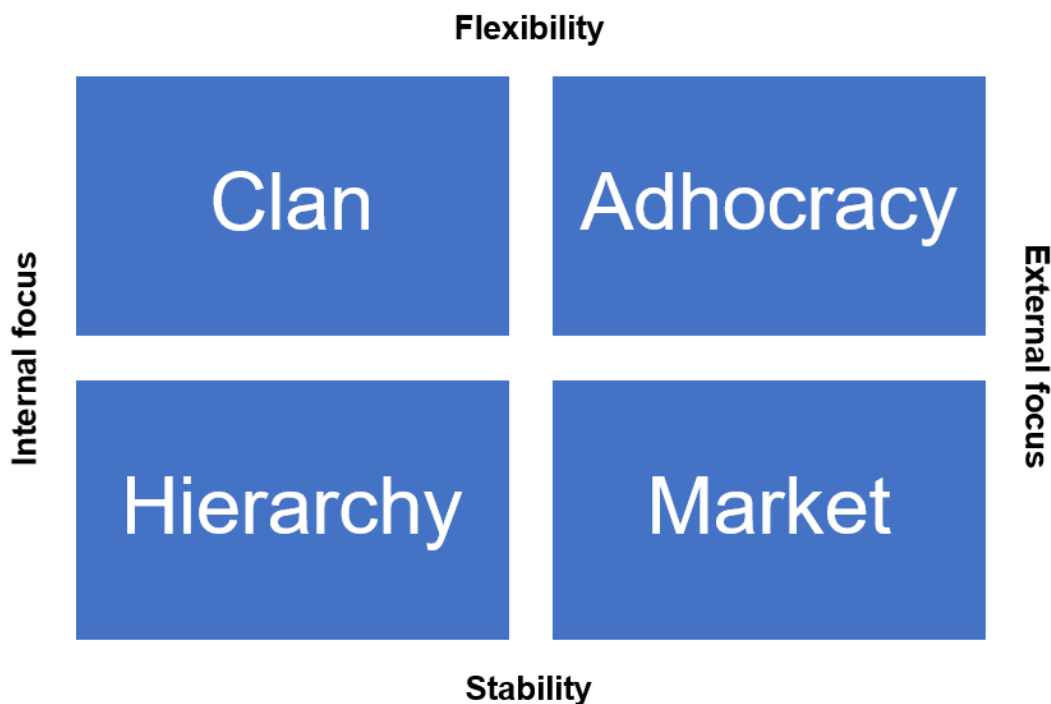


Figure 2: Competing Values Framework (adapted from Quinn and Rohrbaugh 1983, p.369)

The characteristics of the hierarchy culture type are stability, internal focus and control. Setting clear tasks and enforcing strict rules are common. It often adopts a formal approach to relationships where leaders are seen as good coordinators and organizers. In the hierarchy culture, people in the organization concentrate on doing things right. It is like a formally structured chain of command which emphasizes constancy, efficiency and predictability. The hierarchy culture type is one of the earliest and most widely adopted organizational culture types. It is especially popular in government entities. (Cameron & Quinn, 2011)

The characteristics of the market culture are stability, competition and external focus. It is believed that this way a competitive organization, which emphasizes results and achieving goals, is produced. The organization functions same way as the market focused on outward transactions with external communities like suppliers, customers, licensees, regulators and unions. Such cultural profiles are usually result-oriented and the members of the organization value competitiveness, diligence, perfectionism, aggressiveness and personal

initiative. The leaders are competitive, tough and demanding; they drive their subordinates hard towards the set goals. (Cameron & Quinn, 2011)

The clan culture is a collaborative culture that has values of an extended family with a strong commitment of people for human resource development and organizational success. Flexibility, internal focus and doing things together are in the centre. Instead of rules and procedures of hierarchies or the competitive profit centers of markets, typical clan-type firms emphasize teamwork, employee involvement programs and corporate commitment to employees. (Cameron & Quinn, 2011) Employees often work in semiautonomous teams and are rewarded based on production and objectives that they have achieved as a team, not as individuals. Employees are encouraged to actively take part in the development of the organization by providing their thoughts and input on how to improve production. Leaders focus on empowering their subordinates and help to develop everyone's personal skills. (Rukh & Qadeer, 2018)

The adhocracy culture concentrates on external positioning. There is a high degree of flexibility and individuality that is supported by an open system promoting the willingness to act. An organization with an adhocracy culture style is a dynamic, entrepreneurial and creative place to work where employees give their best and take risks. Leaders are visionary and innovative people who emphasize the individual initiative and freedom of their subordinates. Success means that the organization produces unique and original goods and services. Creativity, experimentation, risk, autonomy and responsiveness are key factors in the culture. The organization with an adhocracy culture predominantly puts long-term highlight on growth and acquiring new resources. (Cameron & Quinn, 2011).

When the relationship between organizational culture and organizational performance was examined with the competing values framework, it was discovered that employees were more satisfied and committed to their organizations that were Clan-like. However, organizations with market characteristics had the most excellent operational and financial performance. (Austen & Zacny, 2015) Igo and Skitmore (2006) state that in the competing values framework, there are also six sub-dimensions describe the fundamental manifestations of culture within an organization: Dominant characteristics, strategic emphasis, organizational leadership, management of employees, organization glue, and criteria for success.

Even though the list is not completely comprehensive, the six sub-dimensions cover the major components of the culture. The sub-dimensions called dominant characteristics and organizational glue address the basic assumptions within the organization. The organizational leadership and management of employees' sub-dimensions point the interaction patterns within the organization. Finally, the strategic emphases and criteria of success sub-dimensions show the organizational direction. The purpose of each sub-dimension is to view everyone a slice of the culture within the organization. (Rukh & Qadeer, 2018)

2.1.3 The three levels of organizational culture

As examined earlier in this study, there are numerous ways to define what organizational culture actually is. According to Edgar Schein (2010) culture can be analyzed at several different levels. With the term "level" Schein means the degree which the cultural phenomenon is visible to the observer of the particular culture. The levels of culture range from the very tangible uncovered manifestations that people can see and feel to the deeply embedded, unconscious, basic assumptions which are defined as the essence of culture. In between the layers, there are numerous espoused beliefs, norms, values and rules of behavior that members of the culture utilize as a way of reflecting the culture to both themselves and others. (Schein, 2010)

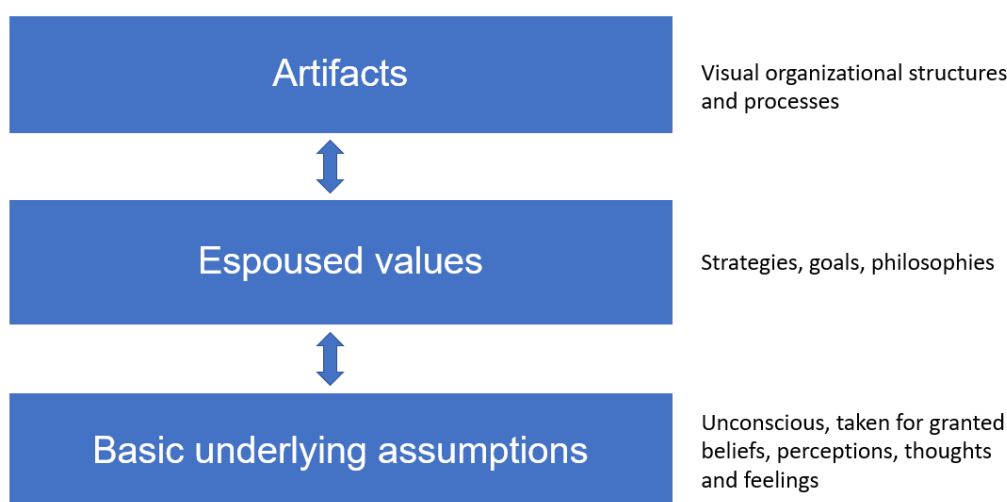


Figure 3: Three Levels of Culture (adapted from Schein, 2010, p. 26)

The first level, which is located at the surface, is called artifacts (Figure 3). All the phenomena that people see, hear and feel when they encounter a new group with a strange culture is related to this level. Artifacts include the visible products of the group, for example the architecture of its physical environment, language, technology and products. In addition, the artistic creations of the group, such as its style embodied in clothing, manners of address, myths and stories told about the organization. (Schein, 2010) Rituals and ceremonies reveal what is important in each organization and can symbolically express the values and norms of the organization (Higgins & McAllaster, 2002). Artifacts which are part of the deeper cultural level are the climate of the organization and the visible behavior of its members. The most important point of the artifacts level of the culture is that even though it is easy to observe, it is very difficult to decipher. (Schein, 2010)

The second level, espoused beliefs and values, lies beneath the artifacts. Espoused beliefs and values are strategies, goals and philosophies that individuals in the organization have (Figure 3). When a group is created or when it comes across with a challenge, the first solution proposed to handle the situation always reflects someone's own assumption about what is right and what is wrong and what could solve the issue and what would not be a good solution. People who prevail, who can influence the group to adopt a certain approach to the challenge, will later be identified as leaders. However, the group does not yet have any shared knowledge as a group, due to the fact that the group has not yet taken a common action in reference to what it is supposed to do. After the group has taken some joint action towards the solution decided by the leader, there is a shared basis for determining whether what the leader wants will turn out to be valid. If the suggested solution turns out to be adequate and the group has a shared perception of the adequacy, the perceived value that the solution is good gradually becomes transformed into a shared value or belief and eventually into a shared assumption. (Schein, 2010)

Finally, there is the third level which is called basic underlying assumptions (Figure 3). When an organization has a challenge and it defeats the challenge always with the same solution, the solution comes to be taken for granted. First, the solution was just a hypothesis which was supported by somebody's hunch or value but later, it came reality to the organization members. Basic assumptions work this way. They have become so taken for granted that people find little variation within a social unit. This kind of consensus results from repeated success in implementing certain beliefs and values. As a matter of fact, if some basic

assumption comes to be strongly held in a group, the members find a behaviour which is based on any other premise incoherent. Basic assumptions tend to be nonconfrontable and nondebatable. Therefore, they are extremely difficult to change. To learn or assimilate something new in this realm is very challenging as it requires people to resurrect, re-examine and even change some of their more stable portions of cognitive structure. (Schein, 2010)

Culture manifests itself at the level of observable artifacts and shared espoused beliefs and values even though the essence of a group's culture is its patterns shared, basic assumptions. To analyse any culture, it is crucial to recognize that artifacts are easy to observe but difficult to decipher. To truly understand a group's culture, one ought to strive to get at its shared basic assumptions and understand the learning process by which such basic assumptions come to be. The leader of the group has a central position when it comes to the culture. Originally, leadership is the source of the beliefs and values that get the group moving in handling its internal and external problems. If the propose of the leader works once and after that continues to work, the leader's assumptions gradually come to be the shared assumptions of the whole group. As both individuals and groups aim at stability and meaning, the set basic assumptions function as a cognitive defense mechanism for individual members of the group and for the group. Culture change, in the sense of changing basic assumptions, is difficult, takes time and provokes anxiety. (Schein, 2010)

2.1.4 Aspects of the corporate culture

When corporate culture is discussed, it is obvious that each company has its own unique culture. Corporate culture forms over time, evolves and changes within time. However, there are some generalizations that can be done. First of all, corporate culture acts as a comprehensive context for everything that people do and think in the company. It can be expressed in many ways and various styles of communication, both tangible and intangible. (Fayolle, Basso & Bouchard 2010) A culture which supports the company's objectives and strategy needs engaged and motivated employees. Corporate culture acts as a coordinating principle in the company and plays an active role in the way organizations are governed. The culture in the company defines what is expected by others, what kind of behavior is rewarded by the organization, what things are valued, what is the dress code, work habits and office space. Even though organizations consist of more than one person, the importance of individual behavior is emphasized. (Meek, 1986) Therefore, the management

people of each company play a crucial role in manifesting the corporate culture for each individual; values, business principles and ethical standards are practiced by them in everyday corporate life. In addition, the culture can be seen in problem solving practices, in official policies and procedures, in the spirit of the work environment, in the interactions and relationships that exist among managers and their team members, in the peer pressure which expresses the core values, in traditions and stories and in relationships with external stakeholders. (Fayolle, Basso & Bouchard 2010)

Corporate culture affects the job satisfaction and motivation of employees. Through its values and norms, corporate culture shapes the internal context of organization and impacts different elements. Corporate culture has an influence on the operations, decisions and interactions of leaders and employees. The everyday decisions employees and leaders make, the actions they take and the interactions they engage in are mostly determined by the values and norms of the corporate culture in the company. Even if the people themselves do not share the predominant values and norms of the company, organization members cannot ignore them because the organization sanctions behavior that deviates from its values and norms. (Janićijević, Nikčević & Vasić, 2018) It is also possible that corporate culture provides sustained competitive advantage for the company. So that could happen, the culture of the company must be valuable, rare and inimitable. It has to lead to things which increase the value of the company and contain attributes and characteristics that are not common to the cultures of a large number of other companies. (Barney, 1986) In addition, corporate culture has an effect on job satisfaction due to values and norms that correspond to specific employee needs. Corporate culture is one of the factors creating the environment in which employees meet their needs as it creates a model for everyday behavior in the company. The values and norms of different types of corporate culture exert different effects on the ability of the company to meet employee needs, facilitating the satisfaction of certain needs and hindering the satisfaction of others. For example, satisfying an employee need for growth requires that the employee is satisfied with the opportunities to learn and develop at work. (Janićijević, Nikčević & Vasić, 2018)

2.2 Leadership

The second part of the theory focuses on leadership. First, leadership is defined as widely as possible. After that, trait theories and the full range leadership model are introduced. The

full range leadership model has three variables which are all reviewed separately. Finally, there is discussion about the challenges in leadership.

2.2.1 Leadership as a concept

“The bottom line for business leaders, as any other leader, is the willingness to die. To risk death is to risk oneself, even to sacrifice oneself, for the sake of the company or the customer, the partnership or the client – for what is right.”

Peter Koestenbaum, 2002

Leadership and its forms arouse interest all over the world. Leadership and management are often demerged in the literature, but in the spoken language terms are sometimes used inconsistently. For example, Barker (2001) argues that management is about maintaining stability whereas the objective of leadership is to create change. Leadership is also understood as the ability to create a field of meaning. That meaning is integrated to the common purpose of enabling people to find out their own roles and focus on their personal intention, ability and vocation. (Varney 2009). The famous quote of Bennis and Nanus (1985) “Managers are people who do things right and leaders are people who do the right thing. Both roles are crucial, and they differ profoundly.” has most likely reached all people who have interest towards leadership research. Hazy, Goldstein and Lichtenstein (2007) state that in complex systems, leadership occurs during interactions among agents when these interactions lead to changes in the way agents expect to identify with each another in the future. As the exact definition of leadership has been under examination for decades, Rost (1991) collected 221 definitions of leadership from the 1920s to 1990s and noticed that all definitions had the same core idea; leader is a person who somehow moves other people to do something.

Leadership is all about people. It can be said that leadership is a service mission; the role of the leader is to serve people by creating a favorable environment for them and help to bring out the best of each person. Leaders make people succeed and flourish. Leaders are inspirers, supporters and organizers of other people’s success. (Juuti, 2006) Leadership has also been described as the process of social influence in which one person enlists the aid and support of others in the achievement of a common task. Other in-depth definitions of leadership have also emerged within years; leadership is essentially about creating a way

for people to contribute to making something special to happen: Effective leadership is the ability to successfully integrate and maximize available resources within the internal and external environment for the accomplishment of organizational or social goals. (Malos, 2011)

Vilas-Boas, Davel & Bispo (2018) state that there is no leadership without a culture because leadership is a cultural expression. It involves issues and conflicts that are connected to the leaders and followers inside a variety of international, national, regional and organizational contexts. It can be said that leadership represents a social action, which is expressed in its symbolic activity and the creation of meaning. The person who has leadership, through that also has influence on the objectives and strategies, on the commitment and consent in relation to the necessary behaviors to achieve the objectives, on the lifetime and identification of the group and on the culture of an organization. (Vilas-Boas, Davel & Bispo 2018) Smircich & Morgan (1982) note that leadership is interpreted as a central activity of organizational operators that develop, shape and negotiate the contents of interpretive patterns which define the daily working situations. Volckmann (2012) argues that all in all, leadership is about individuals, relationships and context. However, it is essential to understand that leadership appears and is different in different situations; leadership in a church varies from one in a business environment. Also, in contemporary business environment leadership is not the same among teams; innovation team calls for one kind of leadership, corporate executive management committee another kind. (Volckmann, 2012)

2.2.2. Trait theories and the full range leadership model

There does not exist only one kind of way to lead people. Leaders are humans and therefore the starting point for the leadership is unique in each case. The eras of leadership have varied in the academic literature within decades and centuries. Many studies of leadership are very old but few decades back, in 1995, the study of Bass and Avolio got popularity; they introduced the leadership full range model. The model has three latent variables: transformational leadership, transactional leadership and laissez-faire which is French and means freely translated "let them do". Each latent variable has facets: transformational has five dimensions; transactional three dimensions and laissez-faire as itself. (Saeed & Mughal, 2019) Leadership styles vary on the basis of for example leader-subordinate relationship and ways to motivate people. Next, trait theories and the full range model of leadership with

are gone through. The aim is to gain knowledge about the different styles and later in study, reflect the styles in the empirical part of the study.

Trait theories

Trait theories emphasize the personal attributes of leaders. There are certain traits that are important to leaders, as shown in figure 4. Ambition and energy refer to the inner drive of the leader; the leaders have a high effort level which leads them forward. Desire to lead refers to influencing and leading others and is often equated with the need for power. People with high leadership motivation think a lot about for example winning an argument or being the greater authority. They prefer to be in a leadership rather than subordinate role. In a leader-subordinate relationship, honesty and integrity are vital as they form the basis of the relationship. Honesty refers to being truthful or non-deceitful, whereas Integrity is the correspondence between word and deed. Without these qualities, leadership is undermined. Self-Confidence is especially important for leaders because leadership is a challenging job; the leader has to gain other people's trust, make difficult decisions, overcome setbacks and take risks. (Kirkpatrick & Locke, 1991)

Leaders must also gather, integrate, and interpret enormous amounts of information. In today's rapidly changing business world, these demands are greater than ever. Therefore, it is not surprising that leaders have to be intelligent enough to create suitable strategies, solve problems and make smart decisions. Also, the subordinates usually expect their leader to be more intelligent and capable than other people. Effective leaders have a high degree of job-relevant knowledge, such as company, industry and technical matters. However, characteristics alone are not sufficient for successful business leadership, rather they are only a precondition. Leaders who possess the requisite traits have to take actions to be successful, for example set clear goals for the organization. Possessing the appropriate traits makes it more likely that such actions are being taken and the final result is successful. (Kirkpatrick & Locke, 1991)

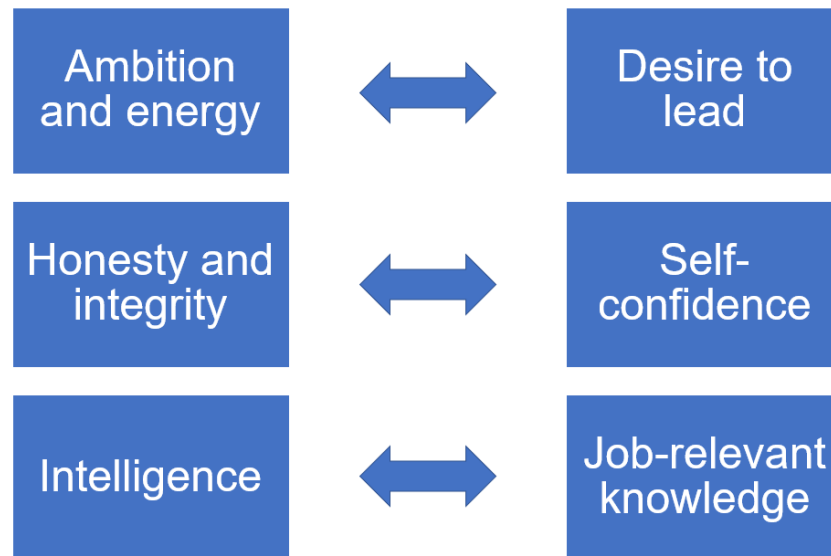


Figure 4: Trait Theories of Leadership (adapted from Kirkpatrick & Locke, 1991, p. 49)

Transactional leadership

The transactional leadership exists between leaders and their subordinates. The main focus of the transactional leadership is on the exchange between the leader and the subordinates. Leaders who prefer transactional leadership style also tend to monitor and control the employees with economical and rational matters. (Belasen and Frank, 2012) Transactional leaders emphasize personal goals and achievements of each employee. Because of this, co-operation between team members often reduces and employees are set apart from one another. Individual performance is in the centre of productivity. (Kahai, Sosik & Avolio, 2003) These leaders are authoritative in nature. Although there are a lot of positive sides in this leaderships style, it is examined that authoritarian leaders have a negative impact on group creativity. Also, it can be said that the traditional transactional style of leadership is inadequate in competing in the current dynamic business environment (Pradhan & Jena, 2019). In summary, transactional leadership style is associated with placing objectives, providing feedback, describing desired outcomes, exchanging rewards and recognition for achieving specified goals (Dedahanov, Lee, Rhee & Yoon, 2016).

Transformational leadership

The concept of transformational leadership was launched in 1978 by James MacGregor Burns through his descriptive research on political leaders. A transformational leader is someone who recognizes and exploits a necessity or demand from a potential person to follow. Transformational leaders also seek to find the motivations of their subordinates, want to meet high needs and involve every person as a whole in this process. The transformational leadership style enables a relationship with mutual stimulation and finally a development that transforms subordinates into leaders and leaders into moral agents. Idealized influence, intellectual stimulation and inspirational motivation surround the transformational leadership. Transformational leaders have created a convincing vision which stimulates strong feelings among the subordinates. This contributes increasingly to the perception of subordinates about ideal objectives and supports the inspiration to overcome their own interest in accomplishing the collective goals of the organization. (Ei Toufaily, 2018)

In transformational leadership, exchange between the leader and the subordinate is always holistic, meaningful and value- and vision-driven, whereas in transactional leadership exchange involves first work and afterwards a compensation from it. Various tools have been developed to measure the transformational leadership. Perhaps the most well-known and widely used tool is Multifactor Leadership Questionnaire (MLQ). It consists of four i's: idealized influence, individualized consideration, inspirational motivation and intellectual stimulation. The components of the questionnaire are the same dimensions that have been introduced by Bernard Bass and Bruce Avolio in their transformational leadership model in 1990. (Diaz-Sáenz, 2011) Transformational leaders motivate their subordinates to relook their job by elevating the status of the job from being boring, repetitive and menial into something more meaningful and significant. This ascendance of employee's job as something important and its contribution to overall organizational vision is what prompts them to engage in innovative work behavior. (Pradhan & Jena, 2019) It is stated that transformational leadership supports innovation, especially in times of change. There is also a positive connection between transformational leadership and employee creativity, whereas with innovation and transactional leadership, a negative connection is demonstrated. (Wipulanusat, Panuwatwanich & Stewart, 2017)

Laissez-faire

There are various descriptive definitions of laissez-faire leadership. For example, the Multifactor Leadership Questionnaire operationalizes laissez-faire leadership as a situational need for leadership in three of the four items. These items point to situations where subordinates are in need of some sort of assistance or guidance from their superiors, but they are not given it. Therefore, laissez-faire leadership may be perceived as a type of situational lack of leadership when a subordinate experiences lack of competence or other resource that is needed in the moment. Laissez-faire leadership can have severe negative consequences in critical situations and damage for the organization's business. On the other hand, in situations where subordinates are able to cope with the situation by themselves, laissez-faire leadership style might not be so harmful. (Skogstad, Hetland, Glasø & Einarsen, 2014)

Laissez-faire leadership style also has a lot of positive effects; for example, when leaders delegate full decision-making authority to their subordinates by giving them guidance and related support, subordinates feel that they are more involved in the tasks. This kind of responsibility can increase the motivation for organizational performance. Leaders with the laissez-faire style usually give complete freedom to their subordinates to make their own decision by providing them all necessary tools and resources. This emphasizes the subordinates' ability to solve their own problems. When the subordinates go through the process and ultimately make a decision, the whole process becomes an excellent learning opportunity to develop and gain knowledge about the most important organizational tools. (Mujtaba, 2014)

2.2.3. Challenges in leadership

Leadership can be seen as an interesting but challenging subject; there are dozens of theories around it and every individual has their own opinion about good leadership. Leaders in organizations are envied and judged. Leaders arouse conversation and it is most certainly sure that in the organization, there is always someone who does not like the leader. Even so, leadership fascinates people and many employees aim for becoming leaders in the future. It is certain that leadership in the constantly changing world is not going to be any

easier in the future. It is stated that in the 21st century, leaders confront with more complex demands compare with other leaders in the past (Rosenbusch & Townsend, 2004).

Leadership is controversial. Grint (2005) discusses leadership by the definition of ECC (essentially contested concept), which means that leadership is a fundamentally contentious concept. Leadership is examined from four general perspectives that often reflect on what makes a person a leader: Is it the personality of the leader, the results the team has achieved under the leadership, the processes the leader has created to manage operations or the position of leadership itself? Is it possible that some people already have a certain kind of attraction, charisma when they are born and that causes other people to follow them? In for-profit organizations, the importance of results has been a key measure of success in business throughout the history. Therefore, one might think that results the organization achieves under the leadership of the person make the leader a true leader. On the other hand, the result-driven perspective is challenging; if a company has a new product that has been developed together and it becomes a success, it is not appropriate to think that the outstanding results are only thanks to the leader. It might be more important to assess a person's leadership through their daily activities, behavior and processes. In a situation where only the leadership status is considered as a justification of being an official leader, can be harmful for the organization; an employee who does not have a formal leadership status is discouraged from doing the things that are necessary for the success of the company, even if they are fully qualified and maybe even more qualified than the official leader in that situation.

Personality of a leader is important part of the leadership. Goleman, Boyatzis & McKee (2007) argue that leaders have a complex personality. All leaders must be intellectual enough to be able to understand specific details of their responsibilities and challenges. Leaders who can make decisions and have a strong analytical and conceptual way of thinking are more valuable. Nevertheless, being smart is not enough rather leaders need to make a vision reality by convincing, guidance, motivation, by listening, by being a source of inspiration and especially by creating resonance. There are two types of leaders' abilities that are analyzed and explained from the viewpoint on their experience over time; personal abilities and social skills. Personal abilities refer to the way in which leaders deal with themselves; Self-knowledge means that person understands their own emotions, strengths and limits, but also their own values and motivations. Social skills relate to the manner in

which a person manages their own relationships; social consciousness is analyzed via empathy, solicitude and organizational consciousness. Skills for managing relationships are analyzed via the way leaders inspire, influence and train others, manage conflicts and catalyze change. Leaders are often necessary for effective teamwork because they have the ability to shape goals, coordinate effort and motivate team members. Leaders today need to face with various challenges and there is no easy way to do it.

In the leadership discourse, it is stated that leadership really matters: Leaders define both the direction and strategy of the company and create a vision that guides the organization through future challenges. Leaders also influence the performance of the company via their own actions and personality. Leadership is often described as something powerful and stable that is associated with the charisma and values of the leader. However, to truly understand leadership and its importance, the organizational context must be taken into account. For example, in a productional company, the leadership varies from the leadership of a knowledge-intensive company. In everyday work life, leaders are at the crossroads of several leadership discourses and practical approaches. Usually proactivity, strong vision and seeing the big picture are against the more operational style of leadership. The first one is seen as an excellent leadership style that is worth pursuing while the latter one is considered as inferior micro-management. (Alvesson & Svenningsson, 2013)

Today, leadership and emotions are an approved combination. Earlier, emotions were seen as a distraction for leadership but nowadays it is even desirable to show emotions among the organization. Affecting the emotions of subordinates and showing own emotions is today a normal way of acting. Emotional leadership as a concept refers to leaders who use emotions to influence performance, mood, emotion, and motivation of their subordinates. This kind of leadership can be very difficult for the leaders themselves because they have to express a lot of feelings that they may not actually feel in order to please others and move the organization forward. In addition, the leaders also have to make decisions in the very moment about what kind of emotions they can show while at the same time, sensitively evaluate their own actions in the field of showing emotions. When leaders show their emotions, it has an effect on the mood and confidence of the subordinates. The positivity shown by the leader increases the self-confidence of the subordinates, while the negative feelings of the leader increase the frustration of the subordinates. (Humprey, Pollack & Hawver, 2008) Effective leadership is also a key factor to flourish the creativity of the

subordinates. The role of leaders today is to inspire and motivate employees of all levels. Motivation of employees leads to better results. (Khattak, Batool & Haider, 2017)

Trust between leaders and their subordinates is always important. However, when there is a long distance between the leader and the subordinate, the meaning of trust emphasizes. Working environments have become more global and at the same time, flexible workplaces and working hours are here to stay. Fast-developing technology transforms leadership and the ways people interact with each other in workplaces. Today, there are e-leaderships and e-relationships. This sets a challenge for the competences and skills development of leaders; social skills and forms of interaction with subordinates need to be evolved. (Savolainen, 2014) Changes have affected the face-to-face interaction in the traditional leader-follower relationship due to decreased personal contacts. All in all, work has become more technology-dependent; instructions, feedback, follow-up, leadership and training are often in a digital format. When all these technology-mediated activities and processes are united, the culture of e-leadership and its everyday practices emerge. (Mackenzie, 2010)

Leaders in virtual teams are not able to use the normal methods to monitor team members; they have to trust their subordinates without constant supervision and focus more on result (Garavan, 2009). Both leaders and their subordinates are part of the leadership process and when leaders' perceptions of the reciprocal relationship are examined, subordinates are supposedly in the focus. Leadership is a dynamic state, not a static and permanent. Leadership adjusts and transforms depending on the changing context of leading. Technology-aided economy forms a notably new context for leaders and the required skills in their daily leadership work. As regards for the future, companies should invest in supporting the e-leaders' work because fast-developing technology might still continue to transform the ways of interactions in work environment all over the world. (Savolainen, 2014)

2.3 Change management

"Whosoever desires constant success must change his conduct with the times."

Niccolò Machiavelli, 15th century

The third and at the same time final part of the theory examines change management. First, change management is defined as wide as possible. After that, two theories of change management are introduced shortly. Finally, aspects of change management are reviewed.

2.3.1 Change management as a concept

Change is a subject which arouses feelings in everyone. It is constantly around everyone, not just in the work life but in the private life too. Commonly, people see change as a positive thing as long as they do not have to come out of their own comfort zone. But if change means that people have to change their own action models, habits and everyday life, resistance towards change may arise. In the dynamic and global business world, change is often necessary and intentions ultimately good. Improvements for example in processes, procedures and communications demand change to happen. Yet, to succeed, change needs both strong leadership and approbative atmosphere.

Generally, change can be defined as something which is not permanent. A change can be expected, sudden, non-adaptive or it can be warmly welcomed and well planned in advance. Nowadays, change is a way of life. The changes to be controlled lie within the control of the organization. This is why management of such changes certainly requires a range of managerial competencies. (Sharma, 2007) In a work environment, change can be seen as a continuous process of an organization attempting to align itself with shifts in its marketplace and with the realities of its external financial, physical, political, social and technological environment (Evans and Schaefer, 2001). Whether we want it or not, change is inevitable and a part of growth, learning and success. Through the course of a company's existence, it will undergo changes in culture, design and leadership. The strength of the current culture and design will determine the company's ability to maneuver successfully through the changes. Changes in leadership require that the key components of the current culture and design remain constant, while the desired change is slowly implemented. (Davis & Dolson, 2018)

Change management can be defined as a process in which the organization's direction, structure and capabilities are renewed to serve the ever-changing needs of external and internal customer (Moran & Brightman, 2001). Organizational change can be classified

according to factors such as its size, duration, impact, timing, degree of planning, change initiation or direction of change. The causes of change can be classified in two: proactive and reactive. Proactive change is driven from within the organization by development needs, ideas and innovation. In a reactive change, the organization responds to an external threat or impulse to change. In this case, change is characterized by decision-making under threat, direct solutions and external control. (Juppo, 2011) It is important that leaders develop a leadership style which allows them to react rapidly to change, engage subordinates to try new ideas and create a safe environment where everyone can feel comfortable to take risks. (Hughes, Lee, Tian, Newman & Legood, 2018)

2.3.2 Models about change management

There are several famous models regarding change management. One of the models was born in 1947, when a psychologist Kurt Lewin introduced his change model, also known as the ice model. It describes change as a three-step model: unfreeze, change and refreeze (Figure 5). Unfreezing means that the organization must first stop their current actions and prepare for change. Organization members have to be aware of the need for a change. The leaders of the change process create a will for the change among the other employees. Next, the change is implemented through selected mechanisms. This requires open communication both during and after the process. Finally, it is time to refreezing which refers to stabilizing and sustaining the change. It is vital to ensure that the organization does not relapse into their old behavior patterns. Even though the model has been criticized due to its simplicity, it offers the basic knowledge of change process. (Balogun & Hope Hailey, 2008)

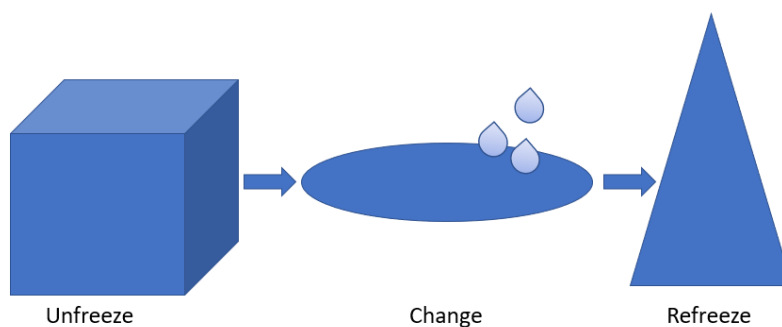


Figure 5: Lewin's model (adapted from Cummings, Bridgeman & Brown, 2016, p. 34)

To implement change successfully, different parts of the organization need to work seamlessly together. If leaders wish to institute change, their leadership styles need to be strategically aligned to adjust the organizational culture. In 1970's, the McKinsey consulting company created the 7S framework model to analyse organizations and their effectiveness. The model reveals that there are seven key elements which make organization successful: Strategy, structure, systems, shared values, style, staff and skills. (Singh, 2013) The seven elements of the model have been divided into soft and hard elements: Skills, style, shared values and staff represent the soft elements, whereas structure, strategy and systems represent the hard elements. Soft elements are the foundation of the organization. Even though they are harder to manage, they are more likely to create the sustained competitive advantage for the company. Hard elements are easier to identify and manage. The model is used for example to facilitate organizational change or merger of companies and to identify how each area of the model can change in the future. (Ravanfar, 2015)

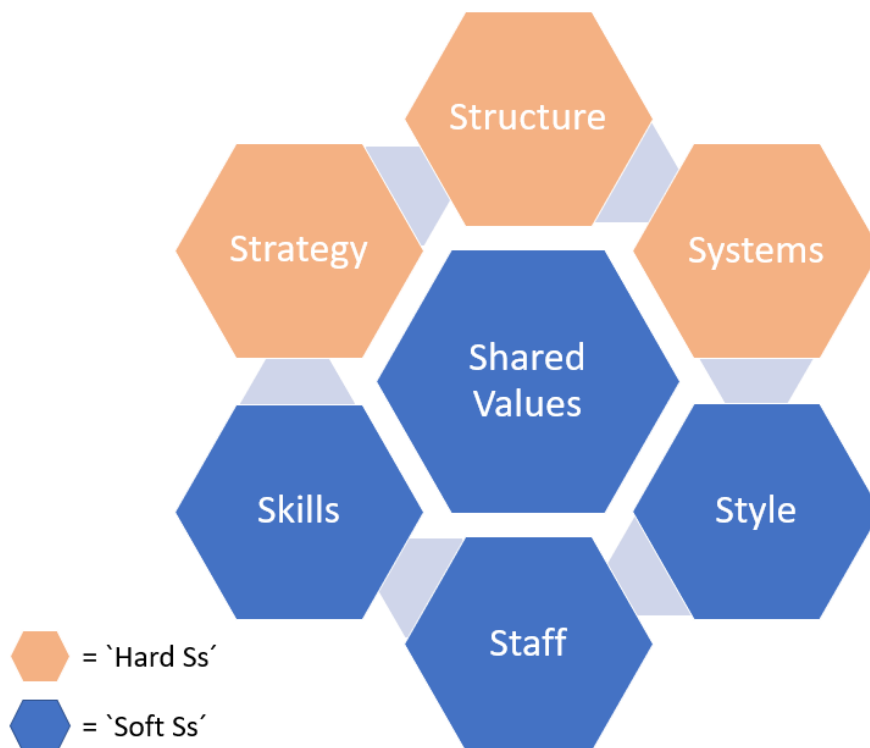


Figure 6: The 7S Model of McKinsey (adapted from Ravanfar, 2015, p. 8)

2.3.3 Aspects of change management

In a complex system, change emerges from the interactions within and between the systems in a way that may be influenced, but not controlled. Change is not linear and organizations

as systems do not necessarily tend to state of the stable equilibrium. (Stacey, 1996) Organizations, groups or individuals usually resist changes that are perceived as a threat to their frame of reference (Kettinger & Grover, 1995). Vestergaard (2012) argues that most change management do not produce change, rather about 70 percent of changes fail. The main reason for the failure to accomplish successful change lays within the presumption strategy 'one size fits all'. It is increasingly recognized that organizations are complex and dynamic systems. Therefore, correspondingly change strategies must be flexible to achieve optimum fit with the conditions prevailing in the undergoing change within the organization. (Burnes & Jackson, 2011)

Traditionally, the management of change has considered to be something which only leaders and managers of the company or consultants undertake. Other employees of the company have been positioned solely as the recipients of change. As a matter of fact, leaders, managers and consultants have been largely portrayed as having an agency, while other employees are depicted as relatively agentless. (Grieves, 2010) However, it is crucial to understand the meaning of everyone involved in the change process and not to overemphasize the role of the change agents. It is the same with leadership, which is also a comprehensive, everyday activity undertaken by groups of stakeholders, not only leaders. Change management could also be reframed as a micro-situated, every day, distributed practice not only deployed by key actors in the corporate hierarchy, rather to emphasize the importance of everyone in the company. (By, Burnes & Oswick, 2011)

Change management practices contribute to better business processes and help in attaining improved quality of work life, both of which are requisite for customer success and in achieving measurable and sustainable competitive performance gains (Kettinger & Grover, 1995). However, it is vital that the leaders also engage key personnel of the company, for example managers, to the change. The company could sign an agreement with the managers to build their commitment towards all employees in the deployment process. Because of this, the prior communication should be devoted to the managers. This kind of privileged communication should imply the discussion of what the role of management could be in the deployment process. The managers could also be involved in the direct communication to the other employees about the change. (Mazzei & Quaratino, 2013) It is important that communication reaches all employees of the organization. Features of good communication are interactiveness, transparency and completeness, without avoiding the

mention of difficulties. Communication should also be continuous, supported by actions, future-oriented and centered on the values as the starting point of a new era. The purpose of internal communication is to support the change process. Therefore, it should spread clear information and involve employees emotionally to facilitate the change path through awareness, understanding, acceptance and action. (Linke & Zervass, 2011) It is emphasized that people-centric leadership styles, like transformational, inclusive and authentic, are the best for managing change and developing culture within the company (Kokpol, 2018). The people-centric leadership style contains various processes for problem solving. However, there must be a flexible leadership style and a diverse organizational culture for a change to be successful. (Maeda, 2011)

3. RESEARCH DESIGN

In this chapter, the framework of methods and techniques chosen for this master's thesis are reviewed. The objective is to give insight about the methods used in the study by describing the procedures accurately. First, the research methodology and the background of the case are revealed. After that, the data collection methods and data analysis process are reviewed. Finally, the reliability and validity of the study are assessed.

3.1 Methodology and case description

This study is a qualitative case study which was conducted in October 2019 in one company operating in Finland. The idea of the study arose in a brainstorm session between the researcher and one of the directors of the case company. Due to the growth objectives for the future, it was decided to examine the corporate culture of the case company from directors' and their direct subordinates' perspective. The aim of the study was to examine the corporate culture and the leadership in the case company in order to find out whether there are factors that may enable change of the case company's corporate culture. Baxter and Jack (2008) note that a case study design should be considered when the focus of the study is to answer "how and "why" questions. The study includes two different methods to examine the case company: A semi-structured interview and a survey. The case study approach to research eases the exploration of a phenomenon by using different sources of data within its context (De Blasi, Bouteyre & Rollin, 2018).

The case study has two parts: Semi-structured interviews and a survey. In the semi-structure interview method, the interviewer and the respondent engage in a formal interview. In the meeting, the interviewer has a list of questions or topics to guide the interview. The semi-structured method is best used when the interviewer has only one opportunity to interview someone. It is usually best to record the interview and transcript it later for analysis because the semi-structured interviews often contain open-ended questions and discussions may diverge from the original interview guide. (Robert Wood Johnson Foundation, 2019) A survey is used to measure population characteristics with a sample of the population. A qualitative survey is a systematic method to gather information from a sample of entities. The method doesn't observe social interactions or communications between persons in a given population, rather only the characteristics of the individual members involved. In other words, it examines the diversity in a population. (Jansen, 2010)

3.2 Data collection

The empirical part of the study has two methods by which the case company is examined: semi-structured interviews and a survey. The management team of the case company is interviewed via semi-structured interview method. The management team members were interviewed individually (Table 1). The interview questions (Appendix I) were sent to them one week before the agreed interview time, so they had the chance to prepare for the interview if they wanted. The case company has altogether seven members in the management team. The objective was to interview them all, but unfortunately, due to schedule challenges, one member of the management team was not interviewed. Four out of the six members were interviewed face to face in one of the case company's offices. Two of the members were interviewed via telephone due to the long distance of the interviewer and the interviewees. All the interviews were recorded with the permission of the interviewees.

The directors and other selected employees of the case company were sent a survey. The other selected employees work in two cities and in different units led by the management team members. The survey was open for two weeks in October 2019. First, the idea was to conduct the survey only with the other employees who work under direct supervision of the management team members. However, it was stated that also the management team ought to answer the survey because they lead their units by their own example. This way all the

other employees could notice that the directors also participate in the study and consider it important. Consequently, it was decided to send the survey to all directors and those employees who work closely with the directors.

The link for the survey was sent to the personnel by one of the case company's directors. In the cover letter, the director explained why the link for the survey was sent, who was responsible of the study and what purposes the results of the survey were utilized afterwards (Appendix II). The link for the survey was sent to 92 employees of the case company. There were altogether 18 questions in the survey; one of them was a background question, 16 of them statements with a four-step answering scale and one of them a multiple-choice question where the respondent could choose as many options as possible (Appendix III). It was also possible not to answer the questions. The survey was sent to the respondents in Finnish. Afterwards, the results were translated into English for the master's thesis. However, the results were reported in Finnish for the case company.

Table 1: Information about the interviews

Information about interviewees with the management team			
Title	Date	Duration	Place
Sales Director	16.10.2019 at 3.30 pm	25 minutes	Case company's office in the metropolitan area
Operations Director	21.10.2019 at 9.30 am	40 minutes	Case company's office in the metropolitan area
Product Development and Purchasing Director	21.10.2019 at noon	45 minutes	Case company's office in the metropolitan area
Marketing Director	21.10.2019 at 2 pm	40 minutes	Case company's office in the metropolitan area

Customer Service and Administration Director	29.10.2019 at 3 pm	35 minutes	Skype meeting
Group CFO	30.10.2019 at 1 pm	30 minutes	Skype meeting

3.3 Data analysis process

The interviews with the management team were transcribed after each interview session. The transcription of the interview materials is more common than just making conclusions of what has been written down during the interview session. There does not exist any unequivocal instruction for the transcription. The accuracy of the transcription depends on the excerpt and mission of the interview. Transcription work is demanding; word-to-word writing takes time even from a fast writer and requires precision. It is estimated that the transcription of a one-hour interview takes approximately four to six hours. (Hirsjärvi & Hurme, 2009) The management team members were handled anonymously in the thesis and therefore, they were named as directors A-F. The letters had been selected randomly for the interviewees. The management team members were not aware of which one of them was which letter.

The interviews were organized by three themes that were selected due to their importance for the subject itself and for the case company. The selected themes represented matters that appeared meaningful in the eyes of the researcher during the execution of the empirical part of the thesis. The three themes were given their own colours and the interview transcriptions were printed. After the printing, all foundations of the themes were stricken by highlighters with the given colours. The results from each interview were combined and arranged via the themes. After that, the results were presented theme by theme in the thesis.

The results of the survey were reviewed question by questions. Each question was examined two ways; how the results looked as a whole and what were differences between the answers of the management team and the other employees. The results were shown in diagrams made with the Webropol tool. It was noticed that all respondents had not answered every question. However, the missing number of responses was just 1-2 per question, so it doesn't affect the results significantly.

3.4 Reliability and validity

As a part of every research process, reliability and validity of the study are assessed. It is important that the executor of the study reflects their own work also during the process. Afterwards, the reliability and validity of the study will most likely be assessed by every reader. Reliability assesses the reliability repeatability of the measurement or research method that is used to measure the phenomenon. Validity assesses how the chosen research method has succeeded in measuring the wanted factors. In a quantitative study, the reliability and the validity of the study are easier to assess but they are still important part of a qualitative study too. In a qualitative study, reliability signifies that there are no discrepancies in the interpretation. As qualitative researches are based on subjective views, it is possible that the answers of the interviewee could vary if the study was repeated. It is also possible that the interviewee does not answer honestly to the questions or the interviewer (researcher) intentionally guides the interviewee to the wanted direction. (Hirsjärvi & Hurme 2009; Tuomi & Sarajärvi, 2009)

In the study, I did my best to describe all phases as transparently and honestly as possible. In the interview situations, I let the interviewee answer in peace and keep my own opinions to myself. All interviews were recorded with the permission of the participants and then transcribed. In the survey, the statements and question were formulated as clear and simple as possible.

4. EMPIRICAL FINDINGS

In this chapter, the results of the empirical part of the study are reviewed. First, the interviews with the management team are examined via three main themes: Significance, leadership and change regarding the corporate culture. Those themes are selected because they are important both for corporate culture itself and for the case company. In addition, the results of the survey are viewed via the same themes as the interviews. The results received from the empirical part are reviewed, compared to the theory and discussed more in the final chapter of the master's thesis.

4.1 Interviews with the management team

The management team of the case company was interviewed with eight questions. The questions dealt with the corporate culture of the case company, its significance and leadership. Additionally, the interviews wanted to discover the possible change and development of the corporate culture in the case company. Interviews with the management team of the case company were instructive, memorable and open. They didn't just offer a lot of insight for the thesis, rather they gave a wider perspective for leadership. Even though there are numerous theories, guidelines and principles for how to be a leader, every leader is unique. Personality, working history and view of life of the person affect how they act as leaders. The management team members of the case company are experienced leaders: Some of them have gained valuable experience in international corporations, whereas some have worked almost their whole career in the case company. Down-to-earth -attitude, humanity and a sincere desire to work for the best of the case company combine all the directors.

The management team of the case company considered corporate culture to be the most important matter in the company; it sets the company apart from others and reveals how things are done in the organization.

Director E tells: "When I was younger, I thought that the corporate culture was not such a big deal after all. But every year I'm more and more convinced than ever that it is absolutely the most crucial thing there is."

Corporate culture is born within a long period of time and is affected by the values, strategy, vision and most importantly – by the employees of the company. It doesn't matter which level of the organization an employee works. Every person in the organization is equal and affects the corporate culture in their own way and contribution. The significance of the corporate culture is indisputable: The corporate culture is involved in the every-day operations of the employees; it affects the activities and the mood of all personnel. In addition, the corporate culture also has an effect on the way that others see the case company. As the case company wants to be easily approachable for all stakeholders, it is aware of the importance of the corporate culture regarding the impression that the stakeholders get from the case company.

The significance of the corporate culture is emphasized already before the actual life cycle of the employment relationship begins. Therefore, it is crucial already in the recruitment process to make sure that the case company only hires people who fit into the corporate culture, respect the history of the company and share its values.

Director D summarized the thoughts of the management team: “Our corporate culture is a size of a human and that is how we want to keep it also in the future. There are no super people here rather just people who do their job and are humane.”

Hierarchy in the case company is low. This enables open communication among all employees of the case company. The positive corporate culture of the case company affects the employees' motivation and encourages them to work together towards common goals. The management team of the case company considered leadership as the most significant matter in the corporate culture. In their opinion, the purpose of all leaders is to show example for their subordinates and guide them towards the envisioned direction. Leadership was seen as a service occupation where the purpose of the leader is to encourage, guide, support its subordinates and be the best possible example for them. Leaders can be demanding but at the same time, they need to observe their subordinates' well-being.

Director B summarized: “In my opinion, leadership is a service occupation. My job is to make sure that people can do their work assignments as well as possible, they have the right and up-to-date tools for the job and that they feel well.”

The interviewees felt that the role of the leader is emphasized in everything, because the leader is all the time under magnifying glass. The management team of the case company understood their significant role in the corporate culture of the case company. The interviewees considered their own example as leaders to be crucial for the company; they must act the same way as they demand their subordinates to act. As leaders, the management team members wanted to genuinely to be there in the frontline with their subordinates. The directors of the case company told that they share the values of the company and therefore, they find it easy to lead their teams.

The management team members felt that it is their responsibility to maintain the positive atmosphere and develop the corporate culture. The hierarchy in the case company is low

which enables employees to come straight to the leader's door to ask if they have something in mind. Every director emphasized in the interviews that as leaders, they want to be easily approachable, so people can share new ideas and improvement plans with them. Can do - attitude, concreteness of goals and development orientation are things that the directors of the case company want to give their team members as their leaders. The directors of the case company felt that it is crucial to show the subordinates as concrete as possible, where the company is going. Therefore, clear objectives and tasks for each day, week, month, quarter and year make it easier for everyone to do their best as efficient as possible. Additionally, it is the leader's responsibility to make sure that everyone knows why their role is important for the strategy of the company. Despite the status, every employee of the case company matters, and it is the leader's job to make sure that all people know it.

The management team members are aware that there needs to be some change and development in the corporate culture as the years go forward. Majority of the directors thinks that the corporate has changed during the years they have worked in the company, whereas few people feel that only some changes, if any, have appeared. All in all, directors consider the change and development positive; the corporate culture is nowadays more open, dynamic and co-operative direction. Hierarchy is low, directors participate in everyday tasks of the company and decision-making is more decentralized. The case company has grown both organically and via takeovers within the last few years. The bigger number of employees naturally also affects the corporate culture. Additionally, when the case company became a public listed company, it also changes the corporate culture, at least partly. The management team of the case company talks a lot how the corporate cultures of the two cities have become closer to each other. Mutual respect and trust have grown, as the teams in different cities get to solve challenges together. As history, environment and job descriptions affect the corporate culture, it is obvious that the corporate culture of the two cities cannot be identical. However, the biggest change has happened in the minds of people; they see that everyone is part of the same company, no matter where they work.

As regards for the future, the management team feels that the corporate culture of the case company is overall at a good state. However, everyone feels that there is always something that could be done better. One big theme is staff involvement; directors want to take more people with them to make plans and decisions, improve processes and increase the attractiveness of the case company as an employer. Commitment and trust towards the

case company are seen important and therefore, even more open communication from the management team to other employees is needed. Even though there are very little hierarchical boundaries, they all should be lowered, so the fellowship would increase. It is also noted that the case company ought to be aware of what stakeholders think about their corporate culture, develop and change it if necessary. As the case company still has growth objectives for the near future and the new generations come to work life, there is a strong will to continue developing the corporate culture and execute the necessary changes.

Table 2. Summary of the interviews' key findings by themes

Summary of the interviews' key findings by themes	
Themes	Key findings
Significance of the corporate culture	<ul style="list-style-type: none"> • most crucial thing for the company • affected by people, values, strategy, and vision • affects employees' every-day activities • notable: stakeholder perspective
Leadership of the corporate culture	<ul style="list-style-type: none"> • leading by example at all situations • encouraging subordinates to develop themselves and the case company • open communication • sharing the case company's values
Change of the corporate culture	<ul style="list-style-type: none"> • believing in the change and leading it systematically by own example • open communication at all levels of the organization • determination, persistence, resilience • getting all employees involved in the change process

4.2 Survey for the management team and other selected employees

The survey that was sent to the management team members and their direct subordinates consisted of 18 questions (Appendix III). In this master's thesis, the results of the survey were examined via the same three themes as the interviews with the management team. Therefore, not every question was reviewed in this chapter. The questions chosen for closer analysis were those which were, in the researcher's opinion, relevant to the three themes: significance, leadership or change of the corporate culture. The link to the survey was sent to 92 people: Seven of the respondents were part of the management team and 85 of the

respondents were other employees. The other employees were managers, specialists and other upper officials. The 85 people chosen for the survey were directly under the supervision of the management team. Altogether, 49 out of 92 people (53 percent) responded to the survey. From the 49 respondents, 43 people (88 percent) were employees and six people (12 percent) were part of the management team.

Question 2: The corporate culture of the case company reflects my own values.

The purpose of the second question was to find out whether the corporate culture of the case company reflected the respondent's own values. As the corporate culture of the company consists of a set of common values and behaviours, it is easier for the employee to adapt to the company if the values of the company reflect their own values (Shieh and Wang 2010). Therefore, the significance of the common values among the employer and the employee can be considered important. All 49 respondents answered the question. The Figure 8 showed that 61 percent of all respondents felt that the values of the case company reflected their own values. In addition, 29 percent of all respondents had chosen the second alternative "Somewhat agree". All in all, 44 out of 49 respondents agreed or somewhat agreed that the values of their current employer reflect their own values. From the respondents, 10 percent felt that the values of the case company didn't reflect their own values that much. None of the respondents disagreed totally with the statement.

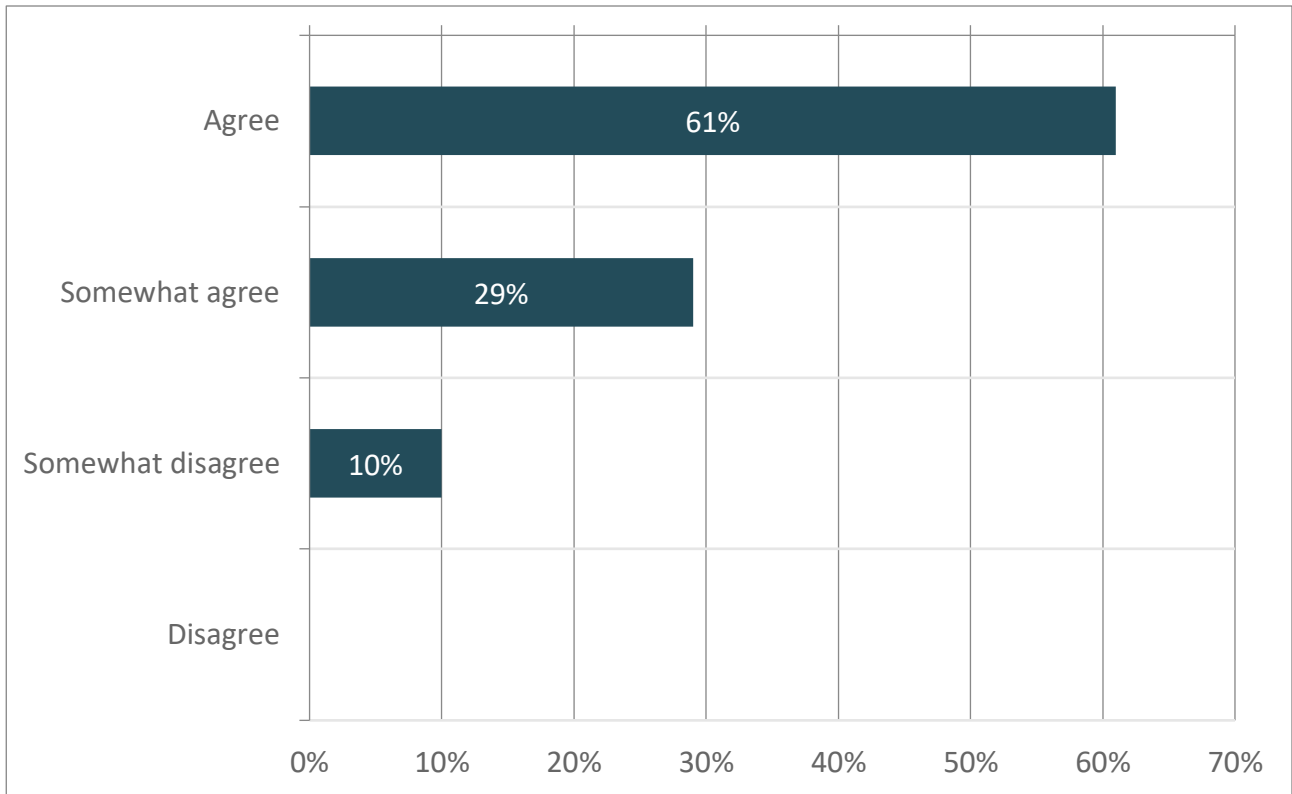


Figure 7: The corporate culture of the case company reflects my own values (all respondents)

When the responses of the management team and the employees were examined separately, differences were seen (Figure 9). The management team was unanimous, as they all had chosen the alternative “Agree”. Among the employees, there was variability even though over half of them (56 percent) shared the same opinion as the management team. Overall the result of the question 2 was positive because 38 employees (88 percent) had responded that they agreed or somewhat agreed with the statement. Five people had responded that they somewhat agreed with the statement. None of the employees chose the alternative “Disagree”.

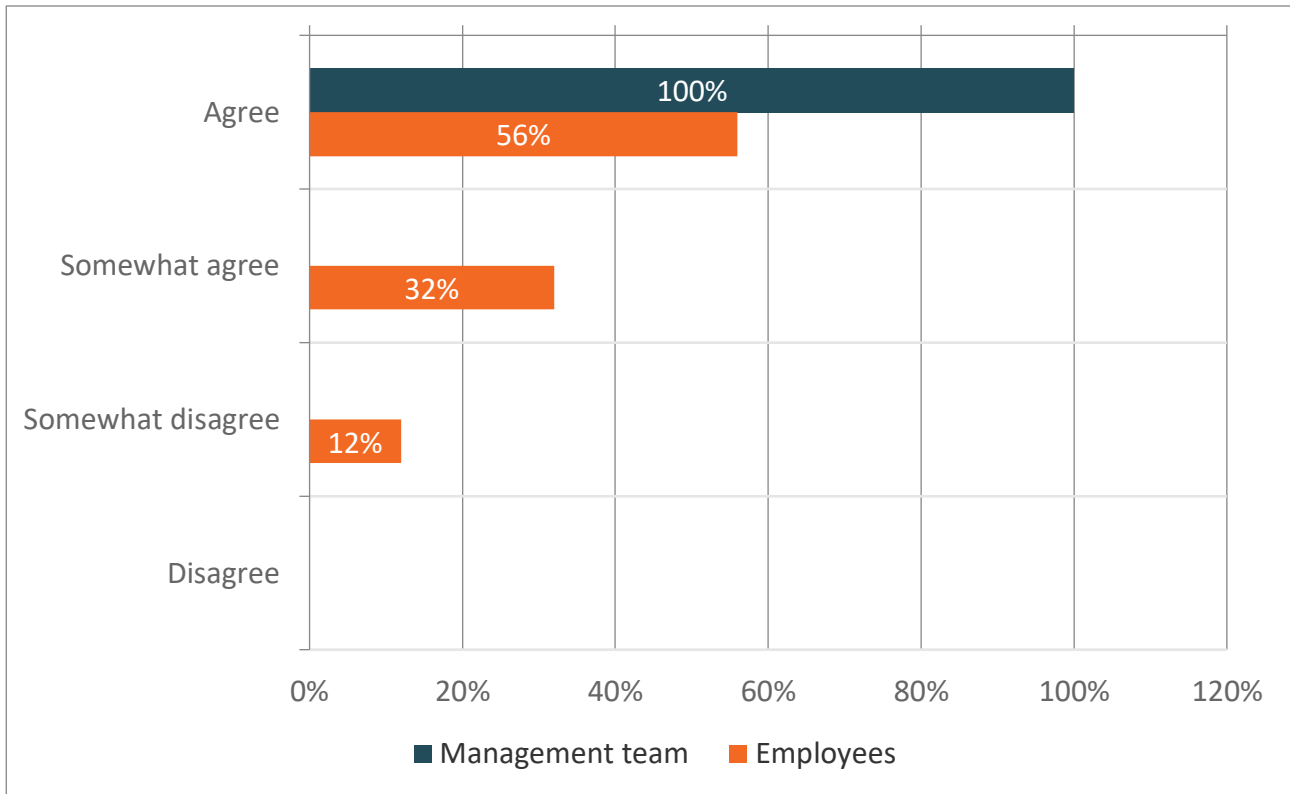


Figure 8: The corporate culture of the case company reflects my own values (separately)

Question 3: I know the strategy of the case company.

The question number 3 examined whether the respondents were familiar with the strategy of the case company. This question was related to both the significance and the leadership of the corporate culture, as the strategy is one of the core elements that guides the company to the desired direction. The results looked positive: 45 percent of the respondents agreed, and 53 percent somewhat agreed with the statement (Figure 10). It should be noted that there were only 47 responses in the question. It was not clear why one of the management team members and one of the employees left the question number 3 empty. On the other hand, the results received from this question were almost completely positive; there were only one respondent who chose the alternative “Somewhat disagree”.

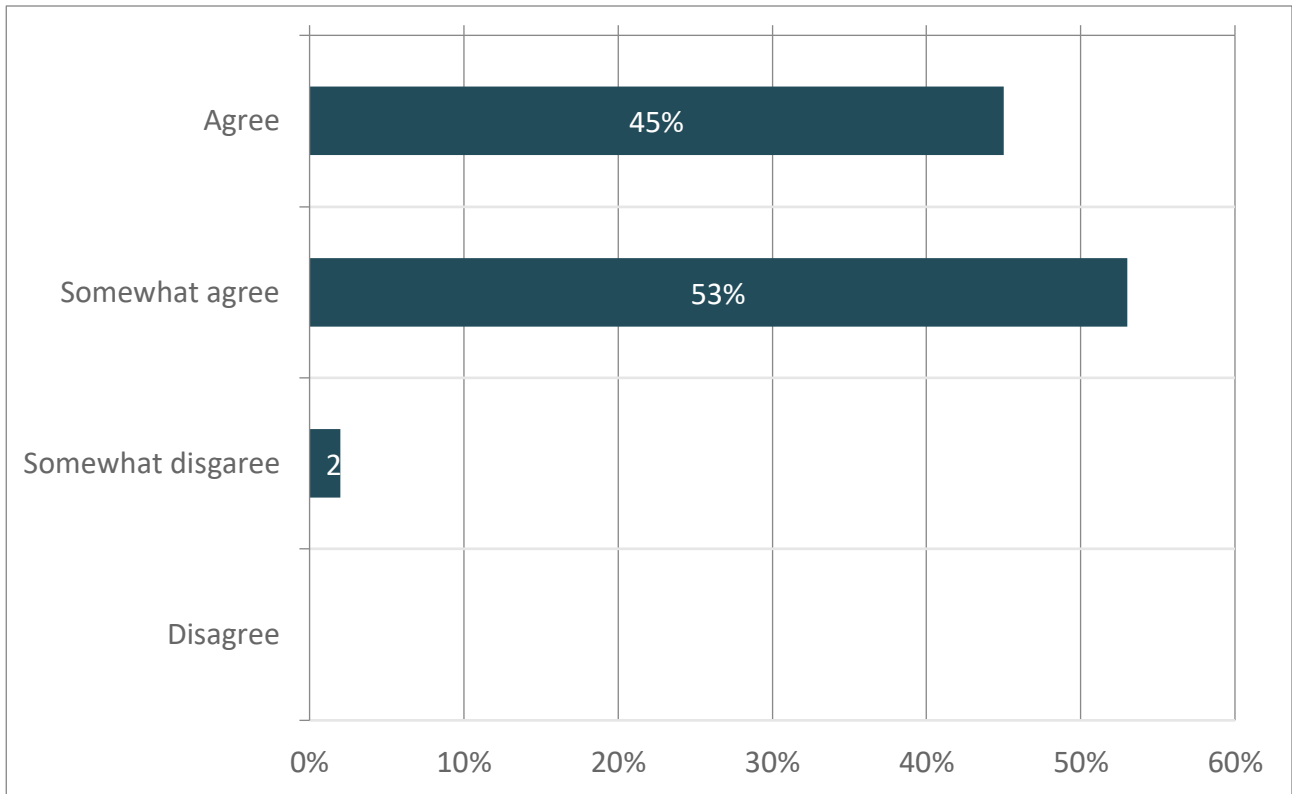


Figure 9: I know the strategy of the case company (all respondents)

When the responses of the management team and the employees were examined separately, there are differences (Figure 11). The management team was unanimous because they all agree with the statement. The most popular alternative among employees was “Somewhat agree”, as 60 percent of the respondents had chosen it. Hence, 38 percent of the employees agreed with the statement that they knew the strategy of the case company.

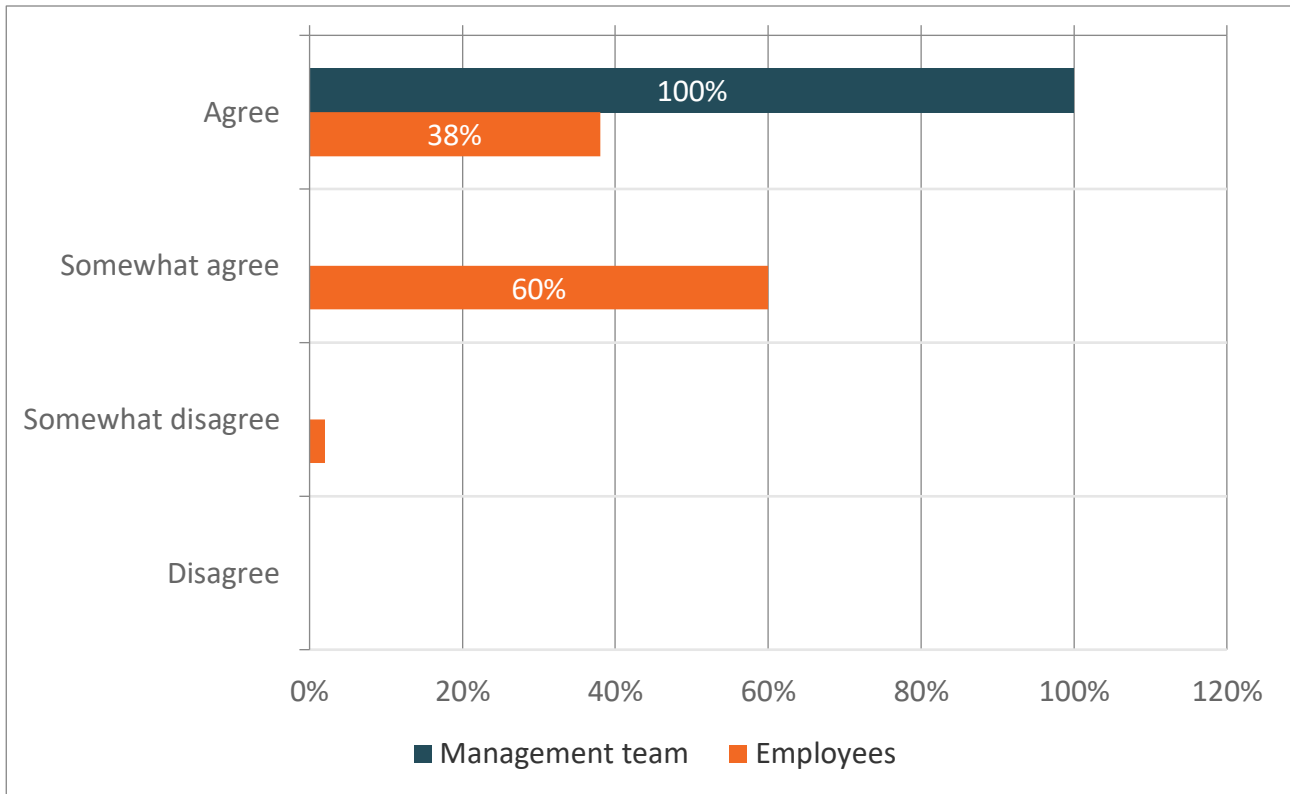


Figure 10: I know the strategy of the case company (separately)

Question 6: I'm led by the values of the case company.

Question number 6 was about leadership. Despite the status of the respondent, everyone in the case company had a supervisor. Therefore, also the management team was able to answer this question. All 49 respondents answered the question. The results showed that 88 percent of the respondents agreed or somewhat agreed that they were led by the values of the case company (Figure 16). Nonetheless, 12 percent of the respondents partly disagreed with the statement. None of the respondents had chosen the last alternative "Disagree".

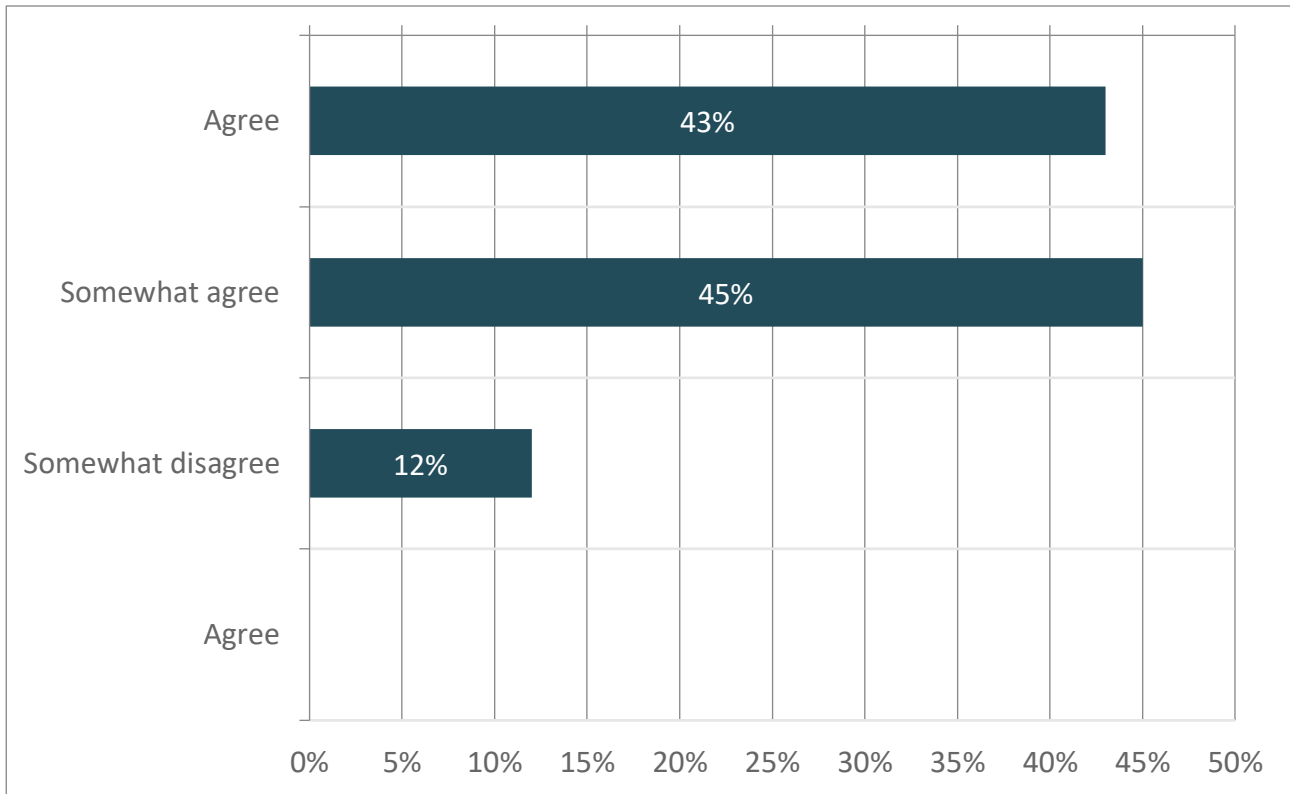


Figure 11: I'm led by the values of the case company (all respondents)

There were differences in both respondent groups when the results were examined separately. In the management team, 83 percent of the respondents had chosen the alternative "Agree" and 17 percent of the respondents had chosen the alternative "Somewhat agree" (Figure 17). Among the employees, three out of four alternatives had been chosen. The most popular alternative was "Somewhat agree", because 49 percent of the employees had chosen it. The alternative "Agree" was chosen by 37 percent of the respondents. Additionally, 14 percent of the respondents felt that they partly disagreed with the statement.

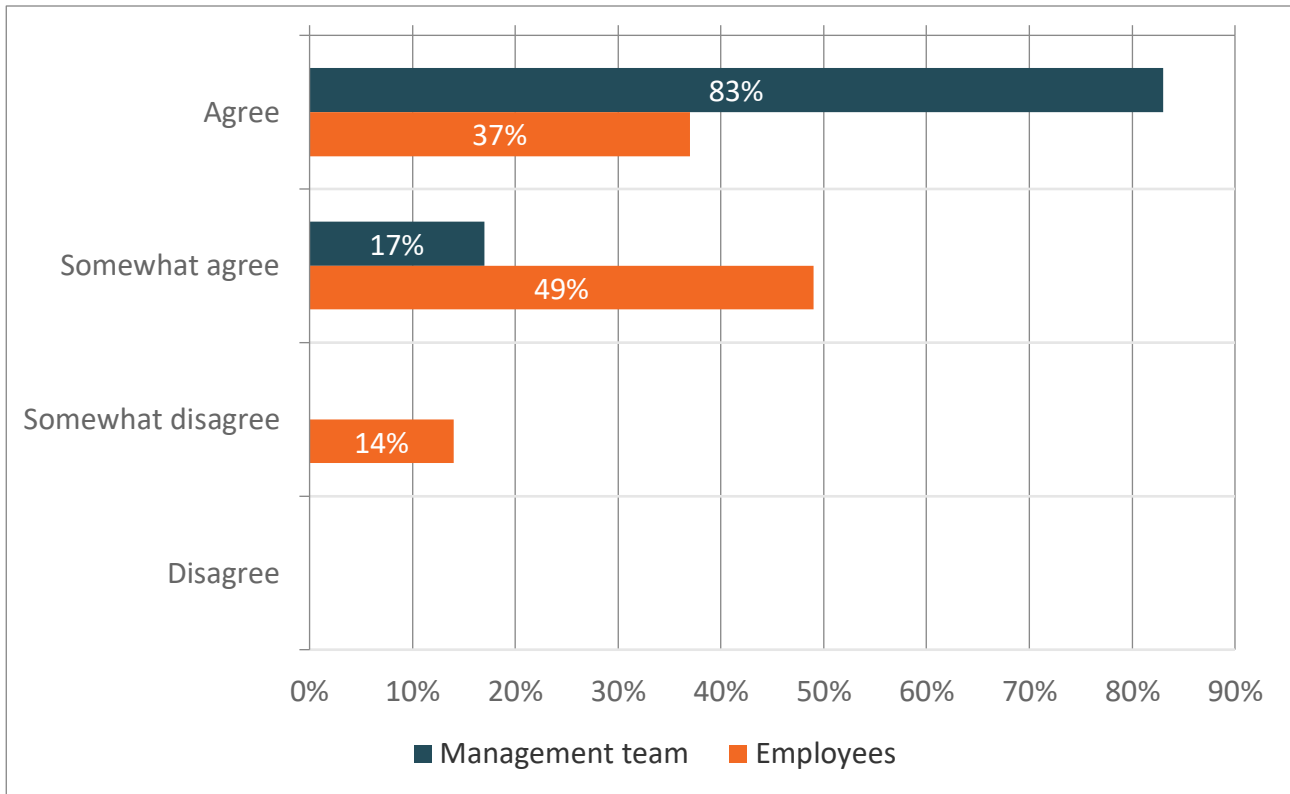


Figure 12: I'm led by the values of the case company (separately)

Question 7: Changes are communicated openly in the case company.

Question number 7 dealt with the change theme. As change always arouses feelings among the participants, open and current communication is needed. Communication reduces uncertainty and lowers stress in relationships (Berger, 1986). It was expected that the question would divide opinions among the respondents. All 49 respondents answered to the question. The results revealed that for the first time, all alternatives had been chosen (Figure 18). Only six percent of the respondents agreed with the statement. Almost the same percentage (eight percent) disagreed with the statement. The most popular alternative was "Somewhat agree", as 45 percent of the respondents had chosen it. The rest of the respondents, 41 percent, had chosen the alternative "Somewhat disagree".

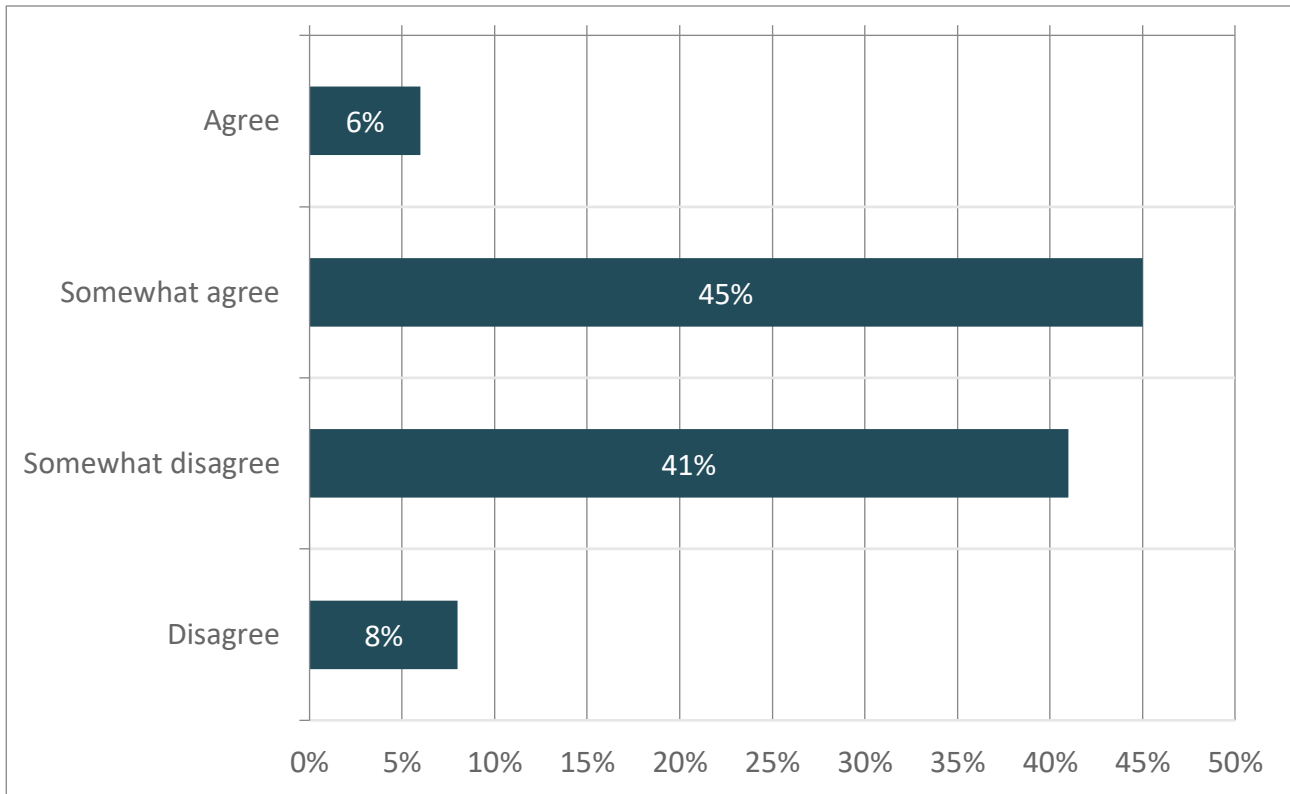


Figure 13: Changes are communicated openly in the case company (all respondents)

There were only differences in the employee group's answers when the results were examined separately (Figure 19). In the management team, everyone had chosen the alternative "Somewhat agree". However, only seven percent of the employees felt that they agreed with the statement. On the other hand, the most popular answer among employees was "Somewhat disagree", because 47 percent of the respondents had chosen it. The alternative "Somewhat agree" had chosen 37 percent of the employees and the alternative "Disagree" nine percent of the employees.

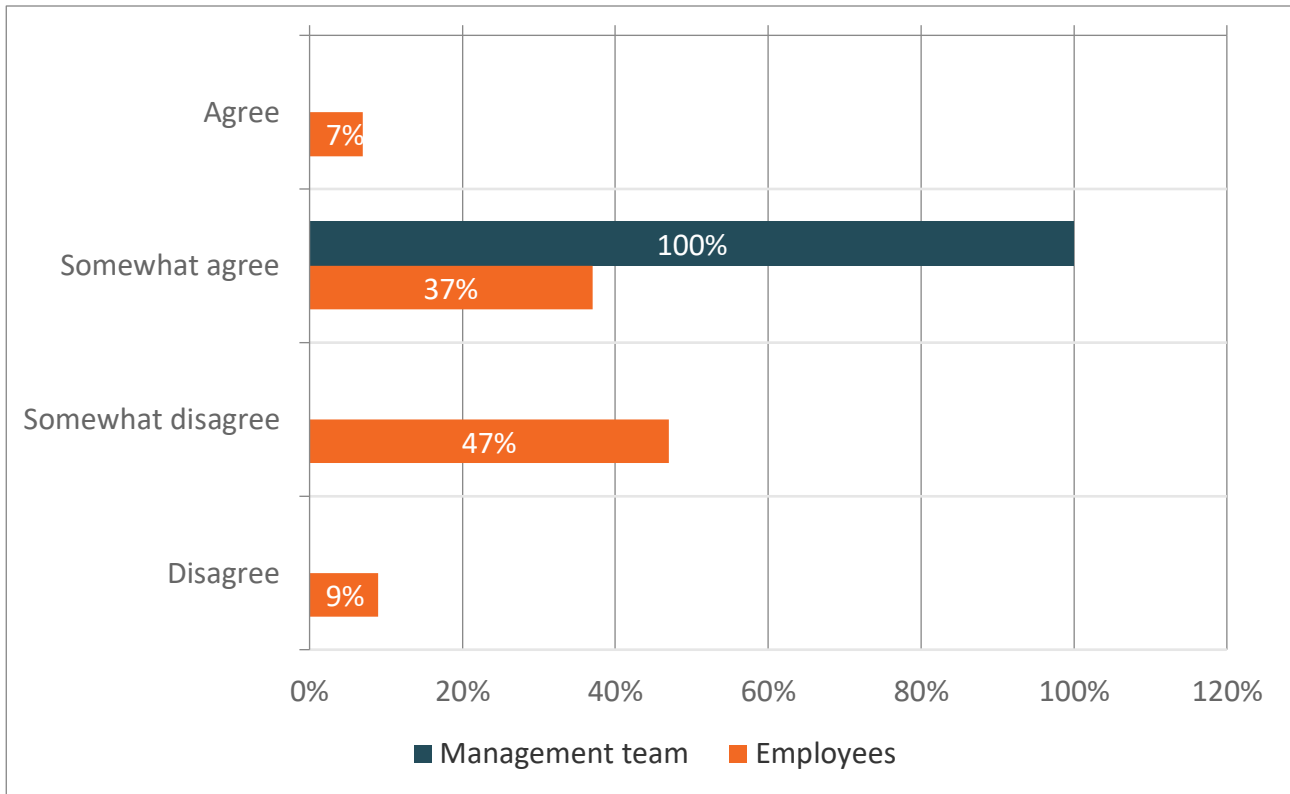


Figure 14: Changes are communicated openly in the case company (separately)

Question 8: I'm aware of the objectives that have been set to me.

The purpose of the question number 8 was to find out about the objective setting policy of the case company and at what state employees were aware of the objectives that had been set to them. This question was strongly related to the leadership theme, because it is the leaders' job tell their subordinates what is expected from them. All 49 respondents answered the question. Reportedly, there were variation among the responses (Figure 20). The most popular alternative was "Agree", as 55 percent of the respondents had chosen it. The alternative "Somewhat agree" had been chosen by 37 percent of the respondents. Altogether eight percent of the respondents felt that they were not completely aware of the objectives that had been set to them.

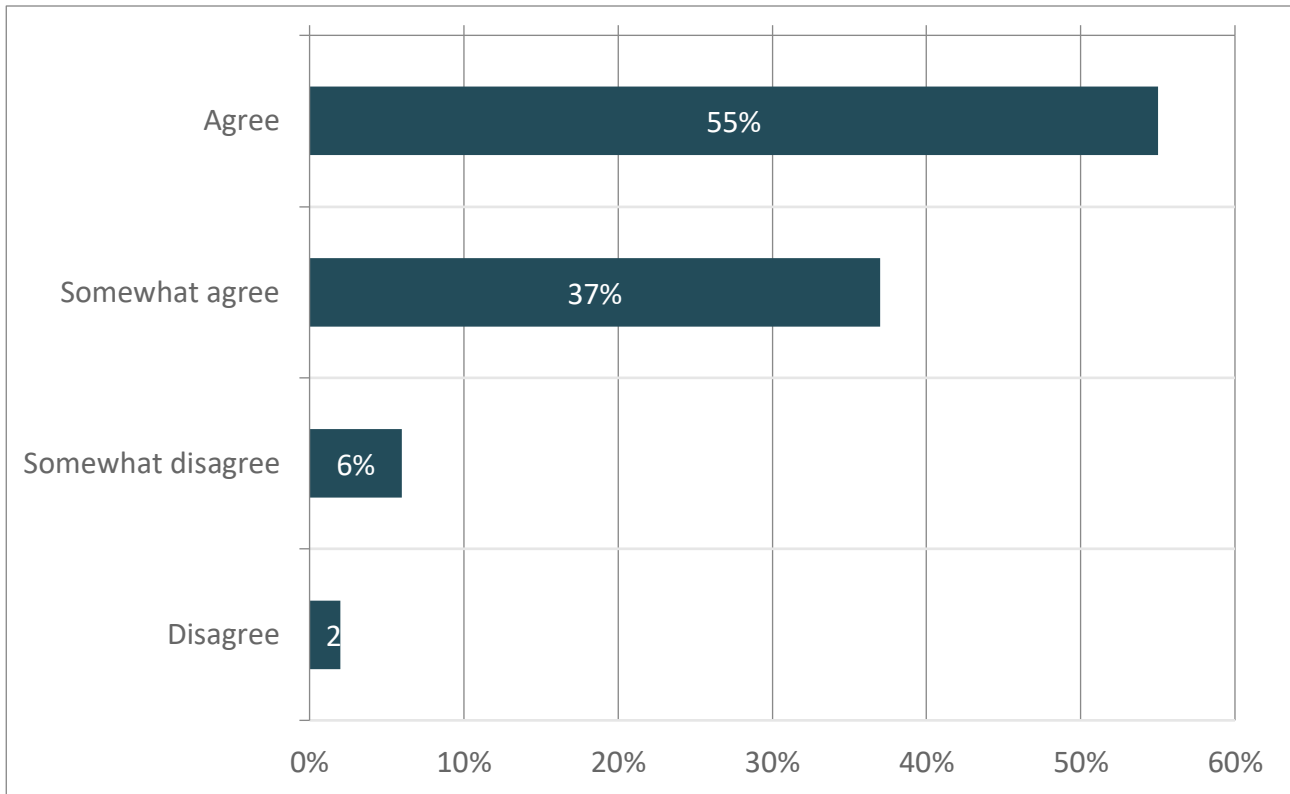


Figure 15: I'm aware of the objectives that have been set to me (all respondents)

There were differences in both respondent groups when the results were examined separately. In the management team, 83 percent of the respondents had chosen the alternative "Agree" and 17 percent of the respondents had chosen the alternative "Somewhat agree" (Figure 21). In the employee group, all four alternatives had been chosen. The most popular alternative was "Agree", as 51 percent of the employees had chosen it. In addition, 40 percent of the employees felt that they were partly aware of the objectives that had been set to them. Minority (nine percent) of the employees partly disagreed or disagreed with the statement.

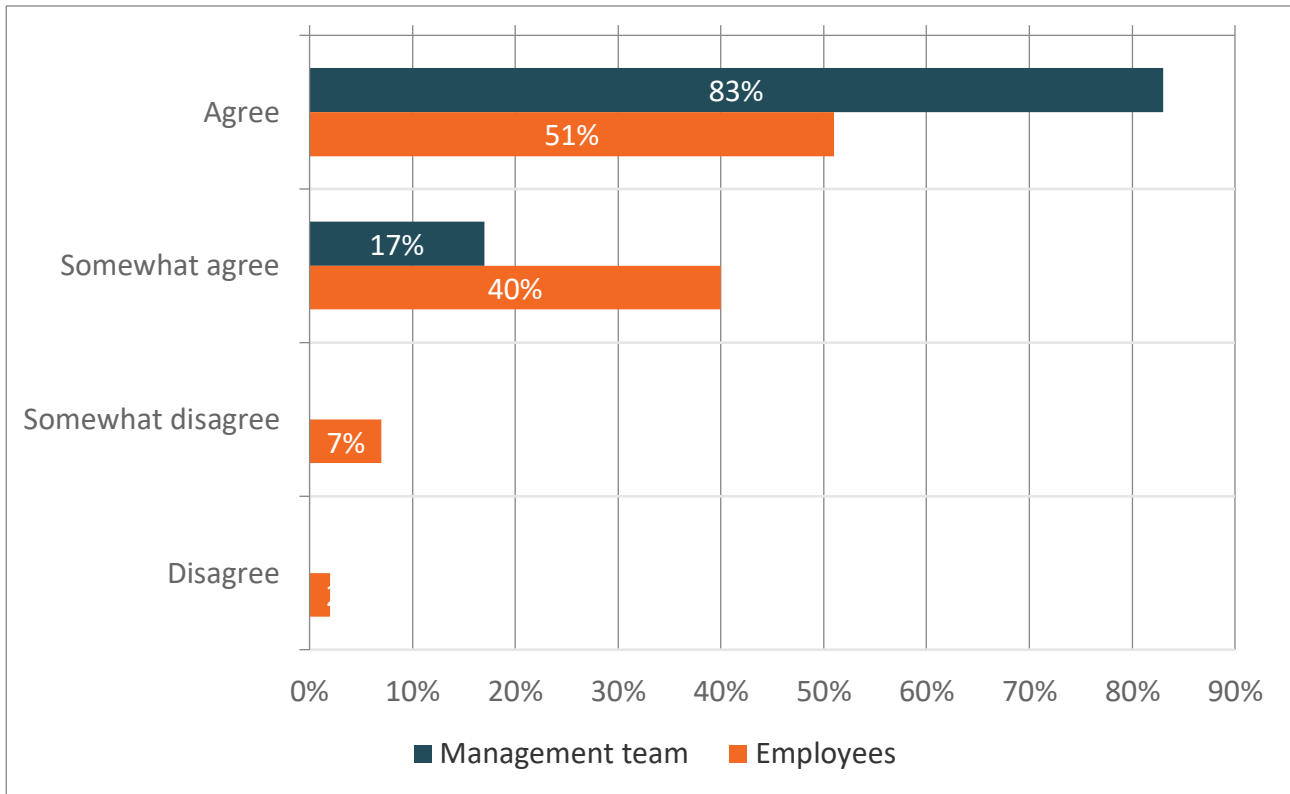


Figure 16: I'm aware of the objectives that have been set to me (separately)

Question 11: The case company encourages employees to educate and develop themselves.

The objective of the question number 11 was to discover whether people felt that the case company encourages them to educate and develop themselves. This question was related to leadership, but it also has a connection to change, because developing oneself is needed in times of change. All 49 respondents answered the question. The results showed that the most popular response was "Somewhat agree", as 43 percent of the respondents had chosen it (Figure 26). One third of the respondents agreed with the statement. Just over a fifth of the respondents had chosen the alternative "Somewhat disagree", whereas two percent of the respondents disagreed with the question number 11.

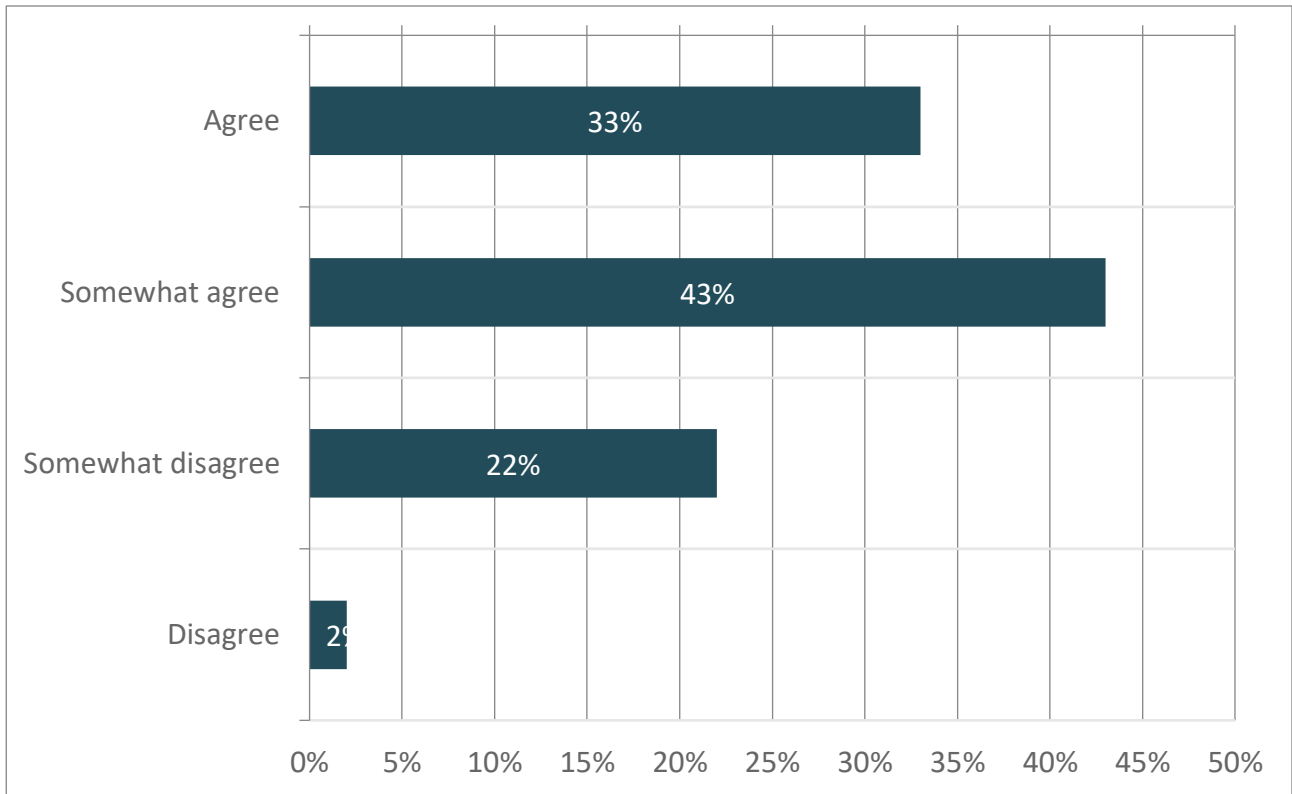


Figure 17: The case company encourages employees to educate and develop themselves (all respondents)

There were only differences in the employee group's answers when the results were examined separately (Figure 27). In the management team, every director had chosen the alternative "Agree". Among the employees, almost half of the respondents (49 percent) had chosen the alternative "Somewhat agree". Just over a quarter (26 percent) of the respondents partly disagreed with the statement, whereas two percent of the respondents disagreed with the question 11. However, 23 percent had chosen the alternative "Agree".

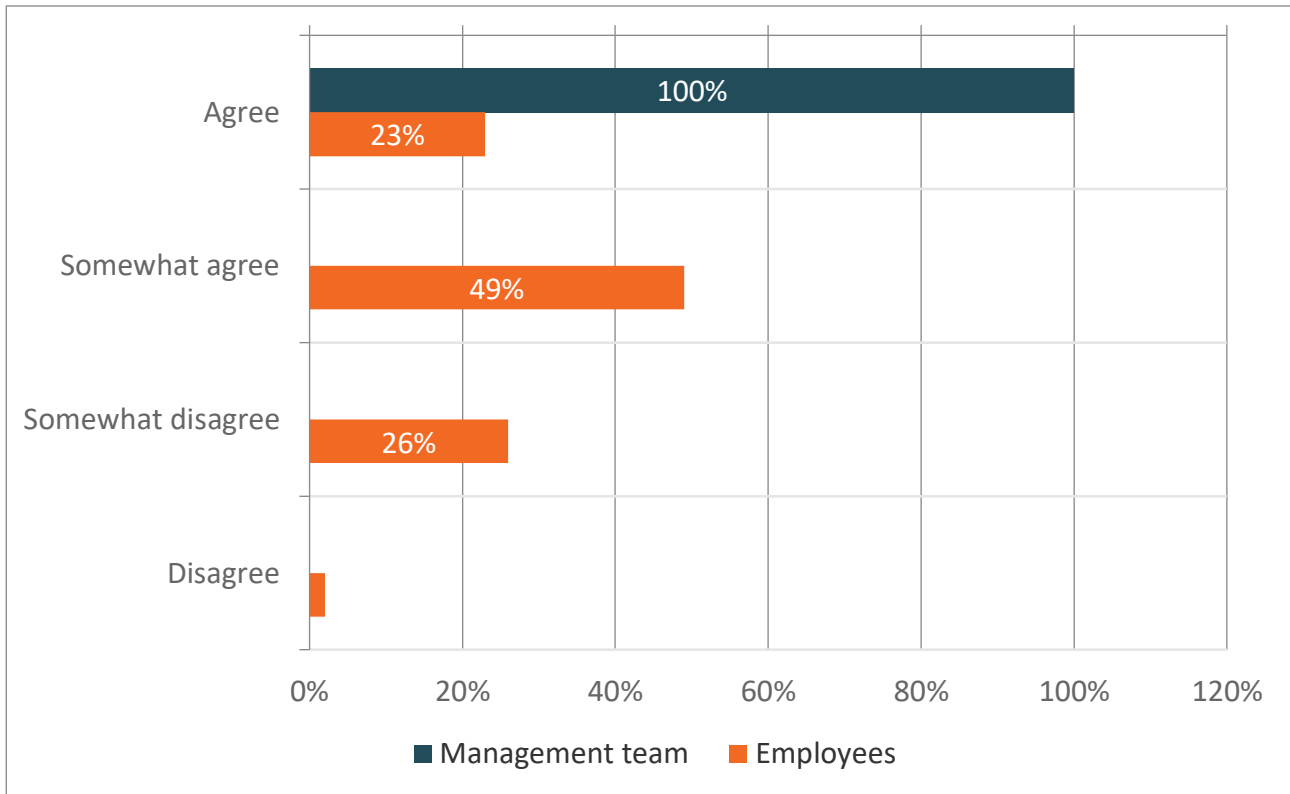


Figure 18: The case company encourages employees to educate and develop themselves (separately)

Question 14: In the case company, a new person is warmly welcomed and familiarized with the rules and procedures of the company.

The question number 14 wanted to find out how the people of the case company had experienced the welcoming of a new employee. This question was related to the leadership of the corporate culture, because directors of the case company had the main responsibility to arrange the welcoming procedure of all new employees. All 49 people answered the question. The results revealed that 65 percent of the respondents agreed with the statement, whereas 27 percent of the respondents partly agreed with the statement (Figure 32). However, four percent of the respondents had chosen the alternative “Somewhat disagree”, same as the alternative “Disagree”.

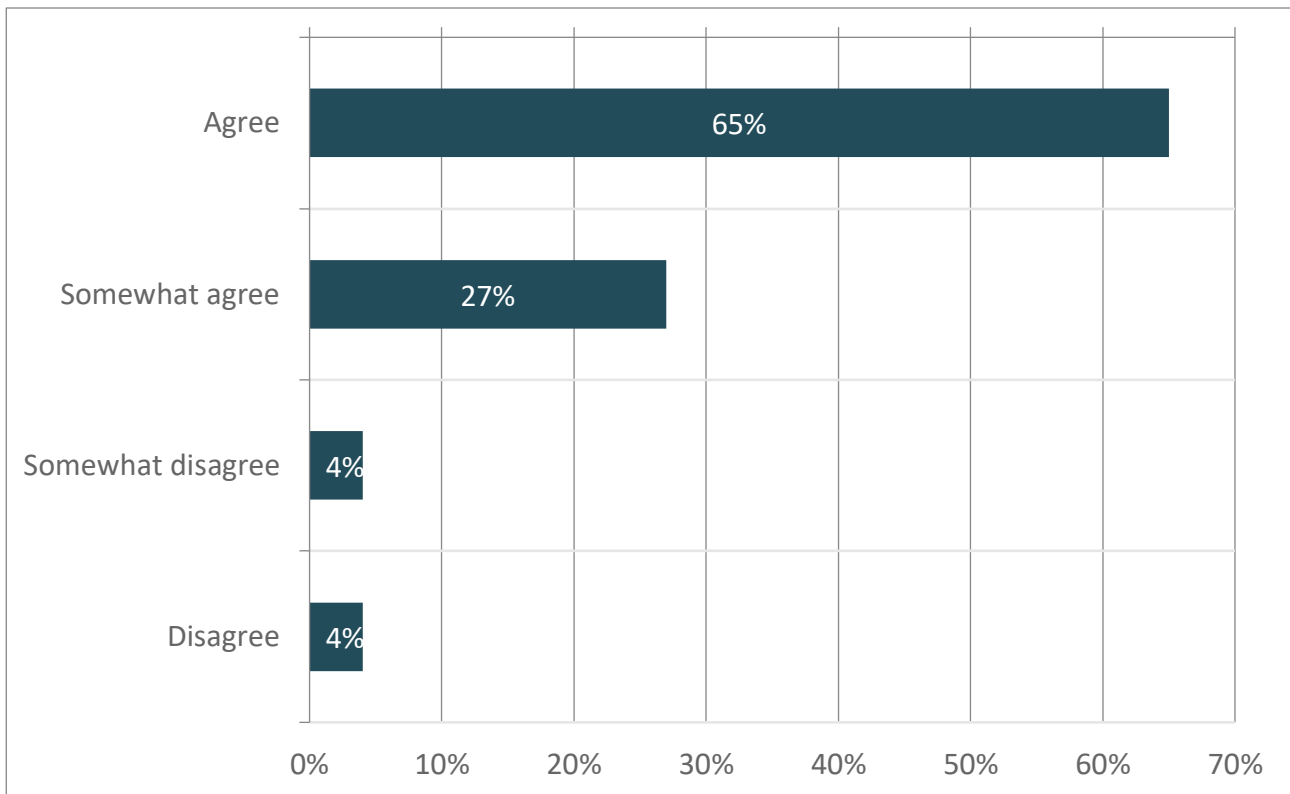


Figure 19: In the case company, a new person is warmly welcomed and familiarized with the rules and procedures of the company (all respondents)

There were differences in both respondent groups when the results were examined separately. In the management team, 83 percent of the respondents had chosen the alternative “Agree” and 17 percent of the respondents had chosen the alternative “Somewhat agree” (Figure 33). Among the employees, all four alternatives had been selected. 68 percent of the respondents agreed with the statement, whereas 29 percent of the respondents partly agreed with the question number 14. Minority, eight percent of the respondents had chosen the alternative “Somewhat disagree” or “Disagree”.

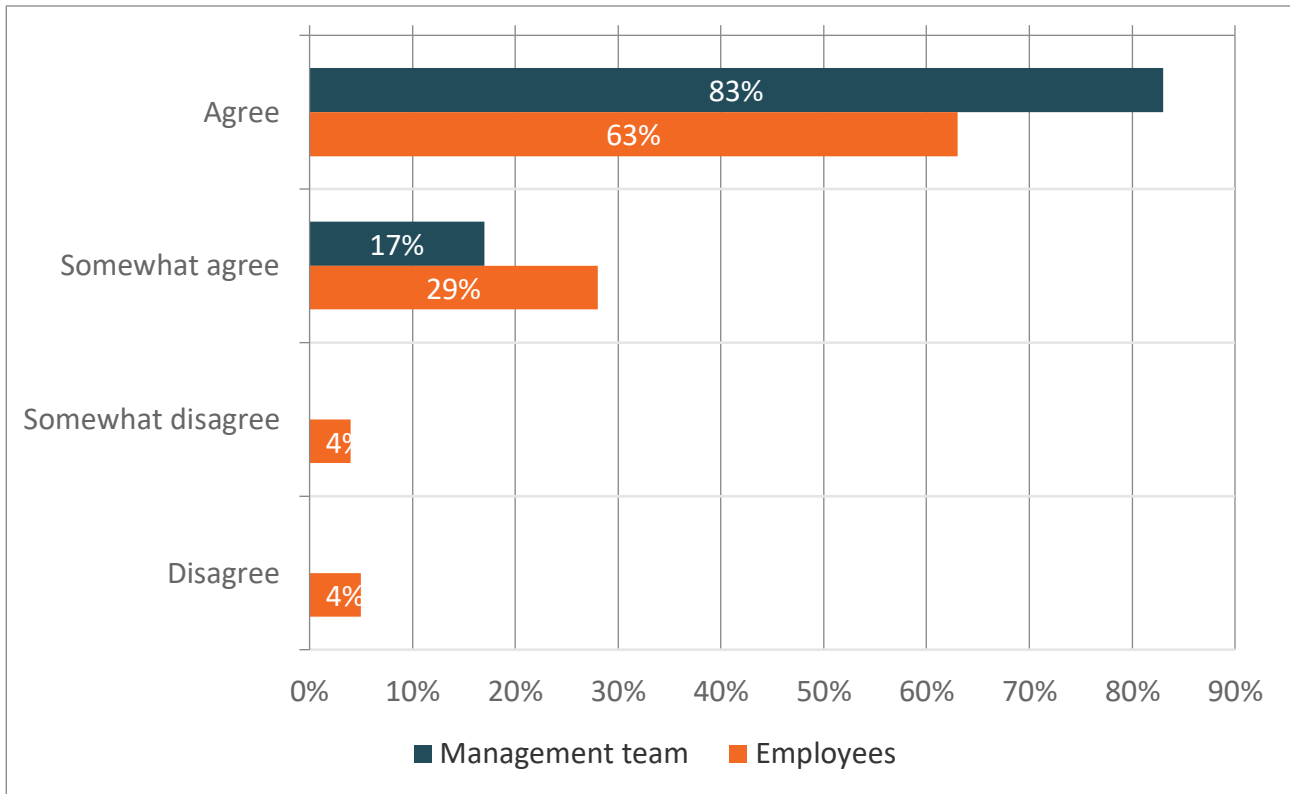


Figure 20: In the case company, a new person is warmly welcomed and familiarized with the rules and procedures of the company (separately)

Question 16: In my opinion, the communication between different teams (sales, marketing, production etc.) is open and smooth.

The case company has several teams and the offices are located in two cities. The question number 16 studied how the people in the case company considered the communication between different teams. This question was related to the change and leadership themes. All 49 respondents answered the question. The results revealed that all four alternatives had been chosen (Figure 36). The most popular alternative was “Somewhat agree”, as 55 percent of the respondents had chosen it. Just under third of the respondents (29 percent) partly disagreed with the question number 16. Only 12 percent of the respondents agreed with the statement. Two respondents (four percent) disagreed with the statement.

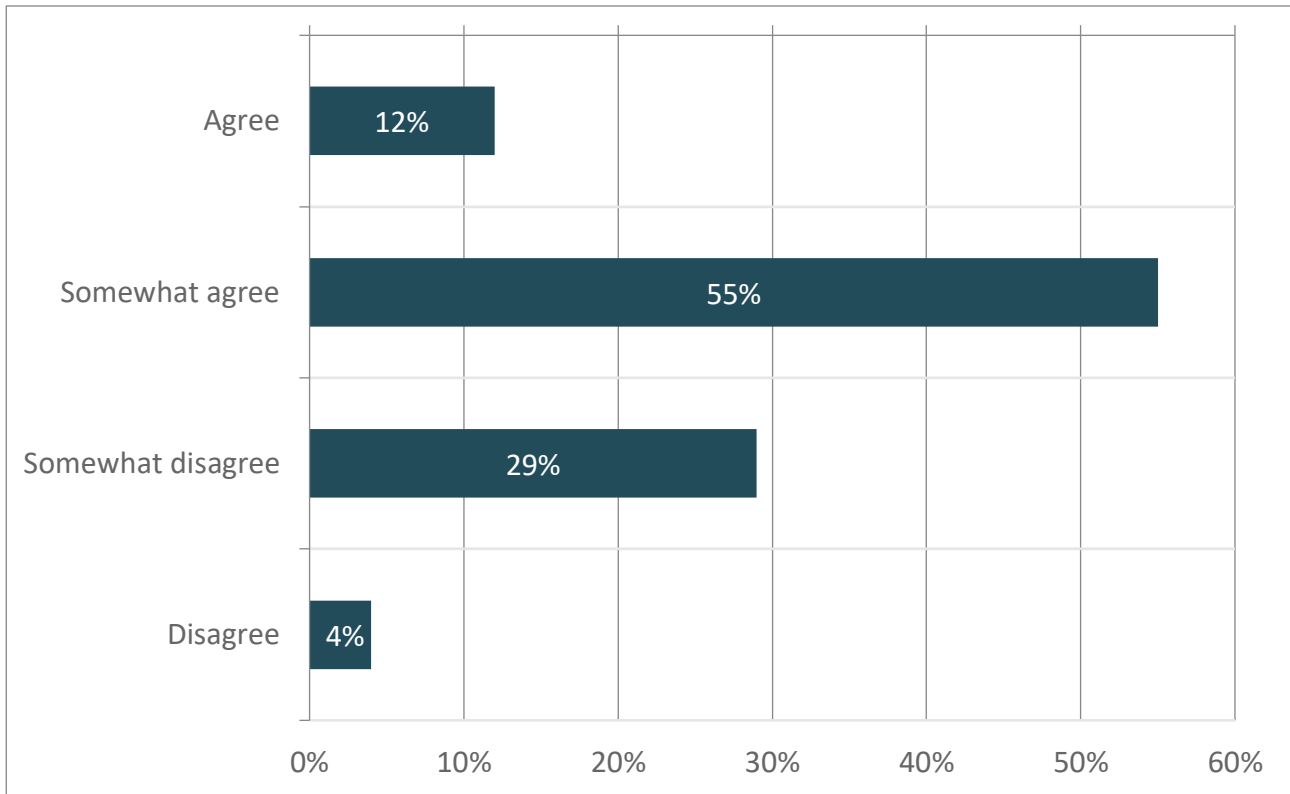


Figure 21: In my opinion, the communication between different teams (sales, marketing, production etc.) is open and smooth. (all respondents)

There were differences in both respondent groups when the results were examined separately. In the management team, the opinions were equal, because 50 percent of the directors had chosen the alternative “Agree” and 50 percent of the directors had chosen the alternative “Somewhat agree” (Figure 37). Among employees, the most popular answer was “Somewhat agree”, as 56 percent of the respondents had chosen it. In addition, seven percent of the employees agreed that the communication between different team was open and smooth. However, 32 percent of the employees partly disagreed with the statement, whereas minority (five percent) of the respondents disagreed with the question number 16.

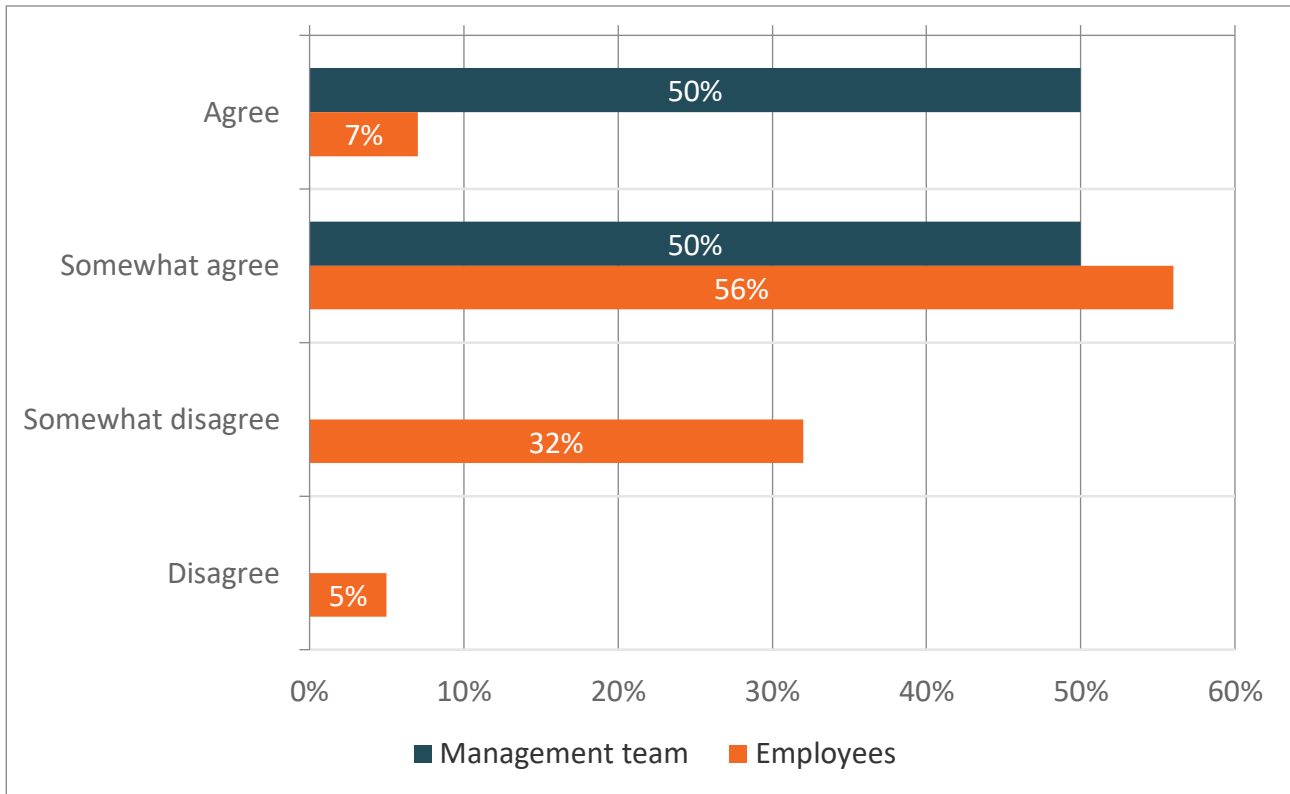


Figure 22: In my opinion, the communication between different teams (sales, marketing, production etc.) is open and smooth. (separately)

Question 17: In my role, I feel that the communication between city A and city B is smooth.

The objective of the question number 17 was to find out whether the people in the case company felt that the communication between the two offices in different cities was smooth. This question alongside with the previous question was related to change and leadership. Altogether, 47 out of the 49 respondents answered to the question. The two people who didn't answer the question belonged to the employees' group. The results revealed that all four alternatives had been chosen (Figure 38). The most popular alternative was "Somewhat agree", as 43 percent of the respondents had chosen it. In addition, 23 percent of the respondents agreed with the statement. Though, one third (34 percent) of the respondents disagreed or partly disagreed with the question number 17.

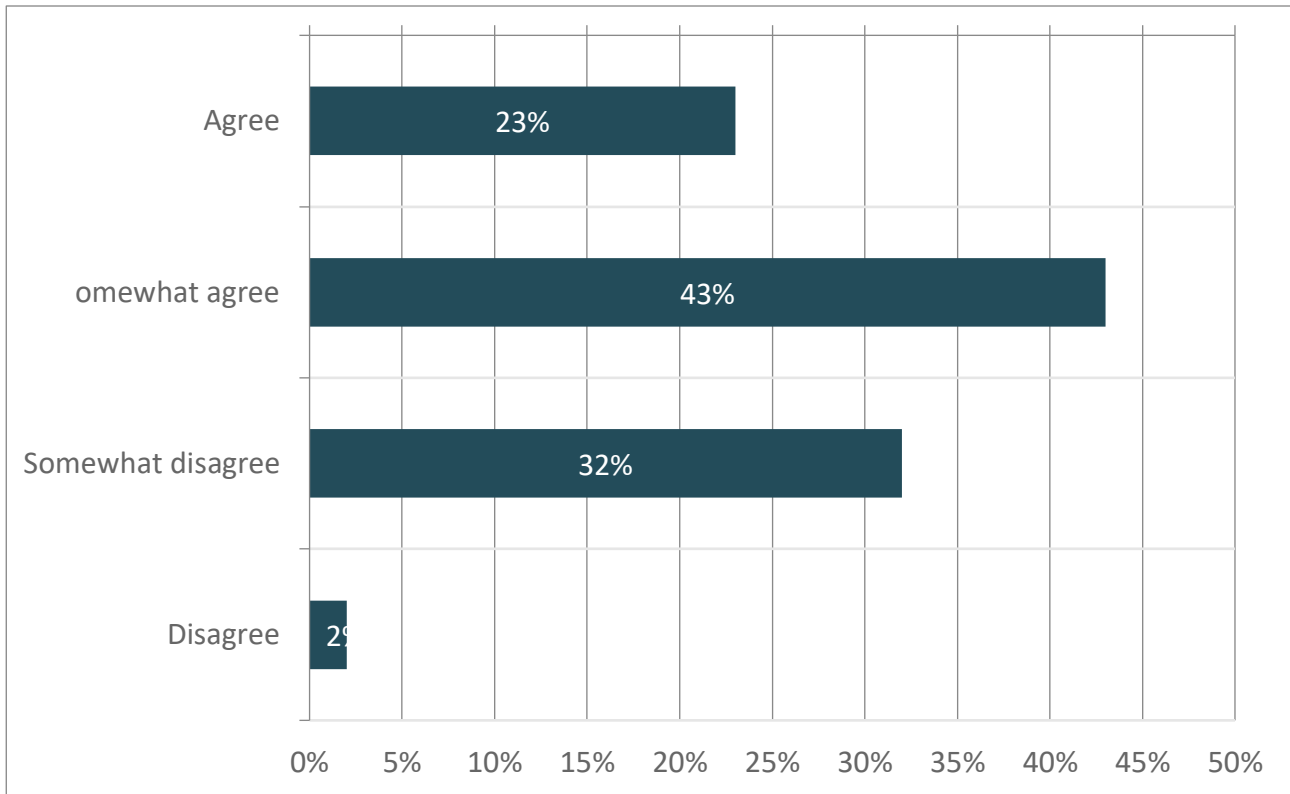


Figure 23: In my role, I feel that the communication between city A and city B is smooth.
(all respondents)

There were differences in both respondent groups when the results were examined separately. In the management team, 83 percent of the respondents had chosen the alternative “Agree” and 17 percent of the respondents had chosen the alternative “Somewhat agree” (Figure 39). Among the employees, all four alternatives had been selected. The most popular respond was the second alternative “Somewhat agree”, as 46 percent of the employees had chosen it. Additionally, 15 percent of the employees had chosen the first alternative “Agree”. The rest (39 percent) disagreed or partly disagreed with the statement. One of the employees felt that the communication wasn’t at all smooth.

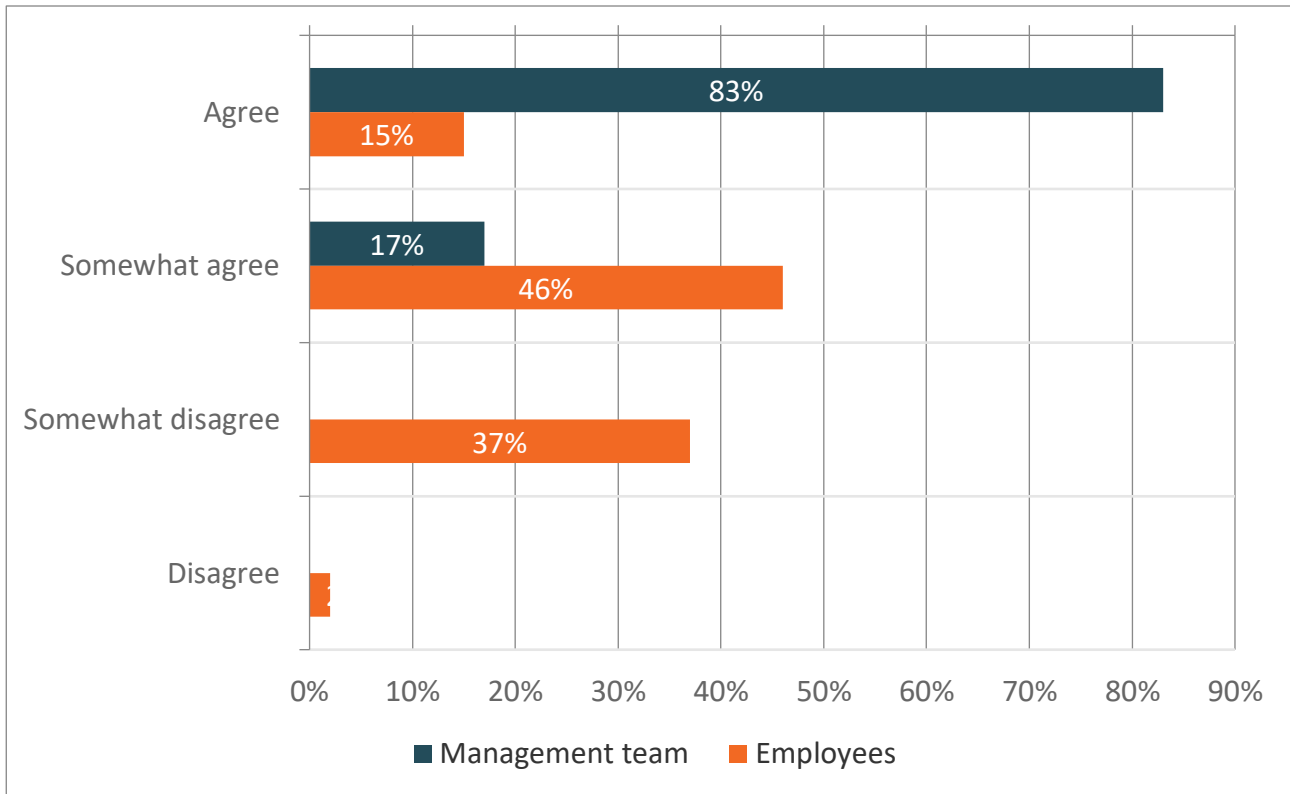


Figure 24: In my role, I feel that the communication between city A and city B is smooth. (separately)

Question 18: When you think about the case company in the future, what things would you most like to see changed? You can choose as many as you like.

In the last question, the respondents were asked to take a look into the future and ponder what things could be changed in the corporate culture of the case company. This question was the most important question in the survey, because the case company had shared with the researcher that it had objectives, which demanded change, for the near future. All in all, there were 158 selected responses. This meant that every respondent had chosen three alternatives on average. The results revealed that there was the will to change and develop the corporate culture in the case company. The respondents could choose as many alternatives as they wanted. The most popular alternative was “Openness”, as 71 percent of respondents had chosen it (Figure 40). “Transparency of decision-making” (59 percent) and “Giving and receiving feedback” (51 percent) were also chosen frequently. “Equality”, “Communality” and “Personal development” were just as popular; each of these alternatives were chosen by 29 percent of the respondent. “Staff involvement” was chosen by 35 percent

of the respondents. 14 percent of the respondents considered “Possibility to influence” important and “Something else” was chosen by six percent of the respondents. The only alternative, which was left empty, was “Nothing”. This meant that all people in the case company wanted to see some change in the corporate culture in the future.

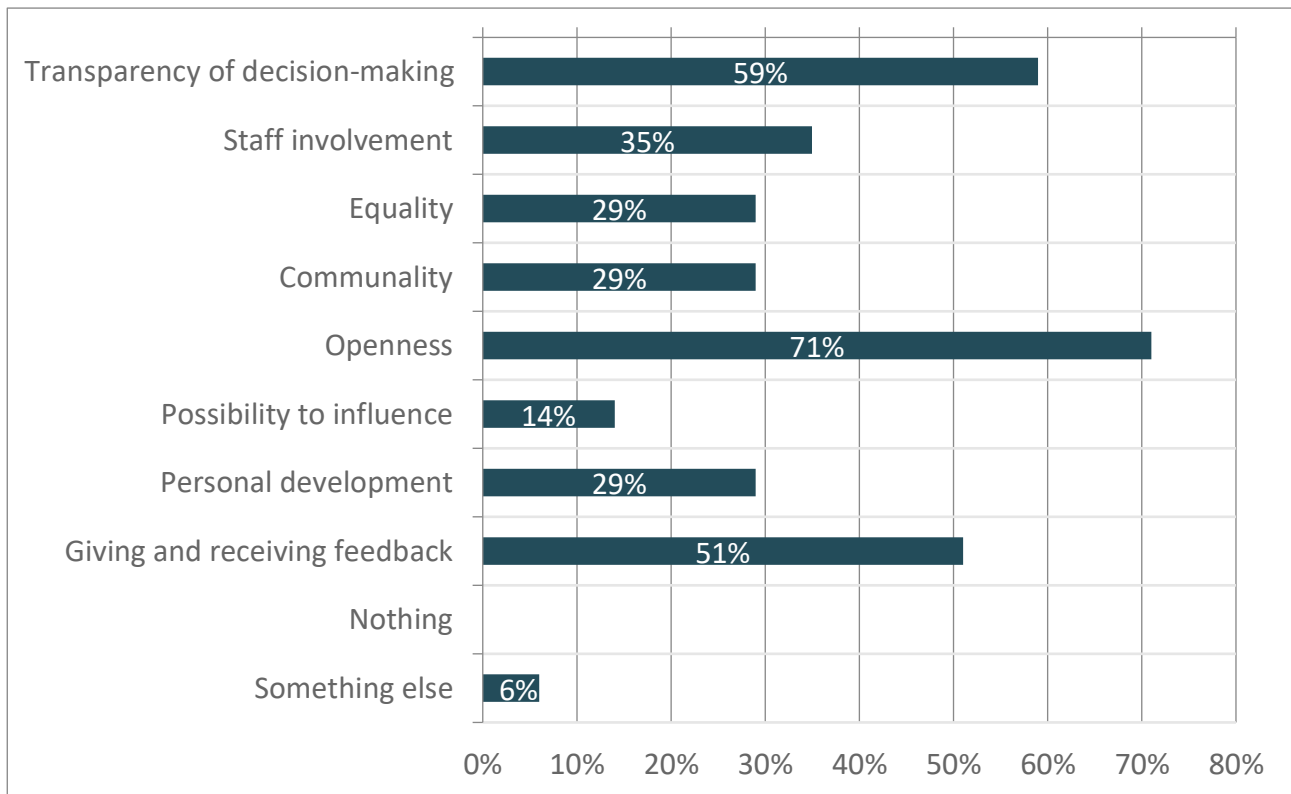


Figure 25: When you think about the case company in the future, what things would you most like to see changed? (all respondents)

A lot of differences are discovered when the results are examined separately (Figure 41). In the management team, the most popular alternative was “Staff involvement”, as 83 percent of the respondents had chosen it. “Communality” was chosen 67 percent of the directors. The management team considered “Transparency of decision-making” and “Openness” equally important (50 percent each) in the future. However, “Possibility to influence” and “Personal development” were not chosen by any director.

In the employees’ group, the most popular alternative was “Openness”, as 74 percent of the respondents had chosen it. “Transparency of decision-making” was chosen by 60 percent

of the employees, “Giving and receiving feedback” 53 percent of the employees. All alternatives except “Nothing” had been chosen by the employees.

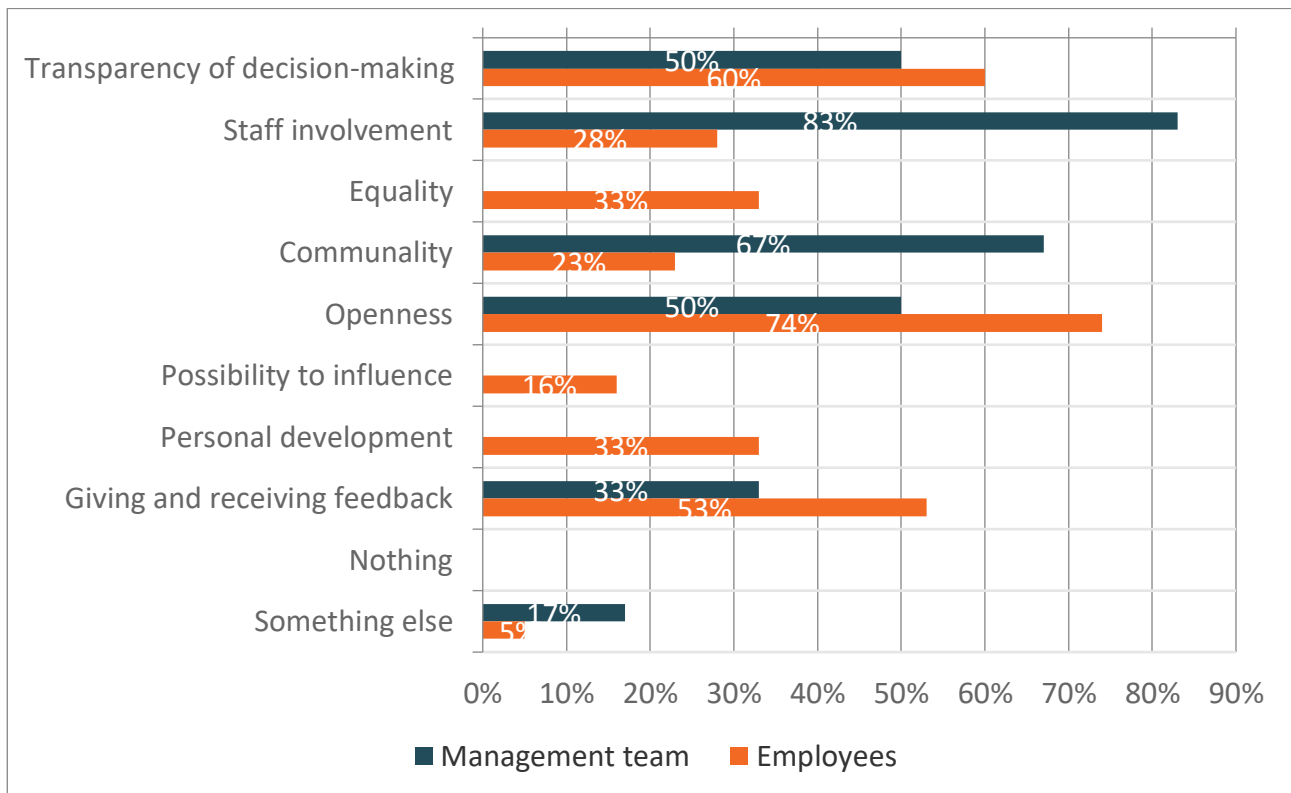


Figure 26: When you think about the case company in the future, what things would you most like to see changed? (separately)

If the respondent chose the alternative “Something else”, there was a possibility to comment it more at the end of the survey. One director and two employees had chosen the alternative “Something else”. All three respondents also commented their own responses. The responses were written in Finnish, because the survey itself was in Finnish. The comments below are translated as precisely as possible. In the last comment, the name of the case company has replaced with the term “case company”.

“The management team should trust us and not block things from us sales professionals.”

“Open communication about decisions for the organization.”

“Working together for the common goal, rediscovering the sprit of the case company. Now everyone is mainly in their own small groups and we don’t know each other anymore.”

Knowing the other people and their jobs increases the reverence and reinforces the positive way of working together in the work community. Fighting spirit, appreciation of each other's work and common joy to do our best for the case company!"

Table 3. Summary of the survey answers' key findings by themes

Summary of the survey answers' key findings by themes	
Themes	Key findings
Significance of the corporate culture	<ul style="list-style-type: none"> employees sharing the case company's values working for the common goal affects the every-day atmosphere in the case company
Leadership of the corporate culture	<ul style="list-style-type: none"> employees led by the values of the case company setting clear goals and encouraging employees to development improving the communication among different team and cities
Change of the corporate culture	<ul style="list-style-type: none"> understanding the purpose of the change active participation of the employees open communication at all phases of the change process among teams and cities

5. DISCUSSION AND CONCLUSIONS

The aim of the master's thesis was to examine corporate culture, its leadership and the possibility to change it in organizations. The selected research method of the thesis was a case study where employees of one company were interviewed and sent a survey. In the tripartite theory chapter, several theories regarding the theme were introduced via a great number of scientific articles. In the binominal empirical chapter, the results received from the interviews and the survey were introduced. Next, all the research questions are answered. In addition, the theories presented in the thesis are compared to the results received from the empirical part. Finally, the limitations of the study are presented, and the future research directions are suggested.

5.1 Answers to the research questions

The corporate culture of the case company was examined with two research methods: A semi-structured interviews and a survey. The objective was to find out answers for the research questions and deepen the knowledge about the matter which was earlier studied via theoretical articles. Nowadays, there is an understanding that every employee has a role in the change process, it doesn't just concern the management team or the change consultants who give advice in the process (By, Burnes & Oswick, 2011).

To answer the main research question: What are the factors that may enable change of the corporate culture in the case company?

Many things need to be taken into account when changing the corporate culture of the case company becomes relevant. The management team members of the case company consider it important that every employee participates in different development projects and share their ideas about how things could be done efficiently. It was revealed in the interviews that there was a time when all the plans and decisions were made only among few people. Today, the corporate culture of the case company is more dynamic and open which means that there is a genuine will to communicate more and give as many employees as possible responsibility. Changing the corporate culture is possible. However, there are certain factors that may ease the change process in the case company. All strategic decisions in a company are made in the top and are implemented to other levels of the organization. Change is not an exception; the decisions about the change is made in the board of directors and in the management team. As the decisions has been made, the role of the management team members is crucial. The management team must believe in the change and show it to others. In the interview sessions with the case company's management team, it became clear that the directors genuinely understand and value the habit of leading daily by their own example. Therefore, the directors would presumably continue automatically the way of leading by example also in the change process. Additionally, active and open communication at all phases of change and at all levels of the organization is important. That way, regardless of the location or position of the employees, they could feel that they are genuinely wanted as a part of the change process. It also important that employees are participated in the change process. Especially, it is essential to get the employees who usually resist all change on board and understand the importance and the necessity of the change in the corporate

culture. Before the change, there should be considered how much people want the change and how much they are willing to invest into it.

To answer the first sub research question: How is the corporate culture seen at different levels?

It can be pointed out that the corporate culture is a subject that every employee sees a little bit differently because everyone reflects it from their own perspective. Additionally, corporate culture is not something tangible which also makes it challenging to describe it. The directors of the case company saw corporate culture as the most crucial and important matter for the company. The values, strategy, vision and most importantly employees of the company affect the corporate culture. The management team considered it to be irrelevant at which level of the organization an employee works because everyone affects the corporate culture in their own way and contribution. The directors emphasized the importance of values; without the same value base with the company, it would be very difficult to work in the case company. The other selected employees of the case company felt that open communication among different teams and cities is important part of the corporate culture. The employees considered their own values to be mostly align with the case company's values. The employees were also aware of the strategy and the relevance of their own job to the strategy which support the success of the case company's corporate culture.

As the corporate culture of the case company is examined via the competing values framework, it is discovered that the characteristics of the clan culture are similar to the characteristics of the case company's culture. Low hierarchy, corporate commitment to the employees and doing things together are emphasized in the clan culture (Cameron & Quinn, 2011). Employees are encouraged to participate actively in the development projects and leaders' job is to empower their subordinates (Rukh & Qadeer, 2018). In the interviews with the management team members, every director emphasized the meaning of co-operation for the success of the case company. In addition, all employees of the case company are encouraged to take part in various projects and emboldened to share their opinions. Open and wide communication about matters that can be shared and taking care of each other like a family were mentioned several times in the interviews with the management team. The case company has several long careers and all in all, people are committed to execute their jobs as well as possible. In the study of Austen and Zacny (2015) was discovered that

employees are more satisfied and committed to their organizations that were Clan-like. Therefore, it can be stated that the employees of the case company are satisfied with the characteristics of the Clan-like corporate culture. However, there can also be seen some of characteristics of the Hierarchy-like culture in the case company. Clear tasks for everyone and directors who are seen as coordinators and organizers are typical characteristics of the Hierarchy-like culture (Cameron & Quinn, 2011). In the case company, directors want their subordinates to be aware of their tasks so that everyone can do their job well. The management team members of the case company saw their roles as front-line operators who coordinate the tasks for the employees but also with the employees.

Corporate culture of any company is in many ways hard to describe, even as an employer. Besides the visible parts of the culture there are so many things that are in hidden that it is challenging to appoint them as parts of the corporate culture of the company. When discovering the corporate culture of the case company, the interviews with the management team members and the two visits in the other office in the metropolitan area, acted as ways to examine the three levels of the corporate culture in the case company. Artifacts are the most observable level of the corporate culture but yet, difficult to decipher. They include for example the office, language, rituals and clothing. (Schein, 2010). The case company's office was a mix of traditionality and modernism; almost all employees had their own workrooms, even though many companies favour open offices today. However, employees had their workrooms' doors open which indicates that there genuinely is an open atmosphere and people are encouraged to come freely to each other's workrooms if they have something in mind. The office was bright and cosy, the atmosphere was warm. The products of the case company were available for everyone all the time. The clothing of the employees was business casual. The language used between the employees was friendly and relaxed – regardless of the hierarchical status between them. The observations made in the office while waiting the interviewees support the things that were found out in the interview sessions about the corporate culture of the case company.

Espoused beliefs and values are strategies, objectives and philosophies that people in the organization have. When the organization comes across some challenge, someone creates a solution which is approved by others, the solution will later be seen as a basic way of solving challenges. (Schein, 2010) All the operations in the case company are guided by the clear vision and strategy. The quarterly and annually set objectives are based on market

situation, the results accomplished last year and the know-how of the management team. The case company has operated in the market for decades. Therefore, it has experienced several phases due to changes in the country, legislation, market or inside the company. First, some people in the case company have had ideas how to deal with the challenges and changes that the company must adapt to. Within the years, the ideas have created positive change and success for the case company and that way the ideas have become espoused beliefs and values for them. Basic underlying assumptions are so deep in the organization's behaviour that the group members find another behaviour based on other premise incoherent (Schein, 2010). In the case company, doing profitable business and making decisions which are based on facts are the basic underlying assumptions. As the challenger in the market, the case company is aware of the fact that it needs to act fast if it desires for example to utilize some current trend in its product line. However, it still makes all decisions based on something concrete and reasonable.

To answer the second sub research question: How do the informant groups at different levels of the case company see the management of the corporate culture in the company?

The management of the corporate culture is always important. Although, it is more significant when the company is for example in a crisis or planning for changes in their activities. In that kind of situations, the characteristics of leaders are emphasized (Hunt, Boal & Dodge, 1999). The interviews and some survey questions revealed the thoughts of the respondents. In the interviews, the role and the example of the management team members were seen as the most important thing regarding the management of the corporate culture in the case company. Directors of the case company led by their own example and considered it to be self-evident that they live as they teach. Support, encouragement, maintenance of the positive atmosphere and clear objective setting were seen as the corner stones of the leadership. The management team emphasized the importance of values in the leadership; it was crucial for them that they shared the values of the case company, so they could lead the corporate culture in a way that they felt right. Additionally, directors of the case company said that they wanted to be approachable for their subordinates to increase the fellowship and equality in the company. The survey revealed that the majority of the employees in the case company appreciated the management work very much; 86 percent of other selected employees agreed or somewhat agreed that they were led by the values of the company and 92 percent of the employees agreed or somewhat agreed that the management team

handled the welcoming process of a new employee well. In addition, 98 percent of the employees considered the objectives set to them by the directors clear. These results gave a positive sign for the management team about their leadership and support the corporate culture of the case company. However, when asked about the communication-related issues, improvements are welcome. More open communication about change and in general among different teams were wanted as 56 percent of the employees disagreed or somewhat disagreed that changes in the case company were communicated openly. Additionally, 63 percent agreed or somewhat agreed that the communication between different teams were open and smooth.

Trait theories and the full range leadership model were examined in the theoretical part of the thesis. It is believed that certain traits are suited for leadership and people who possess those traits, are more likely to become leaders (Kirkpatrick & Locke, 1991). In the interview sessions with the management team members, there was a short opportunity to get to know the directors and observe their essence. The traits that especially stood out in the interview sessions were intelligence, honesty and ambition. The directors of the case company seemed to be smart professionals who had a lot of knowledge, both in their field of expertise and in general. Though, none of them considered themselves as omniscient super humans, rather they emphasized the meaning of co-operation and knowledge of their subordinates. The management team's strong desire to communicate as openly as possible and take up also the more challenging matters, imparted the feeling that honesty is genuinely one of the main principles in their leadership. Additionally, the continuous improvement mindset of the directors and the will to lead their subordinates to accomplish or exceed goals tells that an ambition is a central part of their characters.

From the full range leadership model styles, the transformational leadership style is nearest to the leadership style of the management team members in the case company. The transactional leaders encourage, inspire and motivate their subordinates to see their jobs significant to the company (Pradhan & Jena, 2019). The transformational leadership also supports innovation, especially in times of change and increases employees' creativity (Wipulanusat, Panuwatwanich & Stewart, 2017). It could be seen in the interview sessions that the management team members were honoured to be the ones who push their subordinates forward, encourage them to share ideas and motivate them to succeed together. It was made clear that the directors gave their subordinates a lot of responsibility

and change to execute their activities, in certain frames, in their own way. This leadership style supports the case company's future plans, as they want to develop and – if necessary, change their corporate culture to achieve the planned growth objectives and continue to be seen as an attractive and desired employer for the new generations.

To answer the third sub research question: What kind of activities may be supportive in pursuing to change the corporate culture of the case company?

The thoughts of the employees culminated to three themes. In the survey, the three most popular alternatives chosen by the employees were “openness”, “transparency of decision-making” and “giving and receiving feedback”. The general atmosphere and communication must be even more open, although it has to be taken into account that as a public listed company, the case company can't share certain information right away for every employee. When discussed about decision-making, the directors could open up the reasons for certain decisions in the weekly meetings with their direct subordinates and emphasize the importance of sharing the information forward for example for the whole sales organization. The case company has a low hierarchy which, in the management team's opinion, enables the easiness for giving and receiving feedback. However, employees had still chosen it as something they want to see changed in the future. Hence, the management team members could concentrate more on giving feedback to their subordinates even-handedly and make sure that this policy is implemented completely in their organisations. In addition, the directors could ask for feedback in normal weekdays. That way they would get feedback often than just once a year via anonymous personnel research and the habit of sharing feedback in general would become a standard part of the corporate culture in the case company. A few of the management team members told in the interviews that they sometimes schedule face-to-face meetings with their direct subordinates to only discuss how the work assignments of that person could be developed and how the director could concretely help the person in the development. The management team members considered showing the appreciation towards the staff by words and actions as an important part of their jobs. The directors believed that when people feel that their contribution is genuinely valued, they will deal with changes better.

5.2 Conclusions

The corporate culture of the case company was seen as the most significant thing for the company. Corporate culture in general is born within a long period of time. People, values, strategy, and vision affect the corporate culture of each company. The management team members discussed widely about the significance of the corporate culture for the case company and how they saw their own roles as directors in it. Leading by their own example, enabling the best possible working conditions, setting clear objectives, and encouraging their subordinates to actively participate in development processes were the corner stones of the management team's leadership style. The other selected employees chosen for the study felt that open communication among different teams and cities is important part of the corporate culture. The management team shared the opinion as they considered the increase of open communication important for the commitment of the staff and in general, for the future of the case company.

As it is crucial to get the employees of the case company accept the change and participate in it, activities that may enable change in the corporate culture culminate to the options that the employees chose the most frequently in the survey: openness in communication, transparency of all decision-making as it is possible for a public listed company and both giving and receiving feedback becoming a habit. In the management team's opinion, the corporate culture of the case company had developed within the years and become more open, dynamic and hierarchically lower. The management team was unanimous that the role of leadership is crucial in the development and change of the corporate culture. The genuine desire to constantly develop both their own and their subordinates work combines the directors of the case company and sets a great platform for the change of the corporate culture in the future. To change the corporate culture of the case company persistence, determination and resilience are needed. The change of the corporate culture doesn't happen quickly or without any discord. But when there is a will, there is always a way.

5.3 Limitations and future research suggestions

Change is always hard. The more people it concerns, the more challenging it is. As a subject, corporate culture of the company is demanding both for the researcher and the representatives of the company; it is not something concrete and it usually contains aspects

that people inside the company aren't able to describe because they are unconscious. It is said that change is inevitable at some point in the organization's life. On the other hand, it can be pondered whether change is truly needed if everything is good. Studying the corporate culture of the case company and examining the possibility to develop and change it was interesting. Empirical material received from the case company via qualitative research methods and combined with the theory offered an adequate amount of knowledge for the study. However, this study is just the beginning.

This master's thesis examined the corporate culture of one company. In the empirical part, only selected employees were taken into the survey and not all of them participated in it. This limits the generality of the study inside the case company. In addition, one member of the management team could not be interviewed which removed the possibility to receive the total view of the management team about the corporate culture of the case company. As in every qualitative study, the results received could vary if the study was repeated later, because the answers of the interviewees could vary (Hirsjärvi & Hurme 2009; Tuomi & Sarajärvi, 2009). Therefore, a quantitative study of the same topic in the case company could be something to consider in the future. Also, all employees from the case company could be taken into the study to get a wider perspective. However, the industry in which the case company operates is itself so interesting that it would also be intriguing to study the corporate culture of other companies in the same industry. Especially, it would be fascinating to study the case company's biggest competitors and examine what kind of similarities and differences there could be found in the big themes like corporate culture, leadership and change management.

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Appendix I: The interview questions for the management team

1. In your opinion, what is corporate culture and how do you see it in your company?
2. How does your leadership support the corporate culture in your company?
3. Describe the corporate culture of your company with three words.
4. What matters do you consider to be most important in corporate culture?
5. What personal values do you bring to your company's corporate culture in your own area of responsibility?
6. In your opinion, how has the corporate culture of the case company changed during your career in the case company?
7. In what areas do you think the corporate culture of the case company could be developed?
8. How do you develop the corporate culture of the company with your own leadership today and in the future?

Appendix II: The cover letter sent with the survey

Hei,

Peppina Auvola-Junttonen tekee Pro gradu -tutkielmaa Lappeenrannan teknilliseen yliopistoon aiheesta ”Yrityskulttuuri ja sen johtaminen tänä päivänä”. Tutkimusosa tehdään meillä ja siinä selvitetään, miten yrityskulttuuri nähdään tämän päivän organisaatioissa, mitä asioita siinä pidetään erityisen tärkeinä ja miten sitä johdetaan.

Tutkimusosa pitää sisällään väittämäkyselyn, johon vastaaminen vie korkeintaan 10 minuuttia. Kaikki vastaukset käsitellään luottamuksellisesti ja anonyymisti, eikä yksittäistä vastaajaa voida tunnistaa. Kyselylinkki on nyt auki ja se on auki 27.10. saakka. Linkki kyselyyn on alla

<https://link.webpolsurveys.com/S/9A5324868A199219>

Kiitos avustasi!

Syysterveisin,

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Appendix III: The survey for the management team and other selected employees

1. My role in the case company.
2. The corporate culture of the company reflects my own values.
3. I know the strategy of the case company.
4. I feel that my job is relevant to the strategy of the case company.
5. As a team member and possible supervisor, I act daily according to the values of the case company.
6. I'm led by the values of the case company.
7. Changes are communicated openly in the case company.
8. I'm aware of the objectives that have been set to me.
9. I experience feelings of success in my job.
10. My job challenges and develops me adequately.
11. The company encourages employees to educate and develop themselves.
12. Our office has an atmosphere that supports my success at work.
13. I try to maintain positive atmosphere at the office with my own example.
14. In the case company, a new person is warmly welcomed and familiarized with the rules and procedures of the company.
15. My work life and my personal life are in balance.
16. In my opinion, the communication between different teams (sales, marketing, production etc.) is open and smooth.
17. In my role, I feel that the communication between city A and city B is smooth.
18. When you think about the case company in the future, what things would you most like to see changed? You can choose as many as you like.
 - transparency of the decision-making
 - staff involvement
 - equality
 - communality
 - openness
 - possibility to influence
 - personal development
 - giving and receiving feedback
 - nothing
 - something else, what? _____