Transforming Organizational Culture Amidst a Diverse Workforce: A Qualitative Study in the Service Industry

Gunilla Weber
Malte Martensen
IUBH Internationale Hochschule
Main Campus: Erfurt
Juri-Gagarin-Ring 152
99084 Erfurt

Telefon: +49 421.166985.23
Fax: +49 2224.9605.115
Kontakt/Contact: k.janson@iubh.de/

Autorenkontakt/Contact to the author(s):
IUBH Berlin
Frankfurter Allee 73a
10247 Berlin
Telefon: +45 41611200
Email: gunilla.weber@iubh.de

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Abstract:
The purpose of this case study is to explore the topic of organizational culture and ultimately define the culture of HealthIA, a rapidly growing service organization operating in the hospitality industry. By collecting qualitative data through interviews and focus groups we aim to benchmark the organization of study against identified practices of healthy culture and provide suggestions for transformation and change. We base our analysis on well-researched cultural theories, namely Schein’s ten step assessment process, Cameron and Quinn’s Competing Values Framework and House et al.’s GLOBE study. For defining HealthIA’s organizational culture, we make use of Schein’s three levels of culture, determining the artefacts, espoused beliefs and values, and basic underlying assumptions. HealthIA is identified as culturally diverse with a communitarian focus valuing teamwork and relationships with an underlying assumption that the purpose of the organization is to be highly profitable. Since employee perceptions towards the organizational culture were found to be negatively charged and misaligned with the cultural perceptions of management, an incremental cultural transformation is advised. By extending identified desirable values such as innovation and transparency the organization can improve its culture towards more effective practices. HealthIA’s leaders were identified as a crucial component of cultural change and are suggested to be empathetic, encouraging, and communicative. Moreover, HealthIA is advised to align strategy and culture, practice clear and consistent leadership, and emphasize employee socialization practices.

Keywords:
Organizational Culture; Service Industry; Cultural Transformation; Culture Change; Leadership.

JEL classification:
M14; M13; M12
1. Introduction

Culture has been a topic of interest for anthropologists for decades, seeking to understand different groups of people around the world. The concept of culture was introduced from anthropology into management because of the shared belief that it affected performance (Sackmann, 2011). Scholars generally agree that all organizations have a culture, although some cultures are stronger than others. These cultures have a powerful effect on individuals and performance, and this influence may be even greater than the most discussed factors in organizational literature, such as strategy, structure, and management (Kotter & Heskett, 2008). Since the 1980’s, a large body of academic research has been devoted to the subject of organizational culture (Wokurka, et al., 2017). Researchers began discovering a connection between culture, organizational performance, and people’s behaviors and attitudes (Warrick, 2017). The topic gained a great deal of interest when convincing evidence demonstrated the effects of organizational culture on performance and employee morale (Hofstede, 1998; Schein, 2004; Denison & Spreitzer, 1991).

Nevertheless, in some organizations the topic of culture is still disregarded as an important factor in accounting for organizational performance. The major reason for this is that culture encompasses the unconscious underlying assumptions, values, collective memories, expectations, and definitions present in an organization. Culture reflects the fundamental ideology of people and conveys a sense of identity for employees. Culture provides unwritten and unspoken guidelines for behavior and provides enhanced stability of their social systems. However, people are often unaware of the culture until it is challenged or made overt or explicit through a model or framework (Davis & Cates, 2018). In efforts to achieve results, organizations tend to become preoccupied with numbers and overlook the importance of culture as an essential ingredient to achieving success. Culture significantly influences the way in which customers and employees experience the organization and the organization’s competitive advantage or potential disadvantages (Warrick, 2017). There are several tangible and intangible costs connected with weak or toxic organizational cultures, and the same goes when cultural development is left up to chance by organizations (ibid). Identifying the type of organizational culture present is an important step in recognizing if the culture is supporting the organization’s goals and ensuring that employees are not being socialized to a wrong culture (McLaurin, 2008). As the extant literature portrays, understanding one’s organizational culture is imperative for organizational success, both externally and internally.

The purpose of this case study is to define the culture of a specific organization and to suggest change initiatives improving and sustaining a healthy culture. We aim to provide scholars and practitioners with a better understanding of the importance of culture and the assessment and transformation thereof. Cultural alignment in an organization is beneficial for all parties with empirical arguments for improved performance and job satisfaction. The organization of study, for reasons of anonymity referred to as HealthIA, is a restaurant chain which is focused on serving organic healthy food and was established by two founders in 2016. The first store opened in Berlin, Germany, and the organization has since expanded to six stores. There are currently 100 employees from over 25 different nationalities employed. HealthIA is expanding rapidly and continuously employing new employees. Therefore, the organizational culture is constantly subject to influence by various factors and the sustainability of a healthy culture is vulnerable.

The remainder of this paper is structured as follows: First, the theoretical foundations are laid out in section 2. This comprises a review of existing literature in organizational culture including definitions, the importance and characteristics of a healthy culture, as well as frameworks and models of cultural assessment and transformation. Then, the methodological choices and considerations are discussed (section 3) followed by an analysis of the results and findings (section 4). In section 5, we conclude with a discussion of the main findings and implications for future work.
2. Theoretical Foundations

2.1 The Definition of Organizational Culture

Sociologists and anthropologists define the concept of culture as a group of characteristics shared by humans (McLaurin, 2008). Researchers ascribe the creation of culture to the founders of an organization who will initially impose their personal values, beliefs, goals, visions, and assumptions of the way things should be upon a group or select group members based on their similar values and thoughts. These beliefs are based on their previous experience, knowledge, and education of the environment (Gagliardi, 1986). If what the leader proposes proves to be successful, these values and beliefs will become taken-for-granted by the group (Schein, 2004) and used as a reference criterion for the future (Gagliardi, 1986). This success leads to a shared recognition that the leader was right, causing the group to continuously act on these values and beliefs. If success continues, the group will be reinforced that this way of thinking and acting works. These assumptions gradually become part of the group’s identity and taught to newcomers as the way to think and behave (Schein, 2004).

Table 1: Definitions of organizational culture

<table>
<thead>
<tr>
<th>Sources</th>
<th>Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alvesson</td>
<td>“Culture refers to shared orientation to social reality created through the negotiation of meaning and the use of symbolism in social interactions” (p. 14).</td>
</tr>
<tr>
<td>O’Reilly and Chatman</td>
<td>“We define culture as a system of shared values (that define what is important) and norms that define appropriate attitudes and behaviors for organizational members (how to feel and behave)” (p. 160).</td>
</tr>
<tr>
<td>Hofstede</td>
<td>“the collective programming of the mind which distinguishes the members of one organization from another” (p. 478).</td>
</tr>
<tr>
<td>Warrick</td>
<td>“The [predominant] beliefs, values, attitudes, behaviors, and practices that are characteristic of a group of people” (p. 2).</td>
</tr>
<tr>
<td>Gregory</td>
<td>“Culture is defined as learned ways of coping with experience. (...) A culture is conceptualized as a system of meanings that accompany the myriad of behaviors and practices recognized as a distinct way of life” (p. 6).</td>
</tr>
<tr>
<td>Ivanovic and Collin</td>
<td>“The often unspoken beliefs and values that determine the way an organization does things, the atmosphere that exists within it, and the way people who work for it behave” (p. N/A).</td>
</tr>
</tbody>
</table>

Source: Own illustration

The values and personalities of leaders can be considered as the primary building blocks of an organization’s culture (O’Reilly, et al., 2014). The culture of an organization is reflected by what is valued, the routines and procedures, the symbols and languages, the main leadership style, and the common success definitions, all of which make the organization unique (Davis & Cates, 2018). Understanding the cultural dynamics of the people in an organization will aid in understanding their behavior (Schein, 2004). Given HealthIA is very culturally diverse, this imposes difficulties on finding common grounds for agreement on appropriate behaviors, as many different nationally influenced assumptions meet. There is universal agreement that organizational culture is something that exists, and it affects people’s behavior in organizations (Watkins, 2013). Members of an organization share taken-for-granted values, beliefs and assumptions that define behavior and provides meaning (Warrick, 2017). Over the years Edgar Schein has made several definitions of organizational culture and is perhaps the most quoted author on organizational culture definitions (McLaurin, 2008). A dynamic and extensive definition goes as follows:

“The culture of a group can be defined as the accumulated shared learning of that group as it solves its problems of external adaptation and internal integration; which has worked well enough to be considered valid and,
Therefore, to be taught to new members as the correct way to perceive, think, feel, and behave in relation to those problems. This accumulated learning is a pattern or system of beliefs, values, and behavioral norms that come to be taken for granted as basic assumptions and eventually drop out of awareness” (Schein & Schein, 2017, p. 6).

With the above written definition, Schein explains that the term culture encompasses everything a group has learned while growing. Schein (2009) argues that one must be careful not to over-simplify culture when trying to understand it. Organizational culture is complex and deep, and one should be aware that culture exists at different levels being both visible and invisible. Many of the important parts of culture are invisible and difficult to explain. Culture provides meaning and predictability and thereby, culture controls one more than one controls culture (Schein, 2009). Table 1 provides an overview of various definitions by different organizational scholars.

2.2. Antecedents of Organizational Culture

For organizations to build and sustain a strong and healthy culture, extant literature has identified certain characteristics and procedures that should be present in an organization. Two common characteristics of strong organizational cultures include a high level of agreement between employees of what is valued and an intense vision of these values. Common issues for organizations are that despite agreement on the values, the intensiveness of the values is low and thereby not delivered on a daily basis. This can be the result of organizations recognizing the importance of organizational culture but failing to encourage employees to execute strategic objectives. It is important for organizations to develop and communicate a clear, consistent, and comprehensive culture (Chatman & Cha, 2003). If employees feel ownership over their actions, they will perform better, and this is achieved by clarifying the ultimate strategic goals and the norms that secure the successful achievement thereof. This is consistent with Kotter and Heskett (2008), who concluded that organizations that performed effectively in the long term were not only organizations that presented a strategically strong and appropriate culture but also emphasized norms and values that encourage innovation and change. By encouraging innovation, employees feel safe to challenge current procedures, experiment, and give and seek feedback. If a company promotes change and employees feel psychologically safe to innovate, it will result in new ideas that can be implemented immediately (Chatman & Cha, 2003). The best performers emphasize a culture supporting employee involvement and cooperation in planning for the future and achieving objectives, attention to individual and organizational learning, and transparency across levels (Kyriakidou & Gore, 2005).

2.3 Benefits of a Healthy Culture

Previous studies have presented compelling evidence that organizational culture influences organizational performance, employee morale, engagement and loyalty, job satisfaction, employee attitudes and motivation as well as commitment and company turnover. A strong and healthy culture can give employees energy through appealing to their higher values and ideals and unite them with common and meaningful goals. Organizations that shape and coordinate employee behavior through culture, rather than solely relying on formal policies, rules, and procedures experience more positive results (Chatman & Cha, 2003).

It is important to note that recognizing the importance of organizational culture does not necessarily mean the understanding of the dynamics and power of it. It is necessary for leaders to understand how culture works and how it can be managed (Groysber, et al., 2018). If the organizational culture is aligned with the strategic goals and carefully monitored and managed there is common agreement that it can lead to increased employee commitment and motivation, ensure employee retention, and increase productivity and financial performance. Organizational researchers agree that an organization’s culture can lay the foundation for a sustainable competitive advantage (Han & Verma, 2012).

2.4 Three Levels of Culture

Culture comprises of different levels ranging from tangible overt manifestations of culture to deeply embedded and unconscious assumptions. According to Schein (2004), culture is divided into three levels: artifacts, espoused beliefs and values, and underlying assumptions. The artifacts level comprises anything that can be seen, heard, or felt (Schein, 2009). Artifacts can be observed through architecture, organizational climate, décor, people’s behavior, clothing, observable rituals as well as organizational stories and myths. Culture at the artifacts level is easily observed but deciphering the meaning is difficult. According to Schein one should be cautious not to
interpret deeper assumptions from artifacts as one’s own interpretations will unavoidably be influenced by one’s own reactions and feelings. To decipher the artifacts’ meanings and understand the group’s behavior, a deeper cultural analysis of the espoused values, rules, and norms is necessary (Schein, 2004).

The next level of culture deals with the organization’s declared or desired values. At this level, values are broad and general. A deeper cultural analysis encompasses asking questions regarding what the organization values. This can be done by speaking with informants to decipher behavior behind actions. Organizational values can also be observed by rules, way of organizing, and published values. What a group has learned is ultimately a reflection of a founder or a leader’s original values and beliefs of how things should be. However, it is not all values and beliefs that go through this transformation, only the reliable solutions transform into assumptions. Certain values, like ethics and aesthetics, may also be accepted through social validation and become taken-for-granted values and beliefs through reinforcement by the group (Schein, 2004). These espoused beliefs and ethical rules are conscious and clearly formulated as they provide behavioral guidance to the group and are taught to new members (Schein & Schein, 2017). Expressing these values as an organizational philosophy can bring the group together acting as a source of identity. This conscious level of values and beliefs can mostly explain the observed behavior at the artifacts level (Schein, 2004). The espoused beliefs and values are often abstract and can be contradictory to each other suggesting a deeper level of perception and thought dictating the overt behavior. To correctly predict future behavior or understand patterns, a deeper level of understanding is necessary (Schein, 2009).

When certain values and beliefs repeatedly result in a successful solution to a situation they will eventually come to be taken-for-granted in the group. Culture at this level can be thought of as the group’s DNA. The pattern of basic underlying assumptions is where the essence of culture lies and is usually nondebatable and unchallenged. To understand the culture of a group, one must understand the learning process of the shared basic assumptions. The basic assumptions unconsciously define what to be attentive of, meanings, appropriate emotional reactions, and correct actions in different situations. A set of such assumptions can be viewed as a mental map of a person and persons who operate with similar assumptions will most likely be mutually comfortable while persons with different assumptions cause discomfort and vulnerability due to misunderstandings or even misinterpretations. The strength of the culture comes from the fact that these assumptions are shared and thereby mutually reinforced (Schein, 2004).

**2.5 Assessing and Transforming Culture**

When assessing culture one can choose to employ a universalistic approach where focus is on grouping cultures into broad categories based on general characteristics shared by all social systems rather than focus on qualities unique for an organization’s culture. Cameron and Quinn’s (2011) Competing Values Framework (CVF) is a theoretical model used to assess organizational culture. The CVF asserts that most organizations are placed along two value dimensions, representing alternative approaches to resolving basic challenges organizations face. The first value dimension distinguishes whether an organization has an internal or external focus differentiating between focus on the wellbeing and development of employees to focusing on the wellbeing and development of the organization itself. The second value dimension refers to the structure of the organization, distinguishing between flexibility and individuality, and stability and control. Cross classifying organizations along the two value dimensions results in four dominant culture types, comprising of basic orientations, assumptions, and values (Cameron & Quinn, 2011). This way of measuring culture assumes organizations are characterized by cultural traits and dimensions that are common to all organizations (Denison & Spreitzer, 1991).
Another assessment typology is the multi-phase, multi-method project GLOBE (Global Leadership and Organizational Behavior) by House et al. (2004). The aim of the project was to develop measures for culture and leadership in societies and organizations across cultures. The GLOBE project team identified nine major attributes or dimensions of culture:

1. Performance orientation
2. Assertiveness
3. Future orientation
4. Humane orientation
5. Institutional collectivism
6. In-group collectivism
7. Gender egalitarianism
8. Power distance
9. Uncertainty avoidance.

The degree to which a society scores between high or low on the different dimensions determines the cultural characteristics. The findings are applicable for societies, organizations and leadership alike and are used to comprehend the differences or similarities in values, beliefs, norms, and practices in organizations (House, et al., 2004). Assessing culture with a universalistic approach, thereby making use of typologies, can be valuable for providing useful categories to simplify the complexities of organizational culture (Denison & Spreitzer, 1991). However, when trying to understand something as complex as the study of humans and behavior it can be beneficial to assess organizational culture with a unique approach to uncover deeper underlying explanations and meanings.

According to Schein (2004), the culture of any group can be studied at the artifacts level, the espoused beliefs and values level, and the basic underlying assumptions level. To assess an organization’s culture one should gather a group of representative employees and ask them to identify the artifacts, espoused values, and shared tacit assumptions (Schein, 2009). This approach comes with a number of assumptions:

- Culture is a set of shared assumptions, therefore conducting group interviews for data collection is appropriate.
- It is more important to allow members to express their understanding of cultural assumptions, than it is for the researcher to understand it, as these members are the ones who fully understand their cultural assumptions.
- A researcher should avoid acting as an expert regarding the content of a group’s culture and rather focus on helping the group in the process of understanding and explaining their shared tacit assumptions.
- If it is found to be necessary to make changes in the culture, it is rarely necessary to change the entire culture, rather often changing one or two assumptions will suffice (Schein, 2004).

Based on these assumptions Schein (2004) presents a ten-step culture assessment process.

**Step One: Obtaining Leadership Commitment**

The first step when initiating the culture assessment is to undertake the study with the full consent and understanding of the leadership. Understanding why a culture analysis is relevant, often motivates groups to participate in analyzing their own culture.

**Step Two: Selecting Groups for Interviews**

Schein suggests choosing the groups that are most representative of the culture, together with leadership. Choosing between homogeneous and heterogeneous groups depends on the given subject of study. Further considerations are the group size, which can range between three and thirty participants and if people of seniority should be included or if their presence will hinder the discussion. Schein suggests starting with a heterogeneous group, to experience whether trust issues are present or not. The introduction to the culture assessment should be brought about by the leaders.
Step Three: Selecting an Appropriate Setting for the Group Interviews

For conducting group interviews, a large and comfortable room with a lot of wall space to hang flipcharts is preferable.

Step Four: Explaining the Purpose of the Group Meeting

A person in leadership or of authority should start by stating the purpose of the meeting and encourage openness of responses. Then the consultant or researcher including their purpose should be introduced.

Step Five: A Short Lecture of How to Think About Culture

The group should be made aware of culture as a phenomenon and explained that culture is derived from artifacts and espoused values but that the goal of the research is to understand the shared tacit assumptions at the lower level. The researcher should present the model of three levels for the group to understand that culture is a set of shared assumptions learned by a group based in their shared history while ensuring that the group understands the differences between the levels. The group should understand that what they are assessing is a result of their own history and the stability of the culture is a product of the organization’s past successes.

Step Six: Eliciting Descriptions of the Artifacts

The first activity is to describe the artifacts by asking the newest member of the team to reflect upon their first time entering the organization, what they noticed first and which feelings they had. If the group discussion continues on its own, the researcher should stay quiet and only assist if the discussion discontinues. The researcher can then suggest categories such as ways of addressing leadership, dress code, the workplace layout, emotions, how people are punished and rewarded etc. However, one should take care as not to bias the group’s perception of important issues thereby interrupting the deciphering process. The group’s contributions can be plotted on to flipcharts and hung visibly for the group to see.

Step Seven: Identifying Espoused Values

In deciphering artifacts, one seeks to understand what is going on, while when deciphering espoused values, one seeks to uncover the reasoning behind why something is happening. This seventh step seeks to understand values and beliefs of the group derived from the identified artifacts. As the group contributes, the researcher should continuously check for agreements between the group members and probe further if disagreements occur. The contributions, including the disagreements, should be written on the flipcharts.

Step Eight: Identifying Shared Tacit Assumptions

To uncover the underlying assumptions, the identified espoused values should be put against the artifacts and determined, if they explain what is going on or if there is conflict with the values. The step ends when the group understands the assumptions and when the most critical assumptions have been identified.

Step Nine: Identifying Cultural Aids and Hindrances

In this step the researcher should divide the participants into smaller groups and have them refine and reflect upon the identified assumptions and then categorize the assumptions as either hindrances or aids in a given issue. This step is important because groups often have difficulty in seeing culture as something helpful and thereby often viewed only as a constraint.

Step Ten: Reporting Assumptions and Joint Analysis

In this last step there should be reached an agreement on the important shared assumptions and identified any restraints by these. The process starts when the smaller groups share their separate analyses with everyone. If there are any disagreements in the group, further group inquiry is necessary. The role of the researcher is to ask questions, clarify, test perceptions, and generally assist the group in identifying the set of assumptions that drive the groups day-to-day perceptions, thoughts, feelings, and behavior. The next step is focused on producing a change plan together with the group. The point of Schein’s cultural assessment is to ultimately identify a change plan (Schein, 2004).
The main distinguishing feature of this assessment approach is that data should come voluntarily from organizational members because either they initiated the process and feel they have something to gain by revealing themselves or a researcher initiates the project and the members feel they have something to gain by cooperating. This approach allows the researcher and the participants to share the responsibility of searching for relevant data (Schein, 2004). The researcher or consultant should recognize that the clients of study know more about their situation than the consultant (Cooke, 1996).

3. Methodology

To assess HealthIA’s culture we followed Schein’s (2004) ten-step process. We hence pursued a qualitative approach in the form of a case study. Case studies are used to understand complex social events and facilitate a deep investigation of these in a natural context (Yin, 2009). Following a qualitative research design, data was collected and analyzed with the purpose of exploring contextual meanings and relationships to describe, interpret, and explain what is happening. This approach is holistic and involves discovery to describe, interpret, and explain the collected data (Williams, 2007). The research process is both naturalistic and interactive and those who take part in the research are viewed as participants (Saunders, et al., 2019).

A useful way to collect systematic data is to interview a representative group to identify cultural aspects. Informants in an organization can aid in gaining understanding and minimize own bias (Schein, 2004). Thus, two semi-structured interviews with the founder of the organization and a member of higher management were conducted with the purpose of gaining valuable insights for defining the organizational culture and give data to use for the focus groups. By allowing the interview to happen in a conversational way, the respondents were free to explore matters of import to them (Longhurst, 2003). The themes as well as the questions were based on Schein’s (2004) three levels framework; Cameron and Quinn’s (2011) CVF and House et al.’s (2004) GLOBE study. The CVF and GLOBE study were used as inspiration for uncovering the cultural artefacts and explaining the climate while Schein’s three levels framework was used to uncover the deep shared tacit assumptions. The goal of the interviews was to gain a deep understanding of the perceptions, assumptions, and values of the management of the organization.

In addition, three focus groups were conducted with employees at an operational level. The reasoning behind the choice of focus groups was to collect the opinions and perceptions of various employees to best define the organization’s culture based on their responses. The point was to encourage a productive discussion and to construct meanings through the interaction of the participants. Focus groups facilitate the emergence of a breadth of views and allows the participants to respond to and challenge these (Saunders, et al., 2019). Individual interviews provide more in-depth and detail, but focus groups are useful for identifying key issues accurately and offer insights into participants’ common-held meanings and assumptions (Saunders, et al., 2019). Focus group interactions reveal shared experiences and shared ways of dealing with these experiences (Wilkinson, 1998).

Focus group participants were sampled voluntarily as respondents who voluntarily choose to participate are likely to be committed to the topic and thereby show greater willingness to offer up insights. This technique also aided in heterogeneity of the group by including participants with different characteristics. A heterogeneous group ensures variation between participants with diverse characteristics, enabling the researchers to identify patterns of key themes that were of value and interest (Saunders, et al., 2019). There are different suggestions as to the proper size of focus groups where common consensus ranges from six to eight participants (Krueger, et al., 2001). The number of participants depends on the individual interviewer and their research purpose (Morgan, 1996) and some literature argues that the more complex the subject, the smaller the group size should be (Saunders, et al., 2019). Small groups give space for all participants to contribute (Smithson, 2007) therefore this study aimed for a group size of four to six participants. Table 2 shows an overview of the interview respondents and focus group participants. The respondents and participants are managers and employees respectively and will be identified as Respondent (R) and Participant (P), letter of interview or focus group, and number according to who spoke first.
Table 2: Overview of interviews and focus groups

<table>
<thead>
<tr>
<th></th>
<th>Length</th>
<th>No. of participants</th>
<th>Participant synonyms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interview A</td>
<td>1 hour, 12 minutes</td>
<td>1</td>
<td>RA1</td>
</tr>
<tr>
<td>Interview B</td>
<td>32 minutes</td>
<td>1</td>
<td>RB1</td>
</tr>
<tr>
<td>Focus Group A</td>
<td>1 hour, 23 minutes</td>
<td>2</td>
<td>PA1, PA2</td>
</tr>
<tr>
<td>Focus Group B</td>
<td>1 hour, 24 minutes</td>
<td>4</td>
<td>PB1, PB2, PB3, PB4</td>
</tr>
<tr>
<td>Focus Group C</td>
<td>1 hour, 49 minutes</td>
<td>6</td>
<td>PC1, PC2, PC3, PC4, PC5, PC6</td>
</tr>
</tbody>
</table>

Source: Own illustration

Engaging in an organizational activity can feel like extra work for group members and demotivate them (Schein, 2004). Therefore, to promote group discussion and ensure engagement, activity-oriented questions were incorporated in the focus group interviews. These types of questions can enrich the data by making it easier to talk about complex topics and reduce falls of attention (Colucci, 2007). In one of the tasks, the participants were asked to make lists, as this aids in identifying duplicates, suggesting the overlapping subjects are of importance to participants. Making lists also helps participants reflect before answering (Krueger, 1997). Inspiration for the different questions and exercises were based on work by Colucci (2007), Krueger (1997) Schein (2004) (2009) and Cameron and Quinn (2011).

All interviews and focus groups were transcribed by means of the software www.otter.ai and subsequently coded. The purpose of coding was to find patterns and relationships in the three levels of culture from Schein, looking for artefactual descriptions, espoused beliefs and values, and basic underlying assumptions in both interviews and focus groups. This part of the analysis involved selectively reducing and rearranging data to be analyzed, guided by the research objectives to better manage and comprehend the data (Miles, et al., 2013). The codes were developed by own labels developed from the data, in vivo codes derived from actual terms used by the participants, and a priori codes derived from the literature and existing theories. The transcripts were coded in Microsoft Word, by adding comments in the right-hand margin and transferred to Microsoft Excel with aid from a macro. The researchers then identified patterns and relationships in the codes to create themes relating to the research objectives (Saunders, et al., 2019).

4. Results, Discussion and Recommendations

4.1 The Status Quo

Past research within the service industry has examined the benefits of a healthy culture and how organizational culture impacts employee motivation, commitment, and retention as well as results indicating an enhanced performance and productivity (Chatman & Cha, 2003; Kyriakidou & Gore, 2005). Based on the perceptions gathered from the employees and management from the organization of study, the findings provide insight into the nature of the organizational culture through the lens of Schein’s (2004) conceptual framework. The artefacts of the organizational culture were identified as:

- a team-oriented climate,
- appreciation of people’s differences,
- an expressive and open communication style through different platforms at any time of day and
- a loosely hierarchical, slightly unclear organizational structure with several managers to oversee processes and employees.

With a deeper level of analysis these artifacts were uncovered as expressions of the espoused beliefs and values of the organization. At the deeper level it became apparent that members of HealthIA highly valued teamwork and it was expected that one made oneself available to assist the team whenever it was needed. The data also
suggested a lack of trust throughout the organization not only across levels but also between employees. When problems arose, an identified solution was to either hire or fire people, creating an espoused belief that people were dispensable. PC6 explains the feelings and beliefs behind this strategy:

“And they can replace you, me, and everybody with new people. And it’s so sad to say this, because I have been working there for quite some time, but I know, I am not indispensable. Right now, they need me but when they find someone else to do my job, they will replace me.” (PC6).

The participants expressed a common belief that the organization solved problems by firing employees, and they believed that the organization intended to replace them, if it became necessary. The participants explained that they felt that if they complained a typical response would be to find another job, giving them a sense of powerlessness and frustration. PC3 explains:

“There’s no sense of job security at (HealthIA), cause at the end of the day, if we cause too many problems by keep questioning them about this and this and this. They’ll just get somebody who’s new, who doesn’t know what problems that are going on. They’re just happy to have a job and then they’ll just kick us to the curb.” (PC3).

PB3 explains that the organization also hires people, when the need arises, to the frustration of the employees.

“Well, let’s just hire people with two hands and two feet. And we’ll get through this week and then see what happens next month, (...) instead of like pay people more and keep them on and then make every day easier, more solid, they’re more invested.” (PB3).

When exploring the deepest level of culture, these espoused beliefs and values are ultimately a result of the basic underlying assumptions of the organizational culture. The basic assumptions of the organization today come from the people who were employed with the organization from the beginning, resulting in a strong relationship between the older employees and management, with a looser relationship with the new members who were believed to be hired and fired more carelessly. In order to meet their goal of market share, the organization had to expand. Intact with this, structures and processes were continuously changing, resulting in the assumption that a quick fix is a good fix, rather than implement long-term strategies. It seemed apparent that the participants believed that management was more interested in filling positions temporarily, than investing in employees.

“It’s like you have a balloon with a hole in it. Putting your finger in there to stop the water. And then you put your fingers to stop the water and you’re stopping the water and that is just kind of how it goes. ‘How many holes can we plug?’ And you’re plugging these holes with employees. Who have lives and then they leave, ‘Oh we’re gonna have to plug another hole with someone else.’” (PB3).

This also explains the confusion of the structure and role distribution described at the artefact level. It was difficult for the employees to understand the organizational structure, as it constantly changed intact with the rapid expansion.

Another major theme that appeared in the data, was that money was an important topic in the organization. The employees work under the assumption that money is the most important factor when running a business. PB3 explains:

“And now it’s gotten to the point where it’s getting so big and there’s so many restaurants, so much revenue, investors and they’re trying to beat the curb. They are trying to tackle this fast-casual healthy food market in Germany before someone else does, and it’s like, ‘Do I care about (participant B3)’s feelings? Or do I care about where we want to be in five years?’” (PB3).

A strong assumption of the participants was that the purpose of the organization was ultimately to make money and be profitable. The organizational values and beliefs seemed to be explained by this non-negotiable assumption of purpose. When discussing this assumption, the employees explained that they did not expect the organization to care about them, because in the end, the purpose of an organization is to make money, and not worry about the employees’ feelings.

By comparing the responses from management in the interviews with the employees in the focus groups, the data suggests that there is a misalignment in the perceptions of how things are or are supposed to be. MacIntosh and
Doherty (2005) call this phenomenon a “culture gap”, where the authors explain that occasionally a gap can be observed between the perceptions of lower-level employees and the intentions of leadership. The presence of a culture gap suggests there are inconsistencies between the understanding of how things are and how things should be in the organization, particularly between management and employees but also between older and newer employees. The experience of different relationships and understandings of the organizational structures might be explainable by Van Maanen and Schein (1979). The authors propose that members of an organization navigate through different socially constructed boundaries, in relation to the responsibilities of their role and over the course of their membership. This includes 1) functional boundaries outlining how task responsibilities are distributed amongst members, 2) hierarchical boundaries referring to the different statuses in the group, and 3) inclusionary boundaries defining the existence of social circles in the organization. Descriptions from participants revealed that these inclusionary boundaries were difficult to cross, thereby making acceptance into the inner circle of the organization difficult to obtain. The hierarchical structures created apparent status distinctions but not well-defined roles. This lack of boundaries and slow acceptance into the into the organization might explain why there appeared to be differences in the perception of some cultural elements.

According to Schein (2009), every organization should develop practical assumptions about what to do in order to survive and how to do it. When an organization is created, the founders and leaders often have a solid understanding of who they were and what they wanted to do. This mission, vision, and identity was passed on to the first employees. Once everyone could see that these beliefs brought success, they would become shared assumptions and eventually taken for granted. When speaking with the respondents and participants, it seemed as though everyone recognized the mission and vision of the organization, especially the older employees who also demonstrated a better understanding of it. When deciphering culture, Schein (2009) points out that one must acknowledge that cultural assumptions are developed over time from the basic mission and strategy, explaining why money appeared as such an important theme in the data. Common understanding of the organization’s ultimate mission and goal is crucial for the effectiveness of the organization. If an employee does not know, understand, or agree with the goal of an organization, it can cause confusion and frustrations about the way the organization is run and the choices made (Schein, 2004). This can explain the more understanding views of the older employees and the frustrated and confused perceptions of the newer employees.

4.2 Benchmarking

Taking the results of the organizational culture and reviewing them against the previously identified antecedents of a healthy culture beneficial for organizations, there seems to be some misalignments. In the literature (Chatman & Cha, 2003; Kyriakidou & Gore, 2005) characteristics of healthy cultural activities were identified as

- prudent recruiting practices, socialization and training,
- clear and consistent management,
- innovation encouragement,
- cooperative creation of missions and strategies,
- open communication,
- culture cultivation and embracement and
- employee respect.

The results of the interviews and focus groups at HealthIA suggested that the participants perceived the organization’s recruiting practices as negligent. They did not feel new employees had been vetted properly and that the organization valued quantity over quality. Besides this, the participants expressed lack of training for new and existing employees. The participants explained that they felt they had to learn from their mistakes and new employees were often appointed temporary roles depending on the need for the day instead of being trained. PB1 explains the lack of training for new employees and expresses a perception of the organization’s quick fix assumption.

“*And adequate training for new staff, like actually keeping them in the store, not sending them off to do deliveries, training them how to make the bowls. By having them do normal day to day stuff, not just sending them away because they’re too slow.*” (PB1).
The participants also expressed confusion in the organizational structure and difficulty explaining roles. This conflicts with the need for clear and consistent management and this confusion can be the root cause of anxiety between members. Understanding the “pecking order” between members is crucial for employees to help them manage feelings of aggression and anxiety (Schein, 2004).

Additionally, innovation and the encouragement thereof were identified as activities practiced in healthy cultures. When asked about innovation processes and inputs from employees, data from the interviews suggested that management was open for inputs but ultimately it was management that knew best. This does not signal an open innovative environment. The participants expressed a perception of lack of interest in their feedback and they did not expect management to act on their ideas. PA2 explains:

"There's a million things I have suggested. But I don't think/ they will never take it on board.” (PA2).

This suggests that new inputs are not highly valued, and the assumption of management is that innovation activities are ultimately decided by the founders causing a lack of engagement within employees.

The literature also suggests cooperation of mission and strategies, making employees more invested. The data does not imply that employees at HealthIA were included in planning processes. It seemed apparent that management made decisions and employees were subsequently expected to implement changes without having been explained the purpose. The act of providing employees with information gives employees a sense of involvement and understanding and enhances the feeling that they are part of the organization and can make a difference, ultimately influencing their motivation (Hinkin & Tracey, 2010).

The literature also identified aligning the culture with the business strategy. The organization of study wishes to grow to a multi-unit restaurant employing diverse employees who have fun at work. This seems to have been successfully implemented in the culture and all participants shared a common understanding of this, also suggesting a cultivation and embracement of the diverse culture, indicating the presence of healthy culture activities in the organization. While the culture of HealthIA incorporates some of the practices identified as healthy, some of them can be considered as unhealthy activities. In unhealthy or weak cultures, the expectations are unclear and the practices throughout the organization are inconsistent, making them difficult to work in. The presence of a weak culture negatively impacts factors such as morale, motivation, performance, service, and loyalty. It is therefore imperative that leaders understand the types of attitudes and behaviors their culture is generating and if they are either desirable or undesirable (Warrick, 2017).

4.3 Employee Perceptions

When evaluating the perceptions of the employees of the organizational culture, the data suggests signs of frustration, anxiety, and lack of trust. The core assumption of the participants of the focus groups was that HealthIA’s ultimate purpose is to be highly profitable regardless of employee well-being. They did not feel that they could express themselves both because they perceived management not to listen and they were afraid of being fired for causing problems. When asked to describe their organization in adjectives the majority were negatively charged, with describing adjectives such as “chaotic”, “negligent”, “capitalist”, and “thoughtless”. However, the employees also described the organization as “international”, “accepting”, and “team-oriented”. The participants explained that the main motivation for them staying in the organization was their co-workers, nonetheless, when asked if they intended to stay employed at the organization a year from now, all the participants replied that they did not intend to stay. The reasons differed between wanting to shift careers to something more relevant after their studies, moving to a new country when their visa expired, but the most common answer was that they wished to find a more permanent solution, referring to the belief of being indispensable and the frustrations connected to the uncertainties of processes.

The participants expressed a need for a simpler structure, more resources for recruiting and training, more say in the organization, more focus on the existing stores with a slower expansion strategy, and more transparency and open communication. The culture of the organization and the employees’ perceptions call for a need to purposefully manage the culture and consider implementing changes.
4.4 Cultural Transformation

HealthIA is suggested to engage in an incremental culture transformation, where the deepest levels of culture, such as values and assumptions, are reached, allowing for new values to be extended to the existing ones. As identified in the literature, strategy and culture should be aligned to support each other, and when making decisions the implications on the strategy and culture should be taken into consideration (Warrick, 2017). In the case of HealthIA, this means cost-saving decisions such as understaffing and quick fixes, undermine values such as teamwork, job satisfaction, and loyalty.

Another activity for building culture is to recognize, value, and reward behaviors which support the desired culture. Ultimately, it is not what management espouses about the desired culture, it is about what the employees perceive as recognized, valued, and rewarded behavior that they will be responsive to. This requires management to be aware of their own actions. Consistency in what they pay attention to enables leaders to effectively communicate their messages (Schein, 2004).

The formal statements of organizational philosophy is a mechanism where management can explicitly state their values and assumptions represented in their philosophy or ideology. These public statements are used by leadership to emphasize important aspects and reminders of fundamental assumptions. If the organization and management integrated their values more often in the daily work, they could inspire and motivate the employees to incorporate these values as part of their own as well. However, the organization should prioritize culture management higher than their published values, as these public statements typically only cover a small portion of the operating assumptions (Schein, 2004).

Given the culturally diverse construction of the employees, an additional value to be emphasized and transmitted is the acceptance of cultural differences as well as one’s own cultural configuration. This could result in more tolerance towards others’ behaviors and attitudes. Often people view their own culture as the correct way to feel and behave and just as often do people have biases about “the other” cultures (Schein, 2009). Promoting tolerance and educating in cultural differences will ensure a positive team atmosphere.

It is important to acknowledge that changing the culture, even incremental changes, will prove to be difficult and challenging. Culture provides support and stability, and it will therefore be human nature to resist such a change (Schein, 2004). Below is a list of proposed key actions an organization can take to support their desired change:

- **Create readiness** – present the advantages of the change as well as identify the disadvantages if the change does not happen. Provide the necessary resources and reward behaviors compatible with the desired values.
- **Explain why** – resistance to change is highest when people do not understand the reasoning. Moreover, explaining why communicates care and respect to those involved in the process.
- **Focus on processes** – the change must be reflected in the core processes for it to last, therefore the processes regarding selection, appraisal, and rewards need to be changed to reflect the new culture.
- **Generate social support** – construct coalitions and empower them to support the change. Involve all affected parties and listen to their feedback. Make them feel valued, engaged, and understood. Identify role models who can influence others and motivate the change.
- **Provide information** – continuously provide information and avoid withholding information to reduce rumors. Share factual information, provide personal feedback, and publicly celebrate successes (Cameron & Quinn, 2011).

4.5 Leadership’s Crucial Role

The involvement of leaders in a change process is crucial, as they not only symbolize the culture, they are the main creators of the culture (Trompenaars & Woolliams, 2003). The management of HealthIA is therefore suggested to act as leaders by creating a shared meaning to inspire engagement of others. They should possess empathetic attributes and be able to communicate their vision, so that the employees understand what is required and valued. The leaders should invoke trust and display integrity, and in this case be more transparent.
They should also be adaptable to respond quickly when action is necessary (Javidan, et al., 2013), which currently is the case of managing the culture of the organization.

The national culture of individuals also influences organizational culture. It is therefore up to the leaders to be aware of cultural differences and understand the different national cultures that their employees come from (Küng-Shankleman, 2000). It is also helpful for the leaders to be aware of their own national culture and understand the influence it has on their beliefs and assumptions. Therefore, a strength of a leader operating in a culturally diverse environment is to be culturally aware. Attributes suggested to the leadership of HealthIA include demonstrating foresight, building confidence, and being encouraging and honest. There are possibly more attributes which are desired and undesired based on the culture, and the leaders should identify these in order to execute the most effective leadership style contingent with the culture. The leaders should also demonstrate openness to feedback and be willing to learn from subordinates.

5. Conclusion, Limitations, and Future Research

The aim of this paper was to provide insights to practitioners and scholars who are interested in understanding the concept and method of organizational culture and cultural transformation. Our study contributes to an understanding of approaches to develop and sustain a healthy culture. We empirically derive managerial recommendations of desired attributes that support the transformation of organizational culture. To build and sustain a healthy culture, HealthIA is recommended to identify and extend desirable values to the current culture. Suggested desirable values to be embedded are to encourage innovation, practice a more open and transparent communication style, investing more in recruitment and socialization strategies as well as continuous training and development of employees. A decentralized structure is found to better support responsibility and trust, and a focus on concise and consistent management is suggested to minimize confusion of roles.

Leaders were identified as a crucial component of culture management and for the identified culture the leaders are suggested to act as mentors encouraging empowerment and invoking trust. Leaders are recommended to reward behaviors consistent with values such as teamwork, equality, as well as showing empathy towards employees. As HealthIA is identified as culturally diverse, cultural awareness and self-awareness are recommended to be practiced throughout the organization to promote tolerance and acceptance of different ways of viewing meaning and behaving. Moreover, HealthIA is advised to assess their culture on a regular basis to understand and control the direction of their culture. To build and sustain the desired culture HealthIA should socialize new employees properly by explaining the structure of the organization and provide appropriate training, so they are able to contribute to the teamwork. The organization should emphasize job security, so the employees do not feel dispensable. This could result in higher motivation, satisfaction, and loyalty, which in turn can positively affect performance.

When implementing changes, HealthIA is suggested to educate employees of these changes by explaining reasoning behind and training them to succeed with the processes. Ideally, HealthIA involves the employees in decision making activities to promote innovation, involvement, and motivation. When management experiences behaviors in line with the desired culture, they should act promptly by recognizing and rewarding these behaviors, so employees understand what is expected of them. The organization is also suggested to implement their published values in daily work but should not solely rely on these statements as culture creation. The statements are useful for giving employees an overall understanding of the beliefs and values of HealthIA, but ultimately, they do not define the culture. The employees demonstrated a feeling of unappreciation towards their work and therefore, when moving forward, management is suggested to celebrate wins to promote appreciation. Currently, HealthIA does not practice any cultural management activities and it is therefore suggested that they implement a culture team to support in building and sustaining a desired culture as well as continuously reassess their culture. This culture team should include someone from management as well as ensure a balanced combination of different nationalities to guarantee equal representation.

Of course, it is necessary to acknowledge our study's limitations. The purpose of the research was to pursue a deep understanding of a particular context, rather than a broad understanding throughout multiple contexts. As
a consequence, the data is derived from a single organization in the service sector in Berlin, Germany, meaning that the findings are not necessarily applicable for other organizations. Furthermore, the study was conducted amidst the global COVID-19 pandemic and it is possible that the psychological weight of the pandemic has had an influence on the participant’s perceptions. The effect of the coronavirus on the culture of an organization can be a relevant topic for future research. Nonetheless, the study depicts the organizational culture as it was perceived at that time. With a total number of 12 participants in the focus groups and two respondents for the interviews generalizability is limited. The results can be assumed to be applicable across the organization but to increase the reliability and validity of the results, the study would have been beneficially conducted over a longer period of time and ideally involving every employee.

The researchers chose to follow the theoretical framework of Schein to determine the culture, as Schein’s theories are highly valued in the literature of culture. By basing the study predominantly on Schein, it is possible that other dimensions are unaccounted for, thus limiting the research. A limitation connected with qualitative research is subjectivity from both researchers and participants. Researchers in this situation should be aware of their emotional impact and recognize their possible influence on the research. Additionally, the study could be subject to misinterpretations of the questions by the respondents and their possible conscious or unconscious desire to impress. When conducting studies with human subjects, validity is often a difficulty. There is a tendency for respondents to either resist and hide information that they may feel defensive about or to exaggerate or seek cathartic relief (Schein, 2004). Another suggestion for strengthening the research would be to supplement with a quantitative test of the qualitative theory. A different focus of research could also be to assess the culture of any subcultures present and compare the results with the entire organizational culture.

This research could also beneficially extend previous research that investigates the association between employees’ perception of organizational culture and its effect on their intention to stay or leave (Ndife, 2020; Lee & Jang, 2020). A final recommendation for future research refers to recognizing the processes that drive and sustain the culture of an organization. According to the theory of organizational socialization, the methods of socializing newcomers is a significant antecedent to the establishment and/or maintenance of a distinct organizational culture (Van Maanen & Schein, 1979). As such, similar to current studies that describe the socialization process for new employees (Blumberga & Luka-Indane, 2018), examining the processes used to integrate newcomers may provide valuable insight into how organizational culture in the service industry is maintained.
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