Corporate Culture
Towards Building a Competitive Advantage in SMEs

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Abstract

A common perception in many SMEs is that the corporate culture is fuzzy and hard to manage. A common problem is that many business owners and managers in SMEs do not understand the importance of a well-functioned culture, but instead focus on the core business. Therefore, the purpose of this thesis is to examine how SMEs can strengthen and use the corporate culture as a competitive advantage.

The research contains an analysis of corporate culture in four different Swedish SMEs, two small-sized and two medium-sized enterprises. In order to fulfil the purpose of this thesis a qualitative research method, through semi-structured interviews, is used.

The empirical findings indicated that some companies embrace and develop actively with corporate more proactively than others. The overreaching conclusion is that all the participating companies see corporate culture as important. However, there are differences in how to manage corporate culture and also differences in which way the companies perceive their corporate culture as a competitive advantage.

Significant findings from the research are that visions and motives help corporations to make their culture more tangible. Along with proper internal information the culture becomes stronger and more functional. The CEO has an important and influential role when managing corporate culture.
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I Introduction

The subject of this thesis is corporate culture. Within every organization comes a certain type of culture. The culture consists of values, norms, feelings, aspirations and hopes. Corporate culture is not always obvious and often discrete hidden from view (Gorman, 1989). Schein (2010) split corporate culture into three levels; basic assumptions, espoused values and norms, and artefacts. It is surely an intangible subject that is difficult to define and according to Gorman (1989, p. 14) “it is important that managers are aware of corporate culture so that they can facilitate these outcomes”. It is an important topic to examine because it is resource intensive and difficult to SMEs (Small- and Medium sized Enterprises) to manage their corporate culture (Flamholtz & Randle, 2012; Schein, 2010). The focus of those companies today might stay at their main objectives and it is probably even hard to recognize the benefits that may arise from their corporate culture.

Of course this means that it demands a lot of resources in time and money, which certainly is a problem when it comes to SMEs. Because they are minor it does not automatically mean that they have no culture (Flamholz & Randle, 2012). Interesting to see, is how those organizations at its best can use their corporate culture as a competitive advantage. This thesis tells some of what is said earlier about corporate culture and what is measured in performance, related to the corporate culture. The research provides examples from four different Swedish SMEs and tells what their perceptions are about corporate culture and how they manage it. The outcomes will provide them, as well as similar organizations, with ideas to manage and strengthen their corporate culture.

This is a Bachelor thesis within Business Administration at Jönköping International Business School (JIBS) and follows the established structure of bachelor thesis at JIBS, the “JIBS-writer 3.00”. The following chapters are covered after this introduction: Frame of Reference, Method, Empirical Findings, Analysis, Conclusion and List of References.

1.1 Background

It was first in the beginning of 1980s researchers tried to identify which elements that excelled successful companies. Soon the researchers found out that successful Japanese companies had much strong corporate culture that was connected to their success (Alvesson,
In those Japanese companies western economies had emphasised the importance of shared values between management and workers, which determine the success of Japanese companies. Researchers have also realized that aspects of culture like strength and pervasiveness of core values are features that strongly contribute to the success of companies (Gorman, 1989). Deal and Kennedy had great impact within the topic by their book entitled “Corporate Cultures: The Rites and Rituals of Corporate Life” (Sadri & Lees, 2001). The book popularized the notion of understanding, establishing and fostering a strong and positive culture within companies. During the 1980s corporate culture has gone from a more or less unknown topic to being widely spread as playing an important role in companies’ strategic issues (Sadri & Lees, 2001). Before those progressions, feelings and emotions was largely ignored in management theory. Nowadays, the view is completely different, instead it is feelings, goals, hopes and fears that motivate peoples within organizations. According to Gorman (1989, p. 14), “actions come from feelings not logic; logic is applied after the event”.

Culture has large impact on how companies and organizations work. Nguyen and Mohammed (2011) means that corporate culture has a strong connection to the structure and governance of the organization, and that it sometimes can be hard to keep structure and culture apart from each other. According to Jacobsen and Thorsvik (2008) the structure of the organization creates its form, and at the same time it states the formal requirements for the employees. Those requirements created by the management also states how and on which level decisions should be made within the organization (Nguyen & Mohammed, 2011). In other words, as Hajro and Pudelko (2009) describe it, management, organizational structure and governance are often linked together when it comes to corporate culture.

What is less recognized is that corporate culture can be used as a “strategic asset”. Today corporate culture might be the “ultimate strategic asset” for many companies, especially in the advanced nations (Flamboltz & Randle, 2012). Hence, like other forms of intellectual capital, the culture can be seen as a critical component of a successful business model (Ratnatunga, Gray & Balachandran, 2004).

In other words, corporate culture can be an important component of a successful business model just as other forms of intellectual capital (Ratnatunga et al. 2004). According to Dumay and Cuganesan (2011), it is important to identify and measure intellectual capital since intangibles create value and true competitive advantage.
1.2 Problem discussion

In most SMEs corporate culture is informal, thus written directions and records are absent (Zaheed, Rehman & Ahmad, 2006). A common perception in many SMEs is that the corporate culture is fuzzy, and due to this hard to manage (Thunström, 2010). Many business owners and managers in SMEs do not prioritize working with the corporate culture and do not understand the importance of a well-functioned culture, but instead focus on the core business. The explanation is that most companies operate in a busy environment and therefore the corporate culture often becomes less prioritized (Busque, 2012).

Merhar (2013) states that the perception of SMEs is that the corporate culture is just for large companies, and therefore not important to manage as a smaller operator. Whether you create a corporate culture or not, you have one, and it is much easier to manage corporate culture when the company is still small and growing (Oden, 1997). Since companies’ failures are often caused by internal problems, it is worth to create a culture that helps the company to grow (Merhar, 2013).

The main focus in earlier studies concerning corporate culture emphasis large companies, the findings may not be applicable to SMEs because of fundamental differences between those organizations (Dandridge, 1979; Welsh & White, 1981). To date there has been only a few expectations that studies corporate culture in SMEs. The management sciences considering SMEs was launched more than 40 years ago, searching to answer if lessons and precepts of larger organizations can be applied to SMEs. Over the years, the idea of separate researches has emerged as the majority opinion among the small business scientific community (Julien & Torrès, 2005).

Therefore it would be important to focus on those companies. The theories we have used do not distinguish between SMEs and larger companies. However, the role of corporate culture in the SMEs’ performance is under-researched. The approach of this thesis will be to examine how to strengthen the corporate culture and to use it as a competitive advantage within SMEs.

By studying two small respectively two medium sized enterprises we will gain a better understanding of which problems and difficulties those companies faces concerning their corporate culture. It is our intention to examine the similarities and differences in those companies, and if it is possible to make any generalization of SMEs corporate culture and
their way to manage it. Another intention is to identify if those companies perceive their culture as a strategic asset and competitive advantage. Further, it would be important to see if those companies have made efforts to strengthen their corporate culture.

**Problem questions**

- Which problems does SMEs face today when managing corporate culture?
- How can general theories of corporate culture be applied to SMEs?

### 1.3 Purpose

The purpose is to examine how SMEs can strengthen and use the corporate culture and subsequently use it as a competitive advantage. The research will contain an analyse of four different Swedish SMEs.
2 Frame of Reference

This chapter provides the reader with an illustration of the major theoretical areas considered important for the data analysis. Three main elements constitute basis for the frame of reference, Definitions of Corporate Culture, Manage Corporate Culture and Corporate Culture as a Strategic Asset.

2.1 Definition of Corporate Culture

Corporate culture is similar to more general cultures and cultural processes that can be found in our society and our surroundings. The main difference is that it develops in the organizational context. It is important to understand what corporate culture is, how it occurs, gradually evolving and what impacts culture can have on organization’s functioning. “A common characteristics of the most definitions of organizational culture is an explicit focus on experiences, thoughts and opinions that are shared by several people in a certain social context” (Jacobsen & Thorsvik, 2008, p. 140). It is also important to know that there is no such thing as a cultureless organization. “Just as an individual must have a personality, a company must have a culture, even though it appears not to exist. A company that appears cultureless is actually a company with a ‘weak’ or ill-defined culture” (Flamholtz & Randle, 2012, p. 87).

Schein (1985) points out that culture is based on learning (cited in Jacobsen & Thorsvik, 2008). According to him it depends on how corporations adapt old routines to new experiences and changes in different situations. When learning how to handle external problems, with customers, clients and suppliers etc., and internal problems, for instance, problems in communication and cooperation within the organization, a certain culture will be developed. Schein also states that the culture is maintained only as long as it is perceived as true and that it will be introduced to new members of a group as the one and only way of act and think, according to a specific issue.

Corporate culture appears at all levels within the organization. It can be aspects of culture affecting all hierarchical levels (Gorman, 1989). Therefore a corporate culture cannot always be seen and defined as a whole. Corporate culture can vary from one organization to another, or even within one organization (Gorman, 1989). It is not unusual that there are several occupational groups that make up organizations, so called subcultures (Schein, 2010). Although, the authors does not clarify if different cultures are present at SMEs. Those different cultures may both complement as be in conflict with each other (Jacobsen
& Thorsvik, 2008). One can also identify small coherent units that cut across occupational cultures, which Schein (2010) calls “microcultures”. For example this could be a surgical team within a hospital.

The corporate culture can be described as a pattern of basic assumptions, which the members of the organization do not question. Developed as it has solved the organizations problems of external adaptation and internal integration, well enough to be considered valid, they have been taught to new members as the correct way to perceive, think and feel (Schein, 2010). The point is, that when a solution to a specific problem seems to be successful over and over, one will subsequently assume that this will also be the “correct” solution. Those theories becomes a kind of truth that is difficult for the individual to explain and even hard to examine (Jacobsen & Thorsvik, 2008). Schein (2010) circumvent this particular issue by dividing the culture into three levels, which is basic assumptions, espoused values and norms, and artefacts. The first level, basic assumptions, the essence of every culture, contain what we take for granted. As earlier mentioned, basic assumptions are hard to clarify, but they might be reflected in the second level through espoused values and norms. Flamholtz and Randle (2012) stresses that values are the central notion when talking about corporate culture and that it also consists of beliefs and norms.

The third level, artefacts, is the visible and tangible structures and processes including architecture, interior, dress codes and techniques. Physical artefacts as well as verbal or behavioural cultural expressions, can also be displayed emotionally through myths and stories told about the organization (Schein, 2010). One can look at this in ways of a metaphor. By illustrate the corporate culture as an image of an iceberg (Figure 2-1) where the artefacts are the small part that is above the surface, and the rest down under (Jacobsen & Thorsvik, 2008).

What one can find at the very bottom is the “DNA” of the corporate culture. This set of cultural attributes is dimensions of the corporate personality including things such as attitudes towards risks, ethics, systems, entrepreneurship or even bureaucracy (Flamholtz & Randle, 2012).

When making analyses of corporate culture one should try to dig under the surface and find the basic assumptions. To understand an organization’s culture the learning process, by which basic assumptions evolve, need to be understood (Schein, 2010). This is possible if it starts with the artefacts and goes through the values and norms and from here drawing
conclusions of how the basic assumptions are developed. It is the connections between the three levels that make sense in everything (Jacobsen & Thorsvik, 2008). When understanding the basic assumptions one can interpret the pattern and also predict the future (Schein, 2010). What is significant to each level will be explained in the following chapters.

2.1.1 Basic Assumptions

Beliefs and basic assumptions can be observed on individual, as well as, organizational level (Schein, 2010). While Flamholtz and Randle (2012, p. 77) describes beliefs as “assumptions individual holds about themselves, their customers and their organization”, Jacobsen and Thorsvik (2008) describes them as something common and more general. They remain intact even when a new person is recruited. The new employee gets introduced to the “correct way” and assumptions like; “this is how we do things here” (Jacobsen & Thorsvik, 2008). Edgar Schein (1991) identifies seven dimensions in order to separate a culture from another (cited in Jacobsen and Thorsvik, 2008). One can have several kinds of cultures by combining the seven dimensions:

1. How the relationship between the organization and its business environment is considered:
   Is the organization considered as active and leading in relation to its environment, or is the perception that the organization is passive and under pressure to adapt?
2. The way of looking at human actions:
   Is it human nature to be active and try to influence, or to be passive and only trying to adapt to what happens?

3. The process of how to decide what is to be considered as “correct way”:
   Through testing processes of what is considered to be “right”, by listening to “those who know better” or by together agreeing on what is “right”.

4. What is the organization’s perspective of time:
   Is the focus on future, present or past?

5. What are the assumptions about the human nature:
   Are humans considered as basically “good”, basically “evil” or shaped by its environment and the situations that one is exposed to?

6. What is considered about the relationship between people:
   Is it ok to show feelings or act rationally? Is cooperation or competition encouraged? Will one participate or allow others to make decisions? In what way will power and authority be distributed through the organization?

7. How do one look at conflicts:
   Should groups and teams be homogeneous or heterogeneous?

2.1.2 Espoused Values and Norms

As already mentioned our basic assumptions are reflected in values and norms. Values says something about what is good and desirable. What an organization considers most important with respect to its operations, customers and employees can reflect their values (Flamholtz & Randle, 2012).

In studies of organizations it is common to assume that values are shown through decisions taken. This means that values communicate what the organization considers as good or bad. Although a problem may occur since what one person says and think about the
values that control their own basic assumptions are not always the same as what actually control them (Jacobsen & Thorsvik, 2008).

Norms are often described as “unwritten rules” (Flamholtz & Randle, 2012) or principals and rules that people are expected to comply. Although there are norms that are considered to be appropriate to people in different situations that may differ between different kinds of organizations, not least depending on what kind of purpose the organization have.

The latter conclude is that the norms create principals, guidelines and limits, while values states what is important to seek or achieve (Jacobsen & Thorsvik, 2008). “Norms help operationalize actions which are consistent with values and beliefs” (Flamholtz & Randle, 2012, p. 77).

2.1.3 Artefacts

Everything that expresses our basic assumptions, values and norms that can be observed are artefacts. These will serve as visible products and symbols that convey a lot of information about the corporate culture (Schein, 2010). He emphasizes that it is very important to keep in mind that this level is both easy to observe and difficult to interpret. As an example Schein (2010) mentions the pyramids that the Egyptians and the Mayans built. They seemed similar to the observers but the meaning of them was very different. Both included tombs, while one of them also included temples.

Therefore artefacts need to be interpreted in order to function as symbols. In order to be understood they also need to be interpreted in their own social context (Jacobsen & Thorsvik, 2008). Different individuals will always interpret artefacts in different ways. The symbols provide four central functions of an organization. 1) They reflect the corporate culture. 2) They affect people’s thoughts and behaviour. 3) They facilitate the way people share experiences with colleagues. 4) They may help to clarify to people what they think about the organization (Jacobsen & Thorsvik, 2008).

Furthermore Jacobsen and Thorsvik (2008) divide the artefacts of organizations into three main groups. The first one is what people say – the ways in what people communicate. The second group is how people behave – the ways in what people express their feelings, and the final is physical elements – architecture, written material, logos, uniforms and so forth. The third one might be easiest to observe, but more difficult to understand.
Artefacts do not only have a symbolic function. Rewarding a person or a team can symbolize the values the organization wants to promote, and also serve as an instrumental aspect expressing a good job. Jacobsen and Thorsvik (2008) mean that this issue is particular important to the management to be aware of. If they only use the artefacts as an instrumental function something will be missed, since it is the symbolic side of the artefacts that communicate what things really mean and how it should be understood.

2.2 Managing Corporate Culture in SMEs

According to Oden (1997) the evolutionary perspective of managing corporate culture clarifies that the culture of a group may serve different functions at different times. When a company is forming and growing, the culture can be described as a source of identity and strength. In other words, Oden (1997) states that young companies, which are strongly dominated by their founder, need their culture as a way of holding their organization together.

Further Oden (1997) mean that organizations contain different functional departments and groups of employees that have cultures on their own, some of which will conflict each other. If the company need to improve the diversity to remain flexible in the anxious environment or to build a stronger, more uniform culture, it becomes one of the most challenging strategy decisions the management confront, especially if the management does not be aware of some of the cultural assumptions within the company. This should be valid for all organizations, SMEs included. In those cases it is important to get raised consciousness about the corporate culture in order to gain better strategic decisions. According to Sadri and Lees (2001) and Gorman (1989) it is also important to understand the corporate culture in order to change the existing one. To create understanding, Sadri and Lees (2001) says that the management can make a survey among the employees, concerning important topics like the corporate values and mission, collaboration with other employees both in their own department but also in other. It could also consist of the employee’s beliefs about whether they are treated fairly or not. If there are any advantages for SMEs due to their size still needs to be examined.

According to Qubein (1999) a positive corporate culture are characterised by some different key elements (cited in Sadri & Lees, 2001). First, a clear corporate vision, but also a
mission statement, which clarifies the image of the company’s desired future, should foster it. Greenberg and Baron (1997) argue, when the corporate visions are transferred by dynamic and charismatic top managers they are most effective (cited in Sadri & Lees, 2001).

Second, Qubein (1999) states that corporate values support the corporate culture, and that the values are coherent with the personal values of the peoples within the company, but also the purpose of the entire company (cited in Sadri & Lees, 2001). Both corporate values and visions impregnate the whole company and should constantly be managed by the top management.

According to Gorman (1989) as well as Sadri and Lees (2001) employee support is necessary in order to create a positive corporate culture.

2.2.1 Implementation of Corporate Culture in SMEs

Managers have an important role when it comes to formulating and implementing a corporate culture for their company. According to Oden (1997) the managers task is to set the vision and to get people in the organization aligned. Based on their own and other people’s insights and ideas, the managers develop a sense of what is possible. Furthermore, the managers select, train and develop the people to realizing the vision.

Oden (1997) bring up three powerful methods for implementing a corporate culture, which is kick-off conferences, periodic deployment efforts and as-needed task group efforts. All these methods have an important meaning when implementing a company’s vision, values and principles. Those methods can be used in the same organization at different times. The purpose with the “Kick-off conferences” is to present a new or major change in the vision, values, and principles. This provides companies to get a rapid start on cultural changes. The periodic deployment efforts are efficient when it comes to implementing cultural change over the long haul. The as-needed task group efforts are an effective tool when implementing changes in corporate culture. It can be used wherever and whenever change is needed.

According to Sadri and Lees (2001) the desired culture must be implemented in small actions in order to achieve successful results. For instance by creating visionary statements and slogans, change dress codes, reward employees success, and dispense newsletters. One further action could be to recruit new employees who agree with the desired corporate culture.
2.2.2 Changing of Corporate Culture in SMEs

Shein (2010) have elaborated and refined Kurt Lewin’s model of fundamental assumptions underlying changes, that consist of three stages:

- Unfreeze
- Change/Learn
- Refreeze

The set of shared assumptions that develop over time in groups and organizations serves structures such as concepts, attitudes, beliefs, values and assumptions. To make sense of those cognitive structures it will be needed to organize them to provide a sense of foreseeability and meaning to individual members within organizations (Weick, 1995; Weick & Sutcliffe, 2001). Shein (2010) states that shared assumptions developed over time serves this meaning-providing function. Therefore the evolution of culture is one of the directions in which an organization retains its autonomy and integrity. The organization may differentiate itself from competitors and it may also provide a unique identity, a possibility for SMEs as well as large companies.

To manage cultural changes it will first be needed to unlearn the person or group that is target for the change, first after that it is possible to learn something new (Shein, 2010). The model can therefore be applied to both small and medium sized companies.

The most common challenge of that changes is the unlearning process, since people create routines of things they have learned, it may even become a part of group identity and personality. In order to success, Shein (2010) states that instability needs to be created to go beyond the existing assumptions, this is what is called unfreeze.

The unfreezing process consist of three sub-process:

- Disconfirmation: All kind of learning or development start with some kind of displeasure carried about by information that disconfirms the current expectations. For instance this could contain factors such as decreasing profits or high employee turnover. In order to survive those situations, “survival anxiety” need to be developed.
• Creation of survival anxiety: In order to feel this anxiety the information needs to be accepted as valid. The survival anxiety itself does not motivate peoples within organizations to change since they can declare the information as irrelevant. To concretize, managers in organizations can describe suddenly increased employee turnovers like: “It is only the bad people who are leaving, those we do not want anyway”.

• Creation of psychological safety to overcome learning anxiety: The survival anxiety can be hindered by a “learning anxiety”, a feeling that entering when you need to unlearn old habits. In situations when you need to unlearn what earlier was accepted a feeling of impossibility to succeed the new learning, as well as the feeling of being temporarily incompetent can arise. For instance, when changing from a high-quality and high-cost strategy to become a low-cost producer, or when going from engineering and product focus to a marketing and customer focus, this feeling can arise. Therefore, in order to progress the changing process, either the survival anxiety need to be larger than the learning anxiety, or, the most preferable, the learning anxiety are reduced by increasing the learner’s sense of psychological safety. In order to create this safety collaboration may be a central part. It should be sure that mistakes are not being discouraged. Simplified, the process should be as flexible and painless as possible.

Shein (2010) states that there are two main elements in order to learn new concepts, new meaning for old concepts, and new standards of evaluation. Either we learn through a role model with whom to be identified, or we try to implement our own solutions until something works. The role model works best when it is obvious how the new way of thinking and working looks like, but also when the ideas are clear. Even Sadri and Lees (2001) argue that the management should clarify and encourage the desired behaviour in order to make cultural changes.

Shein (2010) further states that in order to learn new things that respond to our personality, the environment need to be scanned and personal solutions must be created. Since everyone choose different ways to achieve the goals in those situations it is important that the manager have clear goals in order to get all learners in the right direction. Easily it can be described that the learner has a choice of the means to get to the goals, but not the meaning of the goal.
When the changes have taking place and the peoples have learned the new ways of working, the organization is ready for the last step in the model, namely refreezing (Shein, 2010). For instance, in this step the organization may have created a stable organization chart and clear job descriptions. The goal when stabilizing the changes is that the peoples within the organization will be more confident and comfortable with the new ways of working.

### 2.3 Corporate Culture as a Strategic Asset in SMEs

According to Flamholtz and Randle (2012) there is two criteria’s for an asset to become a strategic asset, namely; (1) it must provide a competitive difference and (2) it must be sustainable for at least a period to transcend for at least two years.

Large companies as well as SMEs possess strategic advantages. The competitive difference means that the strategic assets must provide some “differential benefit to the organization”, which means benefits that characterized the organization or its products from its competitors. The other criteria, “sustainable”, refers to that the asset will last for a longer period. Flamholtz and Randle (2012) mean that being a “first-mover advantage” does not necessarily mean that an organization gets a sustained competitive advantage. Even “late-movers” can make improvements at the same product and by that making the first mover advantage meaningless. They also mean that if the strategic asset is difficult to copy it is even better. The importance of having a strategic asset is that it provides a source of competitive advantage to the organization.

#### 2.3.1 Functional and Dysfunctional Cultures

“A dysfunctional organization culture is defined as one that constrains or limits individual-and group-level capabilities and/or that actually encourages and rewards mediocre individual- and group-level performance” (Van Fleet & Griffin, 2006, p. 699). Van Fleet and Griffin (2012) suggest that organizations should be very interested in preventing dysfunctional behaviour since it can be very costly but also damaging the organization. Flamholtz and Randle (2012) mean that if an organization has a strong culture but with dysfunctional values it will just be liability to that organization. Whether the culture is good or bad, functional or dysfunctional, Schein (2010) points out that it not just depends on the culture but also on the relationship of the culture and in which environment it exists.
2.3.2 Strong versus Weak Corporate Culture

"Organizations that take the time to make explicit statements about their culture and create ‘cultural icons’ tend to have 'strong' cultures” (Flamholtz & Randle, 2012, p. 86-87). "A ‘strong’ culture is one that people clearly understand, can articulate, and embrace in the sense that they behave according to its dictates” (Flamholtz & Randle, 2012, p. 87). Flamholtz (2001) states that organizations with strong culture more likely achieve their goals unlike organizations with weak culture. On the other hand Gorman (1989) mean that strong corporate cultures are not only left with advantage, they can as well have disadvantage when it comes to changes in the organization. Further, Gorman (1989) states that from a managerial perspective the corporate culture can be described as positive if it compose values owned by employees at all levels in the organization. If the corporate culture conflict with the goals of the company, the culture have negative impact on the organization and its strategy. Equally, if the culture is strong and promote the goals of the company, but only are accepted by one group in the organization (Gorman, 1989). Flamholtz and Randle (2012), mean that a culture that is difficult to understand, explain and define to people is a weak culture.

Arthur (2014) states that there are several elements that contribute to a strong corporate culture. In order to that, one of the most important elements is that companies need to have a clear mission and purpose. If the mission is clearly defined and if everybody within the organization understands it, this might be a sign of a strong culture. Many successful companies are conscious about their goals and are moving in a clear direction. According to Arthur (2014) it is common that companies without a clear mission statement often struggle to find an identity and therefore they have some problem to differentiate from their competitors. If this is more common among SMEs is not clear. Furthermore, Arthur (2014) means that another component of a strong corporate culture is respect among employees. This means that the top management should treat the lower-level employees with respect and make them satisfied in their jobs. As a result of that, Arthur (2014) means that the employees tend to perform better and stay engaged within their tasks. If there is lack of respect in the relationship between managers and employees it can possibly lead to a problematic corporate culture with a high employee turnover rate.

Another component that can be found in companies with strong corporate culture is solid communication. The meaning is that top managers freely communicate with lower-level
workers and vice versa. It is common that those kinds of companies have an open-door communication policy to get that work efficiency. When communication between employees works in a good manner, it often avoids conflicts that elsewise could arise when getting problems. Companies that are not transparent and do not distribute information to everyone within the organization may find it hard to stay in the business (Arthur, 2014).

Many companies that have a strong culture also tend to have superior results. A strong corporate culture leads to satisfied employees and managers. When the communication is well functioned, it leads to good collaboration among the employees (Arthur, 2014). Zuckerman (2002) means that if these factors are strong, companies may perform better and get better results. Companies with a strong culture produce products with higher quality and produce at a higher rate than companies with a weak culture (Arthur, 2014).

2.3.3 Competitive Advantage in General

Competitive advantage is important for many, if not for all, organizations to compete in a market. Barney (2002) describes a competitive advantage as an action in a market that creates economic value and the competing organization that works within the same actions are few. Further, Barney (2002 p. 9) mean that “a firm gain competitive advantage when their theory of how to compete in an market is consistent with the underlying economic process in that market and when few other organizations share this theory or are unable to act upon it as completely”. According to Jones (2003) SMEs should establish links to other organizations to create greater market strength but also to take advantage of new opportunities within the market. Further, Jones (2003) means that the key source of competitive advantage for SMEs is the organizations flexibility.

2.3.4 Corporate Culture as a Competitive Advantage

According to Parker (2012) the only sustainable competitive advantage an organization possesses is their corporate culture. It is what differentiates the company from its competitors and also driving the performance. Strategies, clients and customers can all be copied or stolen, although the culture is impossible to replicate.

Barney (1986) states that there are three conditions that need to be met for an organization to provide its culture as a sustained competitive advantage. As mentioned before, this deals with organizations in general and not only SMEs. These three conditions are:
1. The culture must be valuable, which means that the firm must do things that add financial values to the firm.

2. The culture must be rare, which mean that the firm must have attributes and characteristics that are not common to the cultures of other firms. If an organization has similarly cultures none of them can make their culture as a competitive advantage.

3. The culture must be imperfectly imitable. By being imperfectly imitable it can generate financial performance.

For those organizations whose culture is valuable, rare and imperfectly imitable it is important to understand what gives the organization competitive advantage. It is also important to know that even if the organizations meets the conditions they cannot expect sustained competitive advantage to occur (Barney, 1986).

Lee and Bruvold (2003) mention something else, they mean that through sustained employee development organizations can accomplish a sustained competitive advantage.

**2.3.5 Recruitment, Costs and Employee Development**

When organizations are about to recruit new employees there are things that they might need to take into account, like skills and how the employee would fit in the organization. The employee’s properties and the already existing organization are important factors of which kind of culture that will be developed in the organization in the future (Jacobsen & Thorsvik, 2008). Using the culture, organizations have the ability to attract, motivate and retain employees (Flamholtz & Randle, 2012). When employees can identify themselves with the culture in the organization it is more likely for them to enjoy their work. The positive culture in the organization can also gain benefits (Sadri & Lees, 2001). One benefit might be that it is much harder for organizations to recruit people from other organizations with a positive culture (Greger, 1999).

Another important and current topic is to invest in employees. As mentioned earlier, organizations can gain competitive advantage through investment in employee development. If organizations are able to give their employees with training that gives them more skills and competence in order to reach higher positions, both inside and outside the organization, it will make their employees more satisfied with their jobs. At the same time they become more productive and loyal. In return employees are less likely to leave the organization (Lee & Bruvold, 2003). Associated with large costs, it would certainly be valuable for
SMEs since they are already struggling with limited resources (Hudson, Smart & Bourne, 2001). Employees experience that the organization values them through employee development. The employees estimate the high cost of leaving to the organization, which in turn reduces their intention of leaving (Lee & Bruvold, 2003). Casson (1991) mean that if an organization has a strong culture the transactional cost can be reduced since strong culture in organization’s tends to improve the performance of the employees.

Lee and Bruvold (2003) therefore suggest organizations to create a culture where employee development programs can be held. With commitment and satisfaction within the organization there are more likely that the employees will work harder.

“If you have 1,000 employees, you’re dealing with 1,000 careers. You’re also dealing with 1,000 souls. If you want to win, make sure people want to win, too” (Greger, 1999, p. 10).

According to Goffee and Jones (1996) the work environment becomes more pleasant when the employees identify themselves with the corporate culture (cited in Sadri & Lees, 2001). As an outcome of that, the collaboration between employees, sharing of information, and receptiveness to new ideas increase, which in turn helps to attract and maintain top employees (Greger, 1999).
3 Method

This chapter mainly consist of the chosen method and its implications. It also consists of how the data have been analysed. The chapter ends with method critics.

3.1 Qualitative Research

When examine how corporate culture can be used as a competitive advantage it will require a deeper understanding of the subject to understand their corporate culture but also to find the underlying factors. Mason (2002, p. 1) mean that “through qualitative research we can explore a wide array of dimensions of the social world, including the texture and weave of everybody life, the understandings, experiences and imaginations of our research participants, the ways that social processes, institutions, discourses or relationships work, and the significance of the meanings that they generate”. Further, Eldabi, Irani, Paul and Love (2002) mean that to understand the social behaviour we first need to come closer the subject and through that it is possible to describe the social behaviour in its reality which in turns lead to more depth of understanding. To determine the relationship between one set of data to another the qualitative research rely on analyse and measurement of statistical data. Further, Eldabi et al. (2002) mean that a qualitative research is not about rely on measured statistical data, instead it is about meaning and understanding the subject. In other words it is a research that goes into depth, and when it comes to the qualitative research it is very common with “face-to-face” interviews.

3.2 Primary and Secondary data

To make the report trustworthy, relevant information within the subject is needed. The information can be found in two ways, either via primary data or secondary data. “The primary data is facts and information collected specially for the purpose of the investigation at hand” unlike “secondary data is facts and information gathered not for the immediate study at hand but for some other purpose” (Rabianski, 2003, p. 44). In other words, one person’s primary data becomes another person’s secondary data. While secondary data often is available to the public, the primary data is gathered to answer specific questions that are not answered earlier (Rabianski, 2003). Concerning the secondary data when doing a research it is important that the data reflect what is being studied (Rabianski, 2003). Ver-
poorte (2012) argue that the primary data are the core of the information and the most important part of any research.

To get a broad view as well as well-founded report it will contain both primary- and secondary data. The primary data in this report are mainly gathered from the interviews from four SMEs, this data will be the basis for the conclusions.

3.3 Choice of Corporations

The research is based on interviews in four SMEs in different markets. The difference between small sized and medium sized enterprises is basically numbers of employees and which range the turnover respectively the balance sheet total is for the enterprises.

According to the European Union, the definition of medium sized enterprises says that it needs to be more than 50 employees but less than 250. The annual turnover should not exceed 50 million Euros, neither the annual balance sheet total should exceed 43 million Euros per year (Tillväxtverket, 2014).

The definition of small sized enterprises says that it needs to be less than 50 employees but still more than 10. The annual balance sheet total or the annual turnover needs to be greater than 2 million Euros but less than 50 million Euros (Tillväxtverket, 2014).

The requirements when choosing SMEs was that they fulfilled the definition of the European Union’s definition of SMEs, and to have an equal distribution of small and medium sized enterprises.

Following organizations was chosen:

• Willa Nordic AB (Medium)
• Kuverteamet i Sverige AB (Medium)
• Bröderna Miller AB (Small)
• Jönköpings Flygplats AB (Small)
3.4 Semi-Structured Interview

In a qualitative method, interviews are one of the most important ways of collecting data (Qu & Dumay, 2011). Gubrium and Holstain (2001) mean that there are several different forms of interviews that gather insight to a phenomenon through in-depth interviewing. One of them is the semi-structured interview (cited in Qu and Dumay, 2011). The semi-structured interviews contain prepared questions and are designed to get more elaborated answers. The interview guide is also important, since it helps the interviewer to direct the interview towards the topic (Qu & Dumay, 2011). When designing the questions for the interview it is important that they prevent ‘yes’ or ‘no’ answers (Davies, 2007), which in turn lead to more opened answers. This gives the interviewee a chance to contribute with their opinion that is important for the interviewers. “The most common qualitative method is the semi-structured interview” (Alvesson & Deetz, 2000, p. 194).

Before the interviews questions was prepared to both the manager and the employee (Appendix 1). To get a clearer picture of what corporate culture is and how it affects people and organizations, several articles as well as books were reviewed. During the research of the subject it gained and improved knowledge about corporate culture that was necessary to formulate the questions. It also helped the interviewee to explain the meaning of a question that could be hard to answer or understand.

In the beginning of every interview, a definition of corporate culture was given, in order to make the interviewee more aware of the concept of corporate culture. By this it became clear to the interviewee what affects the corporate culture and therefore considering those underlying values when answering the questions. It is worth to start with simple questions, and when you are about to close the interview you could ask the interviewee if there is something that he or she would like to add or explain a answer more into depth (King & Horrocks, 2010).

During the interviews open-ended questions were used. These kinds of questions gives the interviewee the chance to answer with their own words and are very useful when the purpose is to understand the experiences of the interviewee (Fink, 2002).

In the end of the interview the answers were summarized, so that nothing was missing or misinterpreted. At the same time the interviewee had a chance to contribute with infor-
mation that might not had been told or missing during the interview. Agreement of further contact if questions would arise after the interview was also made.

The time-range of the interviews was between 23 and 63 minutes and in each of the organizations the managers was the first to be interviewed (Table 3-1). The interviews were made face-to-face and located at each organization. To minimize eventually loss of information all interviews was recorded under approval of the interviewee. The benefits of recording are that it makes it possible to listen back and forth over and over again. King and Horrocks (2010) strongly prefer recording and mean that it is absolutely essential in some methods. It is after all the data compared to theories that will be the basis of finding strategies of how to strengthen the corporate culture, and use it as a competitive advantage. The semi-structured interview was held to give an in-depth and comprehensive picture of the corporate culture within those companies. All the questions are based on the purpose of the report in order to get a closer and more detailed insight in how these corporations manage their corporate culture.

Table 3-1 Interview Table

<table>
<thead>
<tr>
<th>Name of interviewee</th>
<th>Company</th>
<th>Position</th>
<th>Date and time of interview</th>
<th>Length of interview</th>
<th>Location of interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anders Petersson</td>
<td>Willa Nordic AB</td>
<td>Vice CEO &amp; CFO</td>
<td>2014-03-31, 10:00</td>
<td>41 min</td>
<td>Petersson’s office</td>
</tr>
<tr>
<td>Kennie Nyqvist</td>
<td>Willa Nordic AB</td>
<td>Production leader</td>
<td>2014-03-31, 10:45</td>
<td>48 min</td>
<td>Nyqvist’s office</td>
</tr>
<tr>
<td>Patrik Sjölin</td>
<td>Kuvertteamet i Sverige AB</td>
<td>CEO</td>
<td>2014-04-07, 09:00</td>
<td>54 min</td>
<td>Conference room at Kuvertteamet AB</td>
</tr>
<tr>
<td>Anders Fredriksson</td>
<td>Kuvertteamet i Sverige AB</td>
<td>Production leader</td>
<td>2014-04-07, 10:00</td>
<td>23 min</td>
<td>Conference room at Kuvertteamet AB</td>
</tr>
<tr>
<td>Frank Miller</td>
<td>Bröderna Miller AB</td>
<td>CEO</td>
<td>2014-04-15, 09:00</td>
<td>1h 3min</td>
<td>Conference room at Bröderna Miller AB</td>
</tr>
<tr>
<td>Henrik Lundberg</td>
<td>Bröderna Miller AB</td>
<td>Order receiver</td>
<td>2014-04-15, 10:10</td>
<td>56 min</td>
<td>Conference room at Bröderna Miller AB</td>
</tr>
<tr>
<td>Sten Norinder</td>
<td>Jönköping Airport AB</td>
<td>CEO</td>
<td>2014-04-10, 09:00</td>
<td>45 min</td>
<td>Norinder’s office</td>
</tr>
<tr>
<td>Paul Petersen</td>
<td>Jönköping Airport AB</td>
<td>Team leader</td>
<td>2014-04-23, 18:30</td>
<td>55 min</td>
<td>Conference room at Jönköping Airport AB</td>
</tr>
</tbody>
</table>
3.4.1 Interview Guide

Purpose:

Examine the perceptions about corporate culture within SMEs and what they can do to strengthen it in a way that it can become a competitive advantage. The information provided will be used to answer the purpose of this thesis.

Pre-interview preparation:

A significant amount of previous researches, journals and literature will be reviewed to get a clear picture of corporate culture within SMEs. What has been done and what is left? The peoples to be interviewed are both managers and ordinary employees in Swedish SMEs. By choosing from different levels within the company the answers will be given from different angles.

The interviews are about to be scheduled in advanced. They will be held at each company’s location and will last for about 1 hour each.

Opening:

Before the interview starts the purpose of it will be clarified once again so that both parties know what the objectives are. Desirable ground rules and mutual agreements will also be stated, such as names and company specific issues will be left out of the final report when so are wished.

Body:

The interview starts quit broad with some overall questions concerning corporate culture within SMEs.

First questions will be like; “How is the corporate culture in your organization from your perspective?” As the interview is on going the questions will be more and more related to the present company, for instance; “How does your company manage your corporate culture?”

To gain appropriate information open questions are about to be used as much as possible. Hopefully this will dig a bit under the surface and maybe the underlying factors to the present corporate culture will be featured.
Closing:

In case of additional information needed agreements of further contact will be made. Tentatively the information needed will be gathered through e-mails and phone calls.

When coming to the end the answers from the interview will be summarized and reviewed. By doing this it will be ensured that the answers are well understood and the interviewee gets the chance to complement the answers given.

3.5 Qualitative Data Analysis

As this is a qualitative research containing interviews a qualitative data analysis is suitable. Since the meaning of the qualitative data analysis is to make a meaning of the relevant data, gathered from sources as such as interviews (Caudle, 2004). When all of the interviews were made the data was compiled. The benefit of a qualitative data analysis is that it can provide deep insight into how policies work or fail (Rogers & Goodrick, 2010). As mentioned earlier the interviews were recorded and by that it is possible for the researchers to go back and forth when analysing the result. The first step was to listen through the interviews, and during that process notes were taken of the important and relevant data. Thereafter the notes was processed and put into context. Some answers were also reformulated so it would better fit the context. Further, the two interviews at each company was integrated. The answers were also linked to respectively question to make it easier for the reader to understand similarities and differences shared in the interviews. The last step was to translate the interviews into English, since all of the eight interviews were held in Swedish, which is the native language of all involved. All of the interviews followed the same approach, which mean that every interviewee was given the same questions as the others.

3.6 Method Critics

During the interviews, it revealed that many of the interviewee’s had difficulties describing the corporate culture within the organization, even if general assumptions were reviewed in the beginning of the interview. Uncertainty about the corporate culture and how to explain
it seemed to be hard especially in the beginning of the interview but after a while they got more comfortable.

Sometimes information about the corporate culture could be stuck within the organization and therefore difficult to get those expressed. To get as much useful information as possible of each organization it might even require to ‘experience’ the culture in the organization for a time. By doing that it is more likely to see cultures at different levels, like the micro- and subcultures. Those cultures can even be hard for a manager to experience.

Another thing would be to have a broader range of interviewees, both internal and external. A broader range of internal interviewees would increase the possibilities in finding those micro- and subcultures, but also a wider understanding of how the general culture looked like. Together with some external interviewees, possibilities would increase to find culture-related issues. Those could possibly constitute or been used as a competitive advantage. It would also show whether the stated corporate culture was consistent with the external perceptions. However, this is of another dimension and would require more resources.

Regarding the credibility, the way some of the employees answered the questions can be considered as less reliable. Sometimes it seemed that the interviewee thought about an answer that would match the manager’s answer. If that would be the case, then the credibility could be reduced. Of course, this fact cannot be ensured.
4 Empirical Findings

Following chapter is a summary of two interviews in each of the four Swedish SMEs.

4.1 Willa Nordic AB

Willa Nordic was founded in 1989. Their business consists of selling, projection and house production. Since the start Willa Nordic have been located in Stockaryd, Småland. Today the company have 112 employees (Allabolag), a turnover of Euro 27.2 million, and a balance sheet total of Euro 9.4 million (based on exchange rate from 2014-05-09) (Willa Nordic AB, 2013).

The following information is gathered by personal communication with A. Petersson and K. Nyqvist, 2014-03-31.

4.1.1 Perceptions and Definition of Corporate Culture

1. How is the corporate culture in your organization from your perspective?

Willa Nordic has recently specified some values, which stands for: Positivism, Engagement, Clearness, Respect, Responsibility and Proudness. (In Swedish; Positivism, Engagement, Tydlighet, Respekt, Ansvar och Stolthet – PETRAS).

According to Petersson these values describes the culture in Willa Nordic in a good manner, and it is something that everyone strive to achieve.

Nyqvist states that it is the customers that have created the culture during a long time. Therefore it has been very important to be responsive and flexible both internal and external, since it was the customer’s requirements.

2. Which are the company’s visions and motives?

Willa Nordic’s vision is described as: “Every potential customer within the category unique “architect-designed” houses should buy their house through Willa Nordic”.

Their mission is described as: “Willa Nordic provides unique architect-designed houses that produces, delivers and assembles on-site to a guaranteed, competitive price. The customer get a personal unique home that nobody else has to a fixed price”.

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Willa Nordic works active with the vision and mission, but Nyqvist argues that depending on CEO, the focus may differ. For instance, if the CEO is much market oriented the actions might be of that characteristic.

3. Are there any historical events that have affected your corporate culture? E.g. mergers. If that is the case, in which way?

Willa Nordic’s values were created for about ten years ago, but according to Petersson, Willa Nordic has worked with those almost since the start up. Namely, in the beginning of 1990’s there was budget deficit in Sweden, which resulted in economical crisis and cost savings. Therefore the house production industry was suffering. To survive, Willa Nordic realized that it was necessary to differentiate from their competitors, so they begun to focus on unique architect-designed houses.

Another aspect that has affected the corporate culture from a historical perspective is that Willa Nordic has had some different CEO’s with different focus during the years. For instance, if the CEO has been economic or market oriented, hence the CEO have affected the culture depending on their competences and experiences.

Although, since the start-up it has been the same owner, so the basic assumptions have been the same, in fact, Nyqvist says: “Regardless CEO it has always been the customer who have been in focus”.

One further aspect that has affected the culture is political and financial regulations that affect the customers buying behaviour. Their borrowing capacity, for instance.

4. Disregard the historical events; are there any elements (external, internal) that affect the corporate culture today?

In Willa Nordic there is low employee turnover and according to Nyqvist that is an indication of engaged and content employees, which in turn affect the corporate culture in a positive manner. On the other hand, Nyqvist states that when it comes new employees it is much important to give them space to contribute with new suggestions and new input.
5. Which values and norms do you think are common among the employees?

According to Petersson everyone within the organization share the same values, but he declare that it might be some small differences between different functions. For instance, the unions campaign individual wages for the production workers, but among those workers there is a common opinion that they should have the same wage, so that everyone will take the same responsibility.

Nyqvist states that responsiveness is something that impregnates the whole organization.

6. Are there any differences in the corporate culture in different levels?

Nyqvist states that recruitments are important to gain new perspectives and inputs, otherwise, “the situation can easily be like an old married couple”. Willa Nordic has some different production facilities, and historically there have actually been some problems between those, but according to Nyqvist that have changed. Today there is a well-functioned collaboration between the employees in those facilities, thanks to employee turnover.

7. Are there any sub cultures? Reason? What is the challenge to manage those?

According to Petersson there are some minor differences between different groups but they do not have negative impact and as long as they do not oppose the common culture he thinks that it will be good to have some differences.

4.1.2 Strengthen, Control and Manage Corporate Culture

8. Which artefacts describe your corporate culture? Does it communicate your corporate culture as mentioned earlier?

Nyqvist says that it should always be obvious when employees meet customers that they represent Willa Nordic. For instance, salesmen should always have similar jackets, and in the facilities it should always be clean and proper, also the cars and the clothes should be clean, and the language should be tended.
9. How do you think that your customers and other stakeholders perceive your corporate culture? Is it clear from their perspective?

Nyqvist says “almost every time, we get credit from our customers that they feel comfort and that the workers are very polite”.

10. How does your company manage your corporate culture?

In employee meetings once a month the values is recurrent. Once again, Nyqvist states that it depends on CEO how they communicate the culture. Today the communication goes through different channels, both via meetings but also by monitors.

11. Which barriers do you see as a challenge to strengthen the corporate culture? Resources? Time? Money?

Petersson do not perceive that there are any barriers to strengthen the corporate culture. Contrary, last year Willa Nordic employed a Human Resource manager and since then they have already seen some improvements.

They always try to appreciate the work through small actions, not only kick-offs. That is something that creates a positive culture.

4.1.3 Corporate Culture as a Strategic Asset and a Competitive Advantage

12. Is it possible that the corporate culture can be used as a competitive advantage and strategic asset?

Willa Nordic communicates their culture both in their operation mode and marketing activities. According to Nyqvist it has never been hard to attract new employees since Willa Nordic has a good reputation both as a producer and employer.

Since there is high focus on responsiveness the management promote and appreciate new ideas.
4.2 Kuvertteamet i Sverige AB

Kuvertteamet i Sverige was founded 1991 in Bankeryd, Småland. Kuvertteamet is a company in the graphical intermediate, their main product is envelopes with print, but they also sell products within office printing, packaging and exposure. Today the company has 81 employees (Allabolag), a turnover of Euro 17,8 million and a balance sheet total of Euro 10,5 million (based on exchange rate from 2014-05-09) (Kuvertteamet i Sverige AB, 2012).

The following information is gathered by personal communication with P. Sjölin and A. Fredriksson, 2014-04-07.

4.2.1 Perceptions and Definition of Corporate Culture

1. How is the corporate culture in your organization from your perspective?

Sjölin describes Kuvertteamet’s corporate culture as they prioritize the individuals and have focus on simplicity and customers. Sjölin is reasoning that it is obvious to meet the employee’s needs, since a satisfied employee make a better work during their work time. In an employee survey it was found out that some employees felt that it was lack of rules within the company. To meet those feelings three norms was created: Responsibility of your work time, give each other feedback, and having respect for your own and your colleagues work tasks. Those norms were something that emerged during many years, but it was first after the employee survey Sjölin realized the need of having them specified. One of the reasons was that Kuvertteamet had made some mergers with companies with large cultural differences against Kuvertteamet. Another reason was that the amount of employees had increased and therefore there were many different thoughts and opinions within the company. Sjölin states that there are many employees that were employed in an early stage in Kuvertteamet’s history, hence when they still were relatively small. Therefore, when it comes new employees it may arise some clashes between the new employees and those who have been in the organization for many years. Some peoples who have been employed for a long time are thinking that it is still the same “small” Kuvertteamet, and therefore everything works as “always”. On the other hand, new employees perceive the company as a relatively large organization and therefore it may arise some clashes between those two groups.

Fredriksson describes Kuvertteamet’s corporate culture as it is much focus on community, openness and collaboration. He also states that Kuvertteamet is as a large company when it comes to production but with the advantages of a small company in terms of community
and collaboration. He also states that freedom with responsibility describes the corporate culture at Kuvertteamet.

2. Which are the company’s visions and motives?

According to Sjölin the vision is to be “a leader within printing wholesale in Scandinavian”.

3. Are there any historical events that have affected your corporate culture? E.g. mergers. If that is the case, in which way?

According to Sjölin the main historical events that have affected Kuvertteamet’s corporate culture are mergers with other companies, but since Kuvertteamet are not driven by strict rules it was easier for companies that earlier was driven by rules to adapt the less strict corporate culture within Kuvertteamet. On the other hand, some of those employees that are used to having rules do not appreciate a less strict culture. Sjölin says that he did not think of that as a problem during the mergers, but it was later he realized the importance of handling that particular dilemma.

In 2005, 50% of the company was sold to a Norwegian company (Lyche Konvolutt AS), which in turn was sold to a German envelope manufacturer (Mayer Kuvert GmbH). In this stage, with a German partner, Sjölin felt pressure from Mayer Kuvert to make some organizational and cultural changes. Since German organizations are more driven by hierarchy it occurred some conflicts between Kuvertteamet’s organizational and cultural structure and the German model. Since the managers at Kuvertteamet always try to meet the employee’s wishes some problems arose. For instance, when it comes to working hours Mayer Kuvert wanted to optimize and have strict rules of working hours, and that was something that clashed with the existing culture at Kuvertteamet. Therefore Sjölin decided to take the discussions with Mayer Kuvert. Although he realized that it was a higher cost to keep on and adapt the employee’s wishes. On the other hand, he argued that Kuvertteamet get more satisfied employees with a higher level of performance in return. The outcome was that Mayer Kuvert realized that the culture and organizational structure might differ between different countries. Sjölin also states that the company proved high profit and therefore it was easier to persuade Mayer Kuvert that the concept worked efficient. According to Sjölin he did not think that the employees felt any impact from Mayer Kuvert since he confront-
ed the problem before the employees was in touch. This becomes confirmed since Fredriksson did not perceive that Mayer Kuvert wanted to implement a new corporate culture or make organizational restructures.

Fredriksson states when Kuvertteamet became ISO-certified they had to implement some new guidelines and working methods, as a consequence the corporate culture was affected to become stricter organized.

Further he states that the organizational structure has changed in connection with some mergers. For instance during the time Kuvertteamet has grown it have become more complex processes for making decisions and changes.

4. Disregard the historical events; are there any elements (external, internal) that affect the corporate culture today?

Neither Sjölin nor Fredriksson perceives any factors having a significant affection on the corporate culture today.

5. Which values and norms do you think are common among the employees?

Sjölin states that it might be some differences in the culture between some departments in the company, and it is especially linked to mergers. In those situations the department have not been integrated completely with Kuvertteamet’s culture.

Even Fredriksson states that there are some cultural differences between departments. He means that it depends on which personal goals and ambitions the employees have. Despite those differences he means that all peoples and departments rely on the common corporate culture. Since the departments, the working method, and tasks differ it is also natural that it will be some changes in the corporate culture.

6. Are there any differences in the corporate culture in different levels?

Sjölin says that Kuvertteamet have successfully maintained the corporate culture since the start-up. A strong reason is that the managers have been employed in the organization for
many years and that they have went through different functions within the organization, by
that the corporate culture becomes obvious for them in their role as managers.

According to Fredriksson new employees may affect the corporate culture. In those situa-
tions it is important to see what fits together with Kuvertteamet’s culture. Hence, he means
that Kuvertteamet are responsive for new ideas.

7. Are there any sub cultures? Reason? What is the challenge to manage those?

Some peoples that have been employed for a long time perceive some things as obvious,
unlike those employees that are relatively new in the organization. For instance, some peo-
ple think it is naturally to ask Sjölin if they can get match tickets to HV71, the hockey
team Kuvertteamet are sponsoring. Since they know that the answer almost all the time is
yes, it may arise some distraction.

4.2.2 Strengthen, Control and Manage Corporate Culture

8. Which artefacts describe your corporate culture? Does it communicate your corpo-
rate culture as mentioned earlier?

Both in the office and the production Sjölin states that it should be clean and tidy, since it
creates trust and it also helps people to work more effective. It is also important to talk
clearly, especially when it comes to complex topics, otherwise it is a risk that the progress
within this area stagnate.

All peoples in the production have same clothes and that creates a form of community,
says Fredriksson.

9. How do you think that your customers and other stakeholders perceive your corpo-
rate culture? Is it clear from their perspective?

According to Sjölin the customers perceive that the corporate culture consist of a pleasant
atmosphere. This feeling they get immediately as they enter Kuvertteamet’s facilities.
10. How does your company manage your corporate culture?

Every second year Kuvertteamet have some questions that the employees may answer concerning the company, their manager and the corporate culture. The purpose is to find varieties, and if needed they put extra resources on managers who need extra support.

Sjölin states that it is important always trying to become better in all respect, and therefore it includes to constantly managing actions that strengthen the corporate culture. Fredriksson mentioned some of those actions, for instance the employees get breakfast once per month, which creates community between different departments. Once a year all employees within the company go for a kick-off. Another example is the intranet, where news within the company and the industry are communicated.

As mentioned earlier, Sjölin think it is important to show appreciation towards the employees when goals are reached.

Fredriksson says that when it comes new employees to his department, they start as trainees to create knowledge of the organizational and cultural structure, since it is the manager’s responsibility to transfer the corporate culture to new employees.

11. Which barriers do you see as a challenge to strengthen the corporate culture? Resources? Time? Money?

According to Sjölin, the only barrier concerning to manage corporate culture depends on individuals. It is important to inform everybody in the organization about changes, otherwise all people do not understand the purpose of the change and therefore those peoples will be hard to motivate.

4.2.3 Corporate Culture as a Strategic Asset and a Competitive Advantage

12. Is it possible that the corporate culture can be used as a competitive advantage and strategic asset?

Sjölin says that the culture is “in the walls”, and that the customers perceive the corporate culture when they visit Kuvertteamet. Often Sjölin and the salesmen’s gets credit for the pleasant atmosphere.
Sjölin states: “I think that the difference between a successful company and a unsuccessful company is to get people to effort the final 5%”. Hence, the employees are very important and it is those who make the crucial difference. Sjölin means that it is important to show appreciation towards the employees when goals are reached. It does not need to be high-cost activities, but he states that the small everyday actions are at least important.

4.3 Bröderna Miller AB

Bröderna Miller AB is a family organization in the fifth generation located in Bankeryd in Sweden. In the organization´s early history the main focus was to deliver seizures to hardware suppliers, but in recent years the activity has also evolve to deliver bathroom furniture and bathroom accessories. Today the company has 22 employees (Allabolag) and a turnover of Euro 6,8 million (based on exchange rate from 2014-05-09) (Bröderna Miller AB, 2012).

The following information is gathered by personal communication with F. Miller and H. Lundberg, 2014-04-23.

4.3.1 Perceptions and Definition of Corporate Culture

1. How is the corporate culture in your organization from your perspective?

Miller describes Bröderna Millers corporate culture as an organization without prestige. He mean that the organization is not keen to accentuate themselves and describes himself and the employees as “simple” people, without stereotypes and tough attitudes. By the word “simple” Miller says that many of their customers experience Bröderna Miller as an organization that is very “simple” to work with and Miller believes that it is originated from his father, Christer Miller, former CEO Bröderna Miller AB, who he describes as a non-remarkable man. Miller also mentions that Bröderna Miller is a much service-orientated organization that he believes is very deep rooted.

Lundberg describes the culture as “old-fashioned” but he also states that it has started to change and that the culture is affected from Miller´s manner to be; “it sneaks up on time”.

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2. Which are the company’s visions and motives?

Bröderna Miller does not have any formulated visions and motives according to Miller.

Whether “The Miller Way” is a part of their vision, which is stated at their webpage, different answers were given. Miller means that the meaning of “The Miller Way” is that “they do it in their own way” when designing the bathroom products. He also explains that they go very deep into details on every product. Lundberg at the other hand aimed that it’s just something used for promotion purposes and nothing that affects the business climate. He also explains that “The Miller Way” is a fairly new expression that has gradually grown.

3. Are there any historical events that have affected your corporate culture? E.g. mergers. If that is the case, in which way?

Miller mentions the economic crisis in 2008 as an influencing factor that affected Bröderna Miller financially. He experienced that the moral of the employees suffered at the same time and he believes that it affected the corporate culture.

Lundberg mention that in a historically perspective the employees was not even allowed to talk to the CEO if he did not talk to them, but that is not noticeable today. Instead he means that Miller is more of a “modern” leader where the hierarchy philosophy has eroded. Today it is more of an open atmosphere were everyone collaborate. Lundberg says, “It is a sort of an opened office nowadays”.

4. Disregard the historical events, are there any elements (external, internal) that affects the corporate culture today?

Miller belongs to the fifth generation and he experience that the organization today is more sales orientated than it was earlier. Before they were more production focused and manufactured products that not fall within their current two segments. Miller says that when they introduced the bathroom-series they began to focus more on quality, branding and adding value to their bathroom products. That resulted in more proudness among the employees concerning the products.
Lundberg states that the CEO’s have strongly affected the corporate culture. Also redundancies due to the economic crisis have forced the organization to become more flexible.

5. Which values and norms do you think are common among the employees?
Both Miller and Lundberg think that most of the employees collaborate and help each other. Lundberg says that most of the employees put your mind to and go the extra mile and cares about the process of the organization. One could say that there is a kind of “team-spirit”. Both Miller and Lundberg experience that there are some difference in the working ambition between employees. Lundberg explains that he experience differences between the employees in the seizure and the bathroom departments. The seizure segment, that is almost taken for granted, is much about supply reliability and customer service. The bathroom segment is more modern, practically and aesthetical. Hence, those values become reflected among the employees, Lundberg continues.

6. Are there any differences in the corporate culture in different levels?
Both Lundberg and Miller state that the corporate culture might be the same at all levels in the organization. They believe that most of the employees are keen that their customers will be served and mean that the employee feels responsibility, for instance to send the orders in time. According to Frank the level of ambition differ depending on which level you work at. Someone that works at a higher level has self-interest to profitability and sales due to one that work in a lower level does not have the same self-interest.

7. Are there any sub cultures? Reason? What is the challenge to manage those?
As mentioned earlier in question 4, Lundberg believes that Miller is more passionate about the bathroom segment than the seizure segment, a possible explanation could be that he was involved in the start-up of that particular segment.

When it comes to decisions in the organization it could be some problems, since some decisions are not only taken by the management. Lundberg mean that decisions in larger or-
ganizations are only taken by the management. In Bröderna Miller the responsibility is unclear. Sometimes it perceives that decisions are made at the family dinner.

4.3.2 Strengthen, Control and Manage Corporate Culture

8. Which artefacts describe your corporate culture? Does it communicate your corporate culture as mentioned earlier?

Both Miller and Lundberg says that there is no kind of dress code within the organization, except for their salesman and it can be compared to their “simplicity”. Today, unlike some years ago, the salesman’s drives a Volvo, which makes them more uniform. According to Miller, they sell qualitative products and therefore they should drive qualitative cars. To keep the simplicity they drive Volvo instead of, for instance BMW, which can be seen as a more status symbol. Further Miller explains that the he was about to buy a BMW but it would send “wrong” signals that Bröderna Miller do not comply. Instead he bought himself a Volvo.

When the hierarchy was more significant the manager’s had their own reserved parking place. Today all employees, according to Lundberg, can use those parking lots.

Lundberg mention the interior as something that sends out different signals, signals that not represent the corporate culture today. The interior has no uniform pattern, instead it symbolise that there has been different CEO’s through the lifetime of Bröderna Miller. For instance along with the wall up to the office hang paintings of former CEO’s makes the atmosphere a kind of old-fashioned. On the other hand, the meeting room was more like a retail store.

9. How do you think that your customers and other stakeholders perceive your corporate culture? Is it clear from their perspective?

Lundberg believes that the customers perceive Bröderna Miller as an organization that cares about the customers. Bröderna Miller tries to symbolise the “simplicity” outwards and it seems that their customers perceive their culture as “simple”.

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10. How does your company manage your corporate culture?

At Bröderna Miller there are no active work with the corporate culture since Miller mean that the employees will figure it out themselves during the time. To preserve the culture the managers does not put pressure on their employees to succeed, instead Miller hopes that the employees do their best for “the love to the company and its owners”. Miller gives an example of one of their salesperson that for a time ago did not get through a quote, instead of asking “why” Miller just said “it is okay, we get the next customer”. Miller does not stress the customers, instead he let them take the time they need to answer a quotation. The information between managers and employees has become much better, although the “Miller News”, that earlier was sent out to the employees, is something that Lundberg is missing. The “Miller News” provided the employees with information and news according to the organization. Lundberg also states that it is easier to make changes today than it was earlier since the organization is more flexible.

11. Which barriers do you see as a challenge to strengthen the corporate culture? Resources? Time? Money?

Still much focus is on the customers, but for the last months Miller strive to inform the employees about the on-going businesses. Earlier, only the managers were aware of the information. Miller hopes that Bröderna Miller will grow so much that they can bring economic dividends to employees, which in turn will affect the economic interest. His vision of that is to make the employees work harder, which would reward both the employees and the organization.

When it comes new employees Bröderna Miller are always open for new thoughts and opinions.

A potential problem for Bröderna Miller could be that possible customers do not know about the “simplicity”. Lundberg mean that it is something that spreads by word-of-mouth.

4.3.3 Corporate Culture as a Strategic Asset and a Competitive Advantage

12. Is it possible that the corporate culture can be used as a competitive advantage and strategic asset?
Both Miller and Lundberg explain that some of their major customers still order products from Bröderna Miller even if they are supposed to use other suppliers. The reason according to Miller is that the customers experience Bröderna Miller as “easy” and with good personal contact. Lundberg at the other hand says, “the competitive advantage is that we make our best efforts, and really try to help our customers”. Further he also says that they really are trying to solve the customer’s problems that larger organizations might not do in the same way. Lundberg believes that it is important for Bröderna Miller to maintain good contact with their customers. He means that it could be hard to use their corporate culture as a competitive advantage because it is intangible.

4.4 Jönköping Airport AB

Jönköping Airport is one of Sweden’s regional airports owned by the Jönköping Municipality. The airport operates various scheduled and charter flights, general and business aviation flights, and cargo. Today the company has 43 employees (Allabolag) and a turnover of Euro 4,9 million (based on exchange rate from 2014-05-09) (Jönköping Airport AB, 2013).

The following information is gathered by personal communication with S. Norinder, 2014-04-10 and P. Petersen, 2014-04-23.

4.4.1 Perceptions and Definition of Corporate Culture

1. How is the corporate culture in your organization from your perspective?

“We are a rule-driven business, which attracts people that are interested in communication. If people are not ready to be prepared for this, the employment would not be for a long time” says Sten Norinder, the CEO of Jönköping Airport.

With this in mind, and the background described later in question three, Norinder gathered all employees a few years ago to discuss which key words to act upon. The result was: “Safe, convenient and personalized”.

- Safe: Safety always comes first. That is due to regulation set by authorities. No less safe than larger airports. Travellers shall not experience anything else than a safe airport.
• Convenient: According to the facilities, their positions, the distances, the environment and processes that travellers undergoes.

• Personalized: Jönköping Airport shall addressing travellers by their names (if possible). Since many travellers are regular travellers. Norinder argues that it is probably easier to abandon an organization that is impersonal. To integrate this into the internal operations Norinder have come up with three additional words; Smile, Eye contact and Nod. (In Swedish; Leende, Ögonkontakt och Nick – LÖN). (“LÖN” is also Swedish for salary, authors note). If using it in an internal context it will also be transformed into an external context according to both Norinder and Petersen.

According to Petersen, employees are thinking about how to act more personalized to their customers. This is coming from the latter motive. Although he mentions the other two as well. He also continues that the key words describe: “What they are as well as how they want to be”.

2. Which are the company’s visions and motives?

“In the future Jönköping Airport shall be the most trafficked regional airport in Sweden. An airport that contributes to the attractiveness in visiting, of settles in, to work in, and to the establishment of new businesses through a varied and adapted range of products.”

Safe, convenient and personalized is today also a part of the company’s vision.

3. Are there any historical events that have affected your corporate culture? E.g. mergers. If that is the case, in which way?

In January 1st, 2010 there was a change in the ownership, the state was replaced by the municipal. A board was founded which was in disagreement about how the airport would be developed. In the media, a lot of controversial political opinions were also presented.

When Norinder was appointed in March 2011 he considered that the mission he had been given was to provide peace and tranquillity, and to concentrate on development instead of organizational issues and internal strife. This led to the decision in involving everyone within the organization in formulate the key words, the vision and how to move forward. The
change in ownership did not only affect the management but also the employees as a whole group. Something that Petersen also agrees to. Many are now more business-like disposed to their work and their effort. “The former fuzzy picture yielded the need of a new clearer picture.”

Petersen came to Jönköping Airport in 2002. He experience that the culture has changed in the recent years. When he started his colleagues were just sitting on a chair, waiting for a plane to arrive, then got out, offloaded it and then got back inside again. Now they are really thinking about how they can do the same job but instead in a personalized and convenient way. Of course without risking the safety. They greet the travellers, pilots and cabin crew when meeting them and so on.

Petersen considers the change has to do with the reorganization in 2004 and it also had an internal impact. At the time of the reorganization others replaced several employees. Most of them who were redundant who had many years of experience and in came totally fresh ones. Within the old group were some old grudges that the new ones could not understand and agree upon.

Another thing that affects the organizational culture is all the change of CEO’s, with each one trying to make their mark on the business. Petersen has had four different ones and this also have an impact on him and his colleagues in their daily work.

4. Disregard the historical events; are there any elements (external, internal) that affect the corporate culture today?

The environment is now very convenient and personalized in itself. It is very open and attractive. Travellers can see the aircraft immediately through the security control and the large glass windows that they are about to board, when entering the departure hall. Most employees do now also have name labels on their chests, which provide a more personalized airport. “The three key words can all be guidelines and used to handle daily work and operations,” Norinder says.

Petersen considers that the regulation of Swedish Transport Agency (STA) have a big impact on the organizational culture, since it have such a huge impact on how to run the airport in every detail. Another aspect is the economy. If economy is good, employees are more optimistic and put their beliefs in different investments for example.
5. Which values and norms do you think are common among the employees?

Expect the three key words, a respect to the regulation of STA is shared among the employees. It is certainly important to comply. Those are still actual and up-to-date.

Petersen believes that if one should not comply one would also override the entire business and the STA would soon be there, wondering what they really do. STA in fact have the mandate to shut down the entire business if they are not satisfied.

Continuously Petersen considers that flexibility is one shared value among his colleagues. Every employee in the production level needs to be ready and open to new schedules and change by shifts now and then. To reduce the frustration that may sometimes occur he suggests an open communication and good preparation in time.

6. Are there any differences in the corporate culture in different levels?

The answer from both Norinder and Petersen comes quick: “Hopefully not!” According to Norinder, that is the whole purpose of working together when formulating those already mentioned motives. He is aware of and pointing out clearly that everything is of course not always presented to him as the CEO. Although Petersen states that there still is a situation of “us and them”, but that it is slightly erasing thanks to good communication from the management. Furthermore Petersen speculates that this situation might be explained by the fact that there still are some old employees who still feels this distance and maybe even counteracts the change.

7. Are there any sub cultures? Reason? What is the challenge to manage those?

There has been one among customer service department where one has almost tried to surpass themselves in terms of service. Norinder states that this is what he has been experienced and this may be wrong and there are maybe other subcultures within the organization. When Norinder was appointed he experienced a frustration and many wills that people did not have an outlet for. He saw a chance to seize those wills and that the employees were worth something better.
Petersen mentions another subculture concerning a group of people who sometimes turns a little too often to the supervisors, complaining and whining about, what Petersen thinks are, a bit irrelevant issues. This “consumes energy” and since everyone is a member of a team it is also important that everyone moves in the same direction. In his role as a Team leader he tries to prevent this behaviour by having an open dialogue within the group and even put up some individual agreements without always receive confirmation from Norinder.

Furthermore Petersen believes that the managers are aware of the subculture he has mentioned actually exists. Not in its entirety but that there are parts of it.

4.4.2 Strengthen, Control and Manage Corporate Culture

8. Which artefacts describe your corporate culture? Does it communicate your corporate culture as mentioned earlier?

The environment, how employees are dressed and how they behave against each other and the travellers, is all corresponding to the corporate culture. The artefacts communicate the key words and the key words communicate the employees’ wills, Norinder considers.

Petersen addresses a big challenge for Jönköping Airport linked to the personalized aspect. The terminal is built to cope 700,000 travellers per year and now there are only about 100,000 travellers per year. Of course this sometimes leads to an empty and desolated terminal. Although many improvements have been done, and now remains to get those travellers back, that once have been there.

9. How do you think that your customers and other stakeholders perceive your corporate culture? Is it clear from their perspective?

If one should ask the travellers about which culture they experience they would probably not specifically come up with the three words, safe, convenient and personalized. However, the collected opinion would likely to be summarized in those words.

What Petersen experiences and gets much feedback to, are that many customers and stakeholders perceives that Jönköping Airport is very convenient and personalized compared to other bigger airports. Even without lessening the safety.
10. How does your company manage your corporate culture?

Norinder provides a few examples. Partly by “Stentavlan” (a sort of weekly PM), annual meetings/conferences, the intranet and also at the coffee breaks each Friday. All those different ways provides the organization with a sense of affiliation. Furthermore there is a giant control system that is strictly monitored. How it is implemented can be seen on the big whiteboard in the employees’ resting room.

Norinder also tries to communicate personality through “management by walking around”. An example is that he sometimes joins the ground handling staff during a charter flight and gives a hand in the loading procedures. Petersen experience that Norinder is very attentive, humble and tries to meet the employees’ wishes.

11. Which barriers do you see as a challenge to strengthen the corporate culture? Resources? Time? Money?

Norinder: “No… What it depends on is what you want to achieve and how you want it to be used.” Norinder wants to use the resources that are available to him. In that sense he will not feel a lack of resources. The ideas will be formed in a way that makes the resources big enough. “If the resources aren’t big enough - the idea are not good enough!” “Good ideas have never disappeared due to a lack of resources, they will always succeed.”

Petersen argues that he is not averse to whether the company would hire a person to work with the corporate culture more specific, since he thinks that there is more to gain from it. Of course as long as the culture is positive.

4.4.3 Corporate Culture as a Strategic Asset and a Competitive Advantage

12. Is it possible that the corporate culture can be used as a competitive advantage and strategic asset?

It already is a strategic asset Norinder believes. Not in a way that it can be used to attract new employees and that will probably never be the way. But many visitors are curious in why the airport has developed and now working so well, much better than it did a few years ago.
Norinder have also experienced a higher rate of spontaneous applications and this could also have to do with the fact that people are hearing mostly good things about the airport. “If they would not, they would probably not want to work with us!” When the same question goes to Petersen he addresses another aspect as a competitive advantage than the three key words. What he considers the most valuable asset is the sense of flexibility that the employees possess. The fact that they can start working 03:30 am without major complaints constitutes a giant strength. Petersen believes that this can be very useful to the managers. Satisfied and happy employees pass their feelings forward to their friends and surroundings. This will certainly attract new employees.

In this case, the corporate culture can only be used in an indirect sense Norinder believes. On the other hand, it can be used more directly in advertising. Norinder gives an example from a winter-campaign: “Bad road conditions? Not up in the air!”, this refers to the key word of “safe”. Another example is pictures of employees in different marketing campaigns, which can be linked to a “personalized” airport. In comparison to Landvetter Airport, which probably is the biggest competitor, Jönköping Airport has a greater ability of being convenient and personalized. Since Landvetter is much larger in several perspectives which both Norinder and Petersen agrees to.

Norinder consider the corporate culture and the three key words slightly difficult to communicate to the airlines, which in fact are their main customers. The airlines actually do not really care. The airport to them is what Norinder calls a “hygienic factor”, the purpose is only that it functions. What they care about is the catchment area, how many people it contain and where people want to travel et c. Anyhow, the corporate culture is experienced by the companies that Norinder gets in contact with. He has been given a lot of feedback considering the good climate at Jönköping Airport.
5 Analysis

The purpose of this report was to examine how SMEs can strengthen and use their corporate culture as a competitive advantage. We believe that it has been fulfilled. SMEs can strengthen their corporate culture through clear stated visions and motives. In order to use it as a competitive advantage SMEs can differentiate themselves from their competitors through a strong and functional culture. They can also retain and in some way attract new employees.

Some of the questions were given expected answers. Like Thunström (2010) said that a common perception within SMEs is that the corporate culture is fuzzy and difficult to manage, which the people we have talked to certainly agree upon. On the other hand some questions were given more unexpected answers. According to Zaheed et al. (2006) corporate culture within SMEs were something informal but that did not seem to be totally true. Three of the four companies we talked to had well defined documents of visions that were raised out of, and comprehended to their corporate culture. As Merhar (2013) addresses that the perception of corporate culture within SMEs, is that it is only valid to large companies and not important to manage, did not correspond either.

Furthermore we wanted to see which problems and difficulties our interviewed companies faces concerning their corporate culture. We also wanted to examine similarities and differences within those companies, if they perceive their culture as a strategic asset and how they manage their corporate culture. The interviewed companies provided us with useful information to all those questions that we will discuss in the following sections of this chapter.

The study raised a few new questions that would be interesting to proceed with. One of them comes from the interview with Bröderna Miller and their lack of clear visions and motives. This would be interesting to study if it has something to do with family companies in general. Are there any similarities and why is that? Another question to deal with could be whether there are differences in the perception of corporate culture among females, since we have only discussed the topic with male managers and employees.
5.1 Perceptions and Definitions of Corporate Culture within SMEs

When the first question was given, where we asked the companies to describe their corporate culture, Willa Nordic, Kuvertteamet and Jönköping Airport all started by declaring their visions. This was a bit interesting since our second question was just about visions and motives and if those corresponded to their corporate culture. Anyway it turned out to be consistent. The different visions and motives of the three companies were all formed and raised after they had felt a shared need of clear objectives. It has earlier been clarified that organizations need to organize their sets of shared assumptions in order to provide foreseeability and meaning (Weick, 1995; Weick and Sutcliffe, 2001).

The visions and motives were also made in a consensus. According to Sadri and Lees (2001) this is a good way of create understanding among the employees concerning their values and missions. Especially at Kuvertteamet and Jönköping Airport where they were formulated at a specific moment in time. Both managers and employees mentioned the key words included in their formulated visions. To us this seemed to be a good way in providing people something to refer it to. When the companies involved their employees they were also given a defined vision that everyone could more or less endorse. As Oden (1997) argues this is the first task for managers to ensure. We consider this way of formulating the visions and motives very important because it reduces the risk of a formulation that is foreign to the employees. Such formulation would not be useful and only act confusingly. The visions and motives contribute to a strong and functional culture. Something in which several ways can be linked to what Flamholtz and Randle (2012) argues about functional versus dysfunctional cultures as well as Arthur (2014) about strong cultures.

The importance of a clear defined vision becomes even more obvious when looking at Bröderna Miller, at least when they were asked to define their corporate culture. According to Arthur (2014), companies without a clear mission statement often struggle to find an identity. Although the CEO eventually summarized them as “simple” that did not seem to serve as a key word. Lundberg described their culture a bit similar but using other words. A suggestion would be to develop the motive “The Miller way” that we found on their webpage. It is a waste that they have this statement without any content and a little bit confusing as well. When we first read it, we were much curious and enthusiastic about it, but ended up a bit disappointed.
Factors affecting the corporate culture within the organizations were by both similar and differing characteristic. As we noted it could depend on the business and environment the organization is operating in. According to Flamholtz and Randle (2012) values can reflect what an organization considers most important with respect to its environment, including its operations, customers and employees. For example Jönköping Airport operates in an environment that is strictly restricted and controlled by Swedish Transport Agency. Therefore the word “safe” that they used frequently did not surprise. Safety in operations came first, then employees and customers, even if the last two were much integrated in their values anyway. Kuvertteamet, Willa Nordic and Bröderna Miller had values that were more focused on customers and employees. Since the companies we have interviewed operates in different businesses it should be interesting to make further investigations within each business to see how the companies adapt to their environment and what the specific challenges are.

Jönköping Airport, Willa Nordic and Bröderna Miller argue that economic aspects have a huge impact on the corporate culture. Fluctuations in motivation and morale have been significant during economic times of diversity. Willa Nordic also felt that political and financial regulations had an impact. At Jönköping Airport and Kuvertteamet reconstructions and mergers have affected the culture. We can see a link to those issues in what Schein (1985) says about learning (cited in Jacobsen & Thorsvik, 2008). Culture develops in order to how the organizations adapt to new experiences and changes in different situations, externally as well as internally.

When we asked our interviewees if there were any sub-cultures or cultures present at different levels there was difficult to get a clear picture, especially about how they were presented. Even though we were aware not getting all the information it would have been interesting to see more about what impact it made. We still felt though that the people we talked to, refer sub-cultures as something negative. Like Jacobsen and Thorsvik (2008) argues that sub-cultures can both complement as be in conflict with each other we believe that there could also be sub-cultures that can have a positive impact. Furthermore we think Petersen at Jönköping Airport touches on this when saying, “the flexibility the employees possess is their most valuable asset”, if one look at flexibility as a sub-culture. What we see here is a possible strategic asset.
The manager’s role in influencing the organizational culture should not be underestimated which will be further developed in the next chapter. Although, we experienced another interesting fact during our interviews concerning social desirability bias. It sometimes seemed that the employees wanted to give the same answers to our questions that their managers had done. Especially at those three companies that had a clear stated vision. The reason to this is unclear to us. Maybe they saw the question as kind of hearing and that they were expected to know the particular key words. Another answer could be that they felt they did not want to share views of their culture that they considered bad and therefore contribute to a poor reputation. All this possibly affected the picture we got of how the cultures actually were formed within the companies. Finding reasons would be a subject of future researches.

5.2 Strengthen, Control and Manage Corporate Culture in SMEs

The artefacts express the basic assumptions, values and norms the organization possesses (Schein, 2010). The level of commitment the companies have put in to shape the artefacts seems to vary. Jönköping Airport has put much effort in trying to communicate their three key words through the artefacts, which successfully have generated both an internal and external significance. Kuvertteamet communicates trust and community. It is a bit difficult to see how Willa Nordic communicates their key words although they have put some effort to communicate professionalism, respect and responsibility. Bröderna Miller did mostly seem to concentrate on the salesmen, according to their cars, clothes and attitudes. Not the business in its entirety. Our perception is that artefacts certainly help organizations to communicate a unified culture that follows a common thread as well as strengthen it, both in an internal sense among the employees and in an external towards stakeholders. If artefacts are clear and easy to interpret it will also help to be understood and function as symbols.

Visions and motives help organizations to control their corporate culture as already mentioned. Furthermore two practical ways of how to control a corporate culture were presented. The first one was at Jönköping Airport according to their safety work. The giant control system they had was strictly monitored to prevent deviations. The second one came from Kuvertteamet. Their culture had been exposed to pressures at times of mergers and acquisitions. According to them, new employees gets introduced to the culture as they begin in the company as trainees and thereby also kept the culture integrity. We could also
see the manager’s important role in the acquisition by the German company at Kuvertteamet and how he prevented the new owner from influencing the company’s culture.

Schein (2010) describes the corporation’s unwillingness to change its culture as survival anxiety. The CEO of Jönköping Airport declared that people that would not fit into the organization’s culture would soon also leave the organization. Even if we did not meet any cultures that seemed to be dysfunctional, such statement could be devastating according to Schein’s reasoning. Although we believe that in this case the company needed all employees to endorse the vision since it was crucial to the company’s operations.

So far we believe that much what is stated is not only valid to SMEs but also quite similar to large companies. Interesting is when getting closer to who is responsible to the management of the corporate culture there seems to be a common opinion that the CEO plays a crucial role. Oden (1997) talks about managers’ importance in formulating and implementing a corporate culture and Schein (2010) states that in order to learn new concepts, it is important having positive role models. We can therefore see that this is much linked to the CEO’s personal engagement and efforts. Although the ways of how the interviewed CEOs communicated their corporate culture differed, we can see one factor more important than any other; *internal information*. The CEOs also believed that this was necessary to achieve desired and optimal effect. Since the CEO plays an important role concerning the corporate culture in SMEs it lays much responsibility on that single person. Therefore it is crucial that the CEO is conscious about what is best for the company, that the employees accept his/her philosophy and the culture has good impacts on the company. Sjölin mentioned he was in conflict with Mayer Kuvert when the acquisition was made. Since he could prove that the existing culture was well functioned, it also remained intact. Our opinion is when the company becomes larger, it also becomes more difficult for the CEO to manage the corporate culture. Maybe that is one reason to why the CEO becomes a central figure concerning corporate culture within SMEs. It was shown in Kuvertteamet that Sjölin had some difficulties in getting all peoples to adopt the corporate culture. Maybe it is not a contingency that Kuvertteamet had those problems, since it was the largest company in terms of number of employees, among the respondent companies.

Since the common perception is that corporate culture is only for large companies (Merhar, 2013), we wanted to ask the companies if there were any barriers to strengthen the corporate culture. According to Kuvertteamet the only barrier lay in the individual. If changes
should be made, it is important to prepare all involved. Otherwise there was hard to distinguish any obstacles. To quote the CEO of Jönköping Airport; “If resources are not big enough – the idea is not good enough!” What we can learn from this is that there should not be lack of resources to strengthen a corporate culture even within SMEs. We suggest that the companies should focus on the idea more than the costs. Possibly a good idea can generate more benefits than the resources it demands.

5.3 How to use Corporate Culture as a Strategic Asset and a Competitive Advantage within SMEs?

As we have noted earlier, corporate culture can be a strategic asset and thus act as a competitive advantage (Flamholtz & Randle, 2012). We have also concluded that the culture needs to be functional to serve as a strategic asset (Van Fleet & Griffin, 2006; Flamholtz & Randle, 2012). From the interviewed companies it is difficult to make any further conclusions since none of them seemed to be dysfunctional. None the less we still think this is an important question for companies to start with; do we have a functional corporate culture? A culture only serves as a competitive advantage if it is functional, otherwise it can be a liability to the company (Flamholtz & Randle, 2012).

Next step is to consider if the culture is strong or weak. Companies that have explicit, embraced and clearly understood cultures tend to be strong cultures, and therefore more likely to achieve their goals according to Flamholtz and Randle (2012) and Arthur (2014). From the interviews we should thereby conclude that Jönköping Airport, Kuvertteamet and Willa Nordic are relatively more successful than Bröderna Miller since their cultures seemed to be stronger. Anyway the culture from the latter, which they referred to as simple, perceived to be appreciated among their customers and therefore a strategic asset, even if it was not that explicit. What would be interesting to see is how their performance and results could be like, if they developed a kind of “culture programme” where they stated visions, motives and key words to strengthen their corporate culture. Of course we can not know for sure how the performance would be in the other three if their culture would have been weak or dysfunctional.

According to Barney’s (1986) three conditions that need to be met for a culture to provide a competitive advantage. The degree, to which the companies we have interviewed fulfil Barney’s three conditions, is difficult to estimate. Jönköping Airport and Willa Nordic have used their corporate culture in different marketing campaigns. Even if the effect of it needs
deeper investigations, they show that it is possible to function as strategic assets. The corporate culture at Kuvertteamet is a strategic asset, since it is “in the walls” that contributes to a pleasant atmosphere appreciated by the customers. If this can be related to a direct sense of using corporate culture as a competitive advantage it is probably more suitable in an indirect sense through leadership and management.

Sjölin, CEO at Kuvertteamet, believes that the big difference in becoming a successful company or not, comes with satisfied employees. Something Arthur (2014) states as well. Respect between managers and lower-level employees create satisfaction. Satisfaction creates higher performance. Petersen at Jönköping Airport also believes that a sub-culture can be used as a strategic asset, as earlier mentioned. He thought about the flexibility among his colleagues, which is interesting since Jones (2003) considers that particular issue to be the key source of a competitive advantage for SMEs. According to this we suggest that Jönköping Airport should do further investigations in how to elaborate on this.

Another way of using corporate culture as a competitive advantage is to attract new and retain old employees (Flamholtz & Randle, 2012). A positive culture can gain several other benefits (Greger, 1999; Sadri & Lees, 2001), in terms of better performance and difficulties for competitors to “steal” their employees. This we can be related to the positive experiences at Willa Nordic, saying that they never have had problems recruiting new people. They believed that this stemmed from their positive corporate culture. Even Jönköping Airport has felt an increase in spontaneous applications, which they believe can be linked to the reputation of their good culture. They also continue on this when saying that satisfied and happy employees attract new employees. What the interviewee did not mention is the benefits in retaining employees. From our perspective this is not a less important factor and that companies should consciously strive to maintain a positive corporate culture.
6 Conclusion

The intangible nature of corporate culture makes it challenging to come up with a common definition. Although visions, motives and key words can gain benefits by making it more tangible. When documents and definitions are formulated they must be made in the context of consensus. Management and employees need to endorse the same vision that also reflects the actual corporate culture.

Artefact serves as a communicator for the corporate culture. Therefore it is important that they are consistent with the actual culture. If they are not consistent it will only be confusing, both internal among employees and external to other stakeholders.

Clear stated visions and artefacts help SMEs to strengthen their corporate culture. Internal information and communication is a crucial tool to keep it up to date. Within SMEs the CEO have a major responsibility in creating a strong and functional culture as he or she serves as a role model, the fewer employees to manage, the easier to make them comply. It is only through a strong and functional corporate culture, that companies receive a strategic asset.

Active improvement and development of corporate culture is not only for larger companies. SMEs should actively seek for their opportunities as well. There are no obvious barriers preventing SMEs from doing it.

When employees are satisfied and support the corporate culture, they are likely to retain within the organization. A positive culture can also help companies to attract new employees. In order to use it as competitive advantage, much is depending on the nature of the culture itself. It should not be taken for granted it can be used in marketing activities and operational strategies. To become a true strategic asset and function as a competitive advantage it should be experienced rather then observed by all stakeholders.

It has been shown that there is a considerable amount of theories concerning corporate culture that are not only applicable to large companies, but SMEs as well. From a managerial point of view those theories are therefore valid towards building an advantage against its competitors.
Appendix

List of references


Appendix


Qu, S. Q., & Dumay, J. 2011. The qualitative research interview. *Qualitative Research in Accounting & Management, 8*(3), 238-264.


Appendix

Appendix 1

Interview questions

Perceptions and Definition of Corporate Culture

1. What is corporate culture in your organization from your perspective?

2. Which are the companies’ visions and motives? Do those correspond to the corporate culture? If yes – how elaborate?

3. Are there any historical events that have affected your corporate culture? E.g. mergers. If that is the case, in which way?

4. Disregard the historical events, are there any elements (external, internal) that affects the corporate culture today?

5. Which values and norms do you think are common among the employees?

6. Are there any differences in the corporate culture in different levels?

7. Is there any sub cultures? Reason? What is the challenge to manage those?

Strengthen, Control and Manage Corporate Culture

8. Which artefacts describe your corporate culture? Does it communicate your corporate culture as mentioned earlier?

9. How do you think that your customers and other stakeholders perceive your corporate culture? Is it clear from their perspective?

10. How does this company manage the corporate culture?

11. Which barriers do you see as a challenge to strengthen the corporate culture? Resources? Time? Money?

Corporate Culture as a Strategic Asset and a Competitive Advantage

12. Is it possible that the corporate culture can be used as a competitive advantage? Strategic asset?