



LUND UNIVERSITY
School of Economics and Management

Shaking ground

Maintaining organizational culture in a fast growing tech startup.

A case from the Baltic States

by

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Abstract

Title:	Shaking ground. Maintaining organizational culture is a fast growing tech startup. A case from the Baltic States
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Keywords:	Organizational culture, startup, growth challenges, maintaining organizational culture
Thesis Purpose:	To understand organizational culture and the ways of maintaining it in a fast growing tech startup from the Baltic States
Research Questions:	What is the organizational culture in a fast growing tech startup? What are the challenges faced due to the rapid growth? What are the ways to maintain the organizational culture in a fast growing tech startup?
Methodology:	Qualitative interpretative case study. The data gathered through 15 semi-structured interviews, observations, documents, and literature following an abductive approach.
Conclusions:	It is difficult to maintain the same organizational culture as some elements have to be adapted to the changed social reality and complex organizational situation. The rapid growth weakened close social relationships, brought more formality, and different values interpretations. DreamBig aims to preserve informal, friendly, flexible, and participative organizational culture, by applying hiring with a focus on 'cultural fit', rituals and team building activities as means to maintain its culture. Formalization initiatives started due to the increased business complexity are contradicting the informality of culture.

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Happy reading!

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1 Introduction

The term "startup" became often used in various contexts. In the universities, special startup initiatives and fairs are organized to encourage students to create their startup or to join the existing one. The governments create special programs to support the emergence of startups and make the business environment more conducive. Additionally, popular media has plenty of publications about startups, their successes or failures, the new ways of management and new business models applied.

Fast success possibility, flat hierarchy, friendly and informal culture, implementing new ideas and technologies, ability to influence, and challenging environment are the characteristics of startups that are claimed to be attractive for employees and the basis - "the ground" - of their organizational culture. Hence, if the startup succeeds to 'survive' the initial stages and starts expanding and increasing its workforce, then it might face many challenges to maintain the same culture – "the ground" of startup's organizational culture "starts shaking." Many currently well known grown-up companies which began as startups, for example, Facebook, Twitter, Uber, LinkedIn, Spotify, often emphasize the cultural challenges and the attempts to deal with them. They share their experiences and the methods they applied to balance between chaos and bureaucracy. These stories are well covered in popular Western media, and interested readers can find many examples. However, there is still rather a small number of in-depth qualitative studies about rapidly growing startups, challenges faced because of growth and organizational culture maintenance initiatives. This number becomes even smaller if one searches for such studies undertaken in Baltic countries – the region that we think is particularly interesting to study and is in the focus of our research. The explanation of why we believe startups in Baltic countries are interesting to study will be provided in the section 1.2 Rationale.

However, a critical reader may question whether cultural challenges of growing tech startups differ from the challenges of growing small enterprises that are much better researched. In this paper, we do agree that there are some similarities between tech startups and other small enterprises but there are also specific differences. We see tech startup as a particular type of small enterprise. With other regular small enterprises tech startups usually share such

characteristics as flexibility, informality, fast decisions and actions, having the flat structure (Daft, Murphy, and Willmott, 2014; Storey and Greene, 2010). Also, tech startups, as well as enterprises, during the expansion, face challenges of the fast-growing workforce, increasing complexity of processes and a higher need for formalization and bureaucracy (Daft *et al.*, 2014; Storey and Greene, 2010; Morris, Kuratko, and Covin, 2008). We believe that several characteristics distinguish tech startups from regular enterprises: a) strong tech orientation; b) rapid growth rates in case of success; c) ability to become global (due to the use of new technologies: creating particular platforms or software) without investing many additional resources. Therefore, the culture, challenges of growth and the ways to deal with them might differ slightly. We will further elaborate on the variety of different startups definitions in chapter 2. Literature Review.

1.1 Research Purpose and Questions

Our purpose is to understand organizational culture and the ways of maintaining it in a fast growing tech startup from Baltic states. It is critical to mention that we are seeking to understand the organizational culture phenomenon by exploring how employees and founders perceive it.

There are three research questions we are interested in:

- 1) What is the organizational culture in a fast growing tech startup?
- 2) What are the challenges faced due to the rapid growth?
- 3) What are the ways to maintain the organizational culture in a fast growing tech startup?

1.2 Rationale

There are three main reasons for studying the cultural phenomenon.

First of all, startups are rather new and unique phenomenon in post-soviet Baltic countries. Baltic countries – Estonia, Lithuanian and Latvia - as well as other post-soviet countries, experienced transition from centrally planned economy to free market economy only twenty-six years ago. Therefore, these countries lack old and strong traditions of entrepreneurship.

Companies of post-soviet countries are often characterized as authoritarian organizations with strict control and high levels of hierarchy. It is still seemingly accurate for the majority of old businesses in the region. On the other hand, Baltic region, unlike the other post-soviet countries, since the restoration of Independence ‘turned to the West’ and were significantly changing their economy and other related fields. In 2004, Estonia, Latvia and Lithuania joined the European Union (EU); in 2007, became a part of Schengen area, in 2009-2015, adopted euro (The European Union, 2016). In line with these changes on a national level, many changes in business management and administration, and the emergence of entrepreneurial traditions are also often emphasized in the media. Furthermore, in the last decade, startups started to emerge. Compared to the of Western European countries with a longer history of entrepreneurship, the startup community is still quite new in Baltic countries. In Baltics, startups are usually created by rather young people (for example, according to “Startup Lithuania” (2016) data the average age of startup founders in 2013 was 29 years). Meaning that young founders have grown up in independent countries that already had a strong orientation to Western Europe. These ventures are known for different organizational cultures compared to old companies in the region – containing the characteristics similar to the cultures of startups in Western countries. In popular media, these startups are characterized by applying new business models, flexible work time, leadership, flat hierarchy, autonomous teams, and the vast majority of employees are millennials. This situation raises several questions - does the difference between post-soviet context and Western orientation influence organizational culture of local startups expanding globally? This question and the newness of the phenomenon in Baltic countries make organizational culture of fast growing startups exciting to study. Moreover, even though the current startups’ communities are rather small in Baltic countries, but further expansion is expected in the nearest future (Labs of Latvia, 2016; Estonian Development Fund, 2016; Startup Lithuania, 2016). The results of this study will be relevant and useful for the newly created startups that might face similar cultural challenges during the growth similarly like the one analyzed in this paper.

The second reason is the theoretical rationale. In our initial literature review, we found that most of the research performed in startups focus on aspects such as financing issues, collaboration, networking and other. Even though startups, their culture and their challenges of maintaining it are popular themes in current pop literature and mass media, but these topics still have not received sufficient attention from academics researching organizational culture, and there is little in-depth qualitative research done. Especially, it is not studied in the context of

Baltic countries. Hence, our research will increase the understanding of this phenomenon, and the interpretative qualitative approach will help to understand it from the employees' perspective.

The third reason, why it is interesting to study this phenomenon – is the challenge of significant growth for maintaining organizational culture. This challenge is relevant for all fast-growing startups worldwide. In our chosen company, four years ago there were just 10 employees working while now the total workforce accounts for 270 staffers. Such a fast growth, when the number of recently hired employees is higher than the number of staffers working for several years, might significantly influence the organizational culture of the company. The new hires might influence the culture, and it might become extremely challenging to maintain the existing culture.

To conclude, we have chosen this study because we are willing to contribute to the science by conducting in-depth qualitative interpretative research of little-researched phenomenon - the organizational culture of a fast growing startup facing the growth challenges. The newness and uniqueness of this phenomenon in post-soviet Baltic countries make it even more attractive.

To give a better understanding of the context for the readers of this paper, following we will shortly present the researched tech startup.

1.3 The DreamBig

DreamBig (pseudonym) is one of the most successful startups in Baltic countries. It is a technology (tech) startup founded in 2010 by two young and ambitious students. A promising startup with an online platform received significant investments from few institutional funding rounds to boost operations and support the expansion. DreamBig has turned out global and currently has operations in more than ten countries in Europe and other continents. Its active users base account for more than 10 million people. Having grown several times and breaking through on an international level gives new challenges to maintain DreamBig organizational culture.

DreamBig's product - an online platform and mobile apps dedicated to specific target groups with a social component. Besides enabling users to use a particular service on their platform, it

is also a social network for discussions and communication. This feature unites users into a community and encourages them to spend more time on the website or app. It also distinguishes the product of DreamBig from similar platforms.

More detailed description of DreamBig will be provided in the chapter 4. The Story.

1.4 Research Limitations

Here we will highlight several limitations of our research. Firstly, one of the limitations was the short duration of the research. We had limited time for interviews and observations due to constraints of project time frame. Furthermore, we have only questioned a comparatively small group of participants. More interviews could have contributed to possibly more insights and even stronger findings. The complexity of organizational culture as well as limited time frame impelled us to narrow the scope of thesis and do not include a detailed analysis of sub-cultures in the main headquarters office or subcultures in remote offices of DreamBig.

Also, it is important to note that we were seeking to understand the organizational culture in a fast growing tech startup, challenges of growth and the ways to maintain the organizational culture from employees and managers perspectives. However, we were not aiming to identify the best or new ways of maintaining organizational culture or prepare concrete solutions.

1.5 Outline of the Thesis

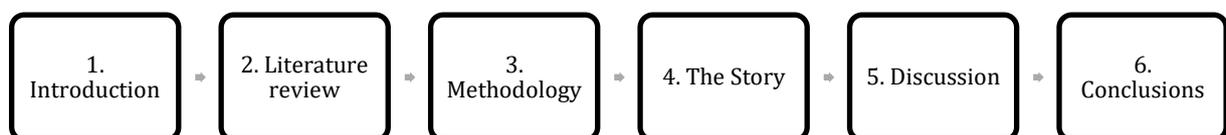


Figure 1. The Outline of Thesis.

Our thesis is organized into six main chapters: introduction; literature; methodology; the Story; discussion and conclusions (see Figure 1). Introduction chapter will present our study, research aim, and research questions, rationale, shortly introduces to the tech startup and outline research limitations. Secondly, we will review relevant literature about startups and organizational culture. Methodology chapter will describe our research paradigm, explain our approach to the study, as well present the methods chosen to analyze empirical data. We will also shortly elaborate on the reflexivity. The fourth chapter is for readers to get familiar with DreamBig organizational culture, its background, challenges associated with rapid growth and the ways used to deal with these difficulties. In the discussion chapter, we will lift our empirical findings to the theoretical level. Moreover, lastly in conclusions part we will summarize our research project and refer to practical and theoretical implications.

2 Literature Review

This chapter aims to introduce for the reader the existing literature on organizational culture, its functions, and management, the ways to maintain the culture, challenges associated with growth, and also literature on startups.

2.1 Organizational culture

Organizational culture phenomenon - one of the most important aspects of organizational life - has received increased attention since the 1980's with a focus on new forms of organizations where ideas, beliefs and values are increasingly emphasized in comparison with the old means of control - hierarchy and bureaucracy (Alvesson, 2002). The author also points out that younger, knowledge-intensive and more innovative businesses seem to have a stronger interest in culture.

Even though there are many different definitions by various authors of what the organizational culture is, nevertheless several key aspects can be identified. For instance, Alvesson (2002) and Keyton (2011) consent on the notion that organizational culture is a complex phenomenon, which is multidimensional, changeable and communicative, stemming from the interactions of organizational members. Keyton (2011) emphasizes that culture is not produced for people, but culture is produced by people through interactions with one another. Meanwhile, Bantz (1993, cited in Keyton, 2011) draws upon culture being both - a process and a product. It is not only a process that happens continually but also the outcome of organizational members' social interactions. As Michael, Kuratko and Covin (2008) point out "culture reflects the unique history of a group of people interacting over time, but it also is subject to continuous change as people come and go" (p.251).

Following (Alvesson 2002; Keyton 2011) highlight the importance of shared meanings and shared values respectively, as opposed to individual ones. Similarly, Schein (2009) emphasizes the essence of culture being the jointly learned values and beliefs that become taken-for-granted if they work well and lead to success. Alvesson (1993) reviews cultural metaphor – social glue – which presents “organizations as integrated and controlled through informal, non-structural means – shared values, beliefs, understandings and norms” (p.19). In the similar vein, Alvesson and Sveningsson (2016) express the idea that cultures are created and sustained through shared experiences and by the use of shared symbols. They claim that symbols are relatively easy to remember and are an excellent illustration of shared experiences. Upon specifying the symbols, events, actions, material objects, and stories are mentioned (Alvesson and Sveningsson, 2016). Following with more descriptions of organizational culture, Kunda (2006) explains the culture as a glossary defining the corporate community and membership that includes rules for behavior, thought, and feeling. He then continues that “member role” is usually well-defined and widely shared within the organization.

Schein (2009) specifies three levels of culture: first being artifacts, second espoused values and third underlying assumptions. He notes that to really understand culture all these three levels are necessary to analyze. Artifacts are the visible manifestations available to the observer. However only the deeper levels of culture - values and assumptions - can reveal what is really going on in the organization and the meaning behind it. Alvesson and Sveningsson (2016) propose looking for cultural expressions in the language, stories, myths, rituals, ceremonies and physical aspects namely architecture and actions. The above mentioned cultural expressions are likely to lend a good view of what is really going on in the organization as suggested by Schein (2009). Kunda (2006) when writing about culture talks regarding shared rules governing cognitive and affective aspects of membership and how it is shaped and expressed in organizations.

After reviewing few of the authors and their writings on the organizational culture, we have chosen to rely on the definition proposed by Keyton (2011) - ”Organizational culture is the set of artifacts, values, and assumptions that emerge from the interactions of organizational members.” Accordingly, we believe, that organizational culture is not only physical artifacts, and espoused beliefs and values, but it also covers underlying assumptions and norms that lead people in the company. We favor a view that conceptualizes culture as something that “an organization is” (Smirchich 1983, cited in Keyton 2011). Consequently, our research is based

on this approach, therefore, culture is considered as something that cannot be obtained, but always exists and needs to be nurtured. We also see ourselves taking the stand that organizational culture is a subjective phenomenon, and different people hold different views about it (Martin, 2002, cited in Keyton, 2011).

Control mechanism

Kunda (2006) introduce the view of culture as normative control by stating that it accounts for implicit and explicit rules that guide and shape behavior and experience of work. He further elaborates on it saying that normative control attempts to elicit and direct the required efforts by controlling the underlying experiences, thoughts and feelings that guide members' actions. The aim of normative control is to achieve that members' act in the best interest of the company, while feeling a strong identification with the company, internal commitment and intrinsic satisfaction from work (Kunda, 2006). Ray (cited in Alvesson, 1993) sees corporate culture as a control mechanism: "the top management team aims to have individuals possess direct ties to the values and goals of dominant elites to activate the emotion and sentiment which might lead to devotion, loyalty, and commitment to the company."

2.2 Managing culture

Kunda (2006) points out that the culture is a mean for managers to try and consciously influence the behavior and experience of others. To facilitate the accomplishment of company goals culture is to be engineered, developed and maintained.

The culture management includes two critical abilities - to change the existing culture or to maintain it through the specific actions or interventions of managers (Brown, 1995). The former direction seems to be dominant in the literature as culture is often understood as rather static phenomena that sometimes might be needed to be modified through various managerial actions (Brown, 1995). However, as we have already discussed in the previous section - 2.1 organizational culture is constantly changing and complex phenomenon. Therefore, management of culture also covers the actions aiming to prevent any changes in the current organizational culture. Furthermore, Ogbonna (1992) suggest that creation, change, maintenance and abandonment of culture are also parts of culture management.

There have been many debates whether the culture can be managed and if so, to what extent it is manageable. Popular literature and management consultants frequently claim the possibilities to manage culture through planned systematic actions. For example, director's, navigator's and coach's images of managers described by Palmer *et al.* (2009) represent the possibility to manage the culture in organizations by using either direct coercive power (director image) or applying coaching approach (coach image). Kunda (2006) states that "what is in the "hearts and minds" of employees, it is suggested, can and should be managed in the organizational interest" (p.8). To implement the cultural change managers are often advised to use symbols, role models, communication, and rewards (Brown, 1995).

Contrastingly, there is also a plenty of literature emphasizing the difficulties and challenges in the process of culture management. Managers aiming to change organizational culture have to deal with such factors as a multiplicity of existing subcultures, contradicting political interests, and communication challenges (Nord, 1985, and Trice and Beyer, 1990, cited Brown, 1995). Similarly, Alvesson and Sveningsson (2016) listed a multitude of values and meaning-influencing groups, 'depth' structures as well as differences and unpredictability of employees' answers to managers' actions as challenges for culture management. The complexity of culture management process depends on what layers need to be changed – it is easier to change artifacts or behavior norms than underlying assumptions (Brown, 1995). If one considers that cultural change happens when employees' ideas, values, and meanings change (Alvesson and Sveningsson, 2016) then the change can be challenging.

There is also a radical view that culture is beyond control as it simply exists and cannot be managed by individuals. The way how people create meanings partly depends on their local culture, education, interpersonal interactions and so forth, therefore, managers' intentions and the outcomes might not overlap (Ogbonna and Wilkinson, 2003). While Krefling and Frost (1985, cited in Ogbonna, 1992) believe that assumptions and values that guide employees' behavior are subconscious, therefore, the outcomes of managerial actions probably cannot be predicted or controlled.

Brown (1995) suggests a compromise approach to culture management. According to him, specific aspects, variables in particular situations can be managed, it could be time-consuming and expensive. Alvesson (2002) points out that most managers manage not a whole culture but "within cultures and affect or negotiate the meanings and values of their subordinates, peers or

immediate superiors“(p. 172. Therefore, the impact is often limited to mainly people the manager has a direct contact with.

Managers role

Managers' role is of high importance in culture creation as well as culture management. Varied literature emphasizes founders' influence to the culture creation of forming organization. Schein (2010) points out that founders are likely to have high self-confidence, determination and strong assumptions about the world, human relationships and organization's role in it. Along the line Schein (2009) highlights that young organizations are the creation of founders, and it has a significant influence on cultural characteristics by initially imposing their beliefs, values, and assumptions on the organizational members whom they hire. Pettigrew (1979) has expressed that by the mix of beliefs, ideology, language, actions, myth founder creates purpose and commitment at the early stages of organizational life.

Managers' role remains relevant after culture creation as well. Alvesson (2002) along the lines reveals that “senior organizational members are always, in one way or another ‘managing culture’ underscoring what is important and what is less so framing how the corporate world should be understood” (p.1). Similarly, Alvesson and Sveningsson (2016) state that leadership normally has an extensive impact on the values and cultural orientations of organizational members. Brown (1995) also emphasizes the importance of top managers and the most senior executive support for the successful management of culture. Brown (1995) suggests that when leaders are aiming to manage organizational culture they should pursue to manage meaning of how employees think and feel about aspects of organizational life such as colleagues, job tasks, and working environment.

The ways to manage culture

Hiring practices are one of the ways to maintain the existing organizational culture. Organizations may check the cultural beliefs of applicants and assess to what extent they are compatible with the intended beliefs in the company. According to Brown (1995), recruitment and selection of new hires is the most powerful mean for the management of culture development during the rapid organizational growth - when companies employ a high number of new staffers. He also claims that many organizations do not keep this in mind, and therefore, hire people that are not necessarily supporting existing culture. To find the people that are supporting existing culture and might fit in it, Brown (1995) suggests to focus on relatives and

friends of current employees as these people will already be familiar with the culture and willing to accept it. Similarly, he claims that the people who apply also tend to be inclined to accept organization's culture. Then, the selection process with tests, interviews or tasks should check cultural compatibility together with usual tests about technical skills and expertise.

Not only recruitment and selection but also induction and socialization processes are essential to perpetuate the organizational culture (Brown, 1995). Some organizations make extensive efforts to form formal socialization processes, for example, induction courses, training programs, and mentoring systems. However, informal socialization processes such as stories or jokes are much more influential for new hires to understand shared values, beliefs, and assumptions (Brown, 1995). There are various other ways to maintain organizational culture. Brown (1995) marks out reward and performance appraisal systems, symbols, and rites as principal means to manage culture.

'Scaling' organizational culture of startups

Even though there is not much academic research done with a particular focus on the maintenance of organizational culture in fast-growing tech startups but this topic gained much attention in popular media in recent years. In the articles, the maintenance of organizational culture is often called by term 'scaling culture' (Sullivan, 2016; Harrison, 2015; Hassell, 2015; Tjan, 2015; McCracken, 2015). The verb 'scale' is fashionable in the discourse about startups and is widely used to name the growth of customer base or revenues to emphasize the fast speed of this growth and low marginal costs (Sullivan, 2016). Similarly, this word, as a metaphor, is used to describe the challenge to 'expand' the existing culture during the fast growth of the workforce. In articles of popular media, hiring seems to be highlighted as the most important and common way for 'culture scaling.' Tjan (2015) also advises spending more time screening for the proper character than for skill. In the same vein, Harrison (2015) and Hassell (2015) emphasized the importance of hiring people who will adopt the values of the company. Sullivan (2016) highlights that there is still no literature suggesting rules or advice on how to 'scale' culture. The author provides examples of different hiring strategies that were applied by Google, Uber, PayPal and LinkedIn (for example, hiring friends of current employees without any interviews or hiring best students only from particular programmes). Furthermore, McCracken (2015) and Hassell (2015) pointed out the importance of physical artifacts, founders' and team leaders' example, company traditions and the application of organizational structure to maintain the culture. However, these articles are mainly written by practitioners

and seem to be rather superficial as do not present the perspective of employees regarding fast growth and maintenance of organizational culture.

2.3 Understanding startups

In the literature, the “startup” term is defined in different ways with the emphasis on various aspects and challenges. In the majority of sources, the definitions’ repetitive characteristics can be identified: the newness of the company, product or service, innovativeness, new business models, uncertainty and the aim for a fast growth (scalable business model). Some authors highlight newness of the company - for example, Davila, Foster and Gupta (2003) define startups as “recently formed companies” (p.2). While Giardino, Unterkalmsteiner, Paternoster, Gorschek, & Abrahamsson (2014) extend this definition by adding weight not only on the age of the company but also to the uncertainty they are facing: “newly created companies with little or no history of facing high volatility in technologies and markets” (p.28). Besides uncertainty, Ries (2010) emphasizes the newness of product or service: “a startup is a human institution designed to deliver a new product or service under conditions of extreme uncertainty.” Next to the mentioned characteristics, innovativeness is also commonly emphasized. As a good example, Stubner’s (2007, p.138) description can be pointed – “newly founded companies that try to enter, or sometimes even open up, a market with innovative products or services”. Meanwhile, Blank (2010) emphasizes the unique business situation startups are facing – a primary focus on technology and number of users before identifying stable revenue source – and describes startup as “an organization formed to search for a repeatable and scalable business model.” Consequently, the organization that already developed its scalable business model is no longer a startup. Similarly, Hertel (2002) names the initial phase of a company history as a ‘startup’. According to Blank and Dorf’s (2012) a startup is a temporary organization in search for scalable, repeatable and profitable business model.

According to Kazanjian (1988, cited in Kedia and Aceto, 2015) who’s work made a foundation defining startup lifecycle, there are four phases of startup namely, conception and development, commercialization, growth, and stability. Also, startups are divided into the groups according to what financing stages they are – pre-seed, seed, early growth (round A), later growth (rounds B, C, and D), and initial public offering (Kedia and Aceto, 2015). With each stage the startup

and its product need to fulfill new requirements, for example, startup in a pre-seed phase does not need to have developed a product, while startup in rounds B, C, D need to have established product, and usually searches for funding for its expansion into new markets.

In line with the dominant approach in previously mentioned definitions of startups, in this paper, we define a startup as a type of small enterprise aiming to form its own scalable and profitable business model. DreamBig is a technology startup and has several attributes that make it different from other small enterprises. These attributes are strong tech orientation, ability to reach global scope fastly (without investing many additional resources but using new technologies) and fast growth rates in the case of success. Regarding startup lifecycle, the analyzed startup is somewhere between the stage of growth and the stage of stability. DreamBig has recently reached C series investment meaning that company is rather mature and stable, but some further expansion can also be expected.

We believe that literature about the young enterprises and their culture could also be relevant for our study as it analyses the formation of culture, founders' influence, challenges while growing. However, we think that startups' business scalability and faster growth, together with its strong tech orientation might have an impact on organizational culture. Therefore, this should be kept in mind while using literature about entrepreneurship.

2.4 Challenges of growth

Schein (2009) has expressed that when organizational size increases, the possibility to remain functionally familiar with other people becomes small and then, formal processes and procedures are substituted for personal contact. In general, he states that due to the "natural" evolution and the growth, it becomes necessary to adapt to the current organizational realities. He points out that "during the growth period the emphasis is on building, evolving, consolidating, stabilizing, and institutionalizing the cultural elements that work" (p.147). The author also suggests that companies should in overall emphasize the maintenance of existing organizational culture rather than changing it.

In the articles about successful startups, organizational culture is often identified as one of the key success factors (Gulati and DeSantola, 2016; Rubin, 2012). According to Gulati and

DeSantola (2016), when a company grows and expands, it faces a challenge of maintaining strong and inspiring organizational culture, and if the company fails to deal with this problem, it may lead to higher employees' turnover.

2.5 Chapter Summary

This chapter presented the relevant literature about organizational culture, startups, culture management, challenges related to fast growth and ways to maintain the organizational culture. Reviewing literature has helped us to gain a deeper understanding of organizational culture and its associations. Following we will present methodology applied in this study.

3 Methodology

This chapter presents our chosen methodology for conducting our research. We start by introducing our metatheoretical starting point to introduce our paradigm and explain our approach to the study. Afterwards, we describe our qualitative research design and reasons for choosing specific methods for data collection and analysis. After explaining research design, we offer an in-depth explanation of our data collection process and data analysis process. We conclude by discussing the reflexivity and validity of our qualitative research.

In this chapter, we are aiming to help the readers to understand our ontological and epistemological starting point as well as the reasons for the methodological decisions we made during the research.

3.1 Ontological and Epistemological Framework

With regards to the aim and the purpose of our study, it is necessary to explain metatheoretical framework that guided us. Identifying and understanding our paradigm allowed us to be aware of relevant assumptions and concepts, and, consequently, aided the emergence of meaningful findings and ‘data’ (Alvesson and Sköldberg, 2000).

From an ontological and epistemological point of view, the interpretive tradition was applied in our research. This tradition has a focus on revealing multiple realities instead of looking for one objective reality (Geertz, 1973). In our study, we were aiming to understand the socially constructed reality, meanings people hold, and the phenomenon from participants’ perspectives, instead of generalizing. To understand socially constructed reality, we will perform the analysis of employees daily language and actions, and their sense-making of different situations.

We believe in multiple realities not only of participants but also of researchers and readers of the qualitative research (Creswell, 2007). In the interpretive tradition, the “researcher is the primary instrument for data collection and data analysis” (Merriam, 2002, p.5). Therefore, we

collected data, analyzed it and provided the findings influenced by our interpretative lenses of our beliefs, cultural context, knowledge, and previous experiences. We were aware that our assumptions, views, and interpretations are subjective, hence, we had to be self-reflective in our research process and think through constraining 'truth.' Hence, we were aware that the questions we asked in semi-structured interviews, our interpretation of informants' responses and documents, and our observations on site were influenced by our personal beliefs, interests, assumptions, and experiences. In other words, the entire empirical process was affected by our subjective opinion on what is interesting and relevant (Merriam, 2002). To help the readers to understand our sense making and interpretations we tried to be transparent by providing clear and comprehensive explanations of our reasoning and understanding.

3.2 Research Design

We aimed to perform an in-depth analysis of organizational culture phenomenon in fast-growing startup. Therefore, we chose a case study of one company. According to Merriam (2002), the unit of analysis determines if research can be defined as a case study, which in our case is the particular organization. The subject of our study was the organizational culture phenomenon in fast-growing tech startup - DreamBig. Our data collection process lasted almost three months and combined several methods of data collection. It is in line with Creswell's (2007) explanation of a case study as qualitative research in which "the investigator explores a bounded system (a case) over time through detailed, in-depth data collection involving multiple sources of information (observations, interviews, documents)" (p.73).

A research problem was shaped by our personal interests together with initial data analysis. In several courses of our Master program of Managing People, Knowledge and Change we had several courses about organizational development, change management and organizational culture. The focus in these courses was mainly of big companies while we shared an interest in organizational culture phenomenon in a fast growing and, consequently, fast changing tech startups. When we got a confirmation from one startup about its interest in participating in the research, we made an exploration interview with Human Resource (HR) Manager responsible for organizational culture initiatives in the organization. During this interview, we discussed ours and company's interests to find out possible research directions that would be interesting and applicable to us and relevant for DreamBig. In addition to the insights we gained in the

interview, we also made a search on publically available articles, presentations, and talks about the company, its growth, organizational culture, office and employees. This data gave us a general understanding of the company. Interview with HR Manager together with the initial data analysis helped us to develop a purpose of our study – to understand the organizational culture in the fast growing tech startup, growth challenges faced and the ways to maintain and strengthen organizational culture. Furthermore, the interview contributed towards gaining the mutual understanding about the expectations of our research.

The next step in our research design was to choose a purposeful sample that would provide us with rich information about the case and would allow seeing the phenomenon from the perspectives of participants (Merriam, 2002, p. 12). After consultations with the organization and our supervisor, we decided to focus on the main headquarters of the company where almost two-thirds of all company's employees work and, by doing so, not to include remote offices located in other countries to our analysis. This decision allowed us to concentrate our attention and resources on an in-depth analysis of organizational culture phenomenon in one site. To get different perspectives on the phenomenon, we decided to interview participants with various lengths of employment and holding different positions in the company. For document analysis, we have chosen documents related to organizational culture and initiatives to maintain it, for example, value statements, descriptions of cultural initiatives in DreamBig, internal presentations for employees and job advertisements.

The following stage in the design of our qualitative study was data collection. We used a combination of several data collection methods: semi-structured interviews, observations and document analysis. We made an exploratory interview and initial document analysis in February, the first round of interviews and observations in March, and the final interviews, observations and document analysis at the beginning of April. Two iterations of interviews and observations on the site with almost one month break between them allowed us to experience company's dynamic nature by ourselves. For example, after first iteration we felt that we are already familiar with the faces of the majority of employees. However, when we came back after 3 weeks we had a feeling that there are many people we do not know – six new employees were hired, and other people came back from holidays, sick leave or conferences. We were also witnesses of new office furniture relocation. The break was also beneficial for us to clarify our research questions, to form initial themes and findings, and to review the literature before doing the second half of interviews. While the variety of methods applied enabled us to gain a better

understanding of organizational culture and how its changes are perceived and interpreted by employees. It also enriched the validity of our discoveries (Merriam, 2002).

Despite short time spent in the company, we were trying to apply ethnographic approach for our qualitative research. We aimed to see the world through the eyes of natives and to “recreate for the reader the shared beliefs, practices and artifacts, folk knowledge, and behaviors of some group of people” (LeCompte and Preissle, 1993, cited in Merriam, 2002). The crucial thing in the ethnography is about being onsite. Therefore, observations of daily work, social activities and informal talks was an important part of our data collection. Having full access to the company’s site (with the only exception for some internal meetings) and being of a similar age with the majority of employees, enabled us to ‘go native’. Hence, we were sitting in their open-space while preparing for interviews or writing notes, eating lunch together in the company’s canteen, using entertainment facilities and playing with the founder’s dog in the office. Consequently, some people thought that we were new employees. However, we are aware that our ability to sense social and cultural aspects ‘from insider’s perspective’ (Fettermen, 1989, cited in Alvesson and Sköldbberg, 2000) was limited due to relatively short period spent on site. Also, the high amount of employees’ online communication (through chat and internal communication tool) that we were not able to observe and analyse.

Worth to note, to keep the structure of the chapter we listed several stages of our research, however, we are aware that our data analysis was simultaneous with data collection. We acknowledge that the interpretation process started once we were reading about the DreamBig before interviews, during the interviews and observations.

Regarding our empirical and theoretical data usage and analysis, we applied the abductive strategy. This strategy was applied for several reasons. Firstly, we already had some prior theoretical knowledge about the organizational culture from the Master courses. Secondly, we saw the need to gain the prior knowledge about the company and startups in general before gathering the empirical material. This approach made our work onsite easier as we were more familiar with organization’s history, projects, hiring practices and also with challenges relevant to fast-growing startups. Prior knowledge also facilitated themes creation, allowed us to avoid reinventing the wheel and the inefficiency of time and resource usage, also ensured that we are not too naive (Alvesson and Sköldbberg, 2000). The opposite might happen if the induction is applied, and researchers are going to the site with fresh eyes (Alvesson and Sköldbberg, 2000). Furthermore, the overlapping usage of both empirical data and theoretical knowledge in the

abductive approach prevented us from the risk of being too close-minded and trapped in the old understandings of previous authors, the possible drawback of deductive method.

In our data analysis, we employed the qualitative method of hermeneutics. We were moving from a specific text to its wider context in a circular manner as it is illustrated by a hermeneutic circle (Prasad, 2005, p. 34). For instance, after every interview, we were discussing how the specific information we got can be seen in a broader picture of company's organizational culture that we had already formed from all collected empirical data and prior theoretical understanding. Also, we were analyzing how this particular information contributes to the understanding of phenomenon as 'the whole' (Prasad, 2005, p. 35).

Specific details about the way we collected the data and performed data analysis will be described in the sections 3.4 Data Collection and 3.5 Data Analysis respectively.

3.3 Data Collection

3.3.1 Gaining access and receiving support

Gaining the access and receiving support was successful from the very beginning. We have got in contact with the DreamBig through a friend in our personal network, and we were personally recommended. Our explanatory approach letter has raised interest and soon we were offered a Skype conversation with Head of HR to discuss further details and ways of working. Initial Skype conversation was beneficial as it helped to formulate research rationale and questions.

To confirm our access to the organization we signed the Confidentiality Agreement to protect the company and non-public business information which will be disclosed to us.

Our contact person was very open, kind and supportive. The personal relationships which we formed with her and other participants in the study have resulted in more open conversations and relaxed atmosphere. Many times we would engage in small talk with interviewees when seeing them in the canteen or open office. This way we lessened the distance between the researchers – us and employees to be researched. We were aiming for high-quality connections (Dutton and Dukerich, 2006). In similar vein, participants were interested in how our research

is progressing and would even suggest other people we should talk to for valuable insights for our project.

Our data collection process was divided into two periods. We have spent four working days in March and three workdays in April in DreamBig headquarters office. Between the planned interviews, we have spent time in their open space office, lounges, and canteen. Observations took place early morning as well as late evening. Therefore we have gathered an extensive data of daily routines. It is important to mention that we had a chance to participate in an internal bi-weekly event, where CEO presents most important happenings and news of DreamBig.

Moreover, conversations initiated during the lunch hours with people sitting at the same table, play station game match for Fun, trying newly set up hammocks or cuddling an office dog are just a few examples of our attempts for an authentic experience. This enabled us “going native” and get the real feel of the organizational life.

3.3.2 Participants

The company provided us with a varied sample of interviewees upon our request. We wanted to converse with holders of different employment length and different positions (for the detailed list, please see the Table 1 in Appendixes) to have a more complete view of how different workers view organizational culture from their perspective. We have interviewed staffers that have been with DreamBig from the very start, others that joined in the midst of existence, some others in the highest peak of growth (approximately a one year back from now) and recent hires for a novel experience. We also asked for employees from different departments, so we conversed with representatives from Management team, Co-founders, Team Leads, Developers, Financier, IT, and Office Administrators, Hiring Manager, Community Support Specialists to find out their perceptions of organizational culture. See Appendix 1 for the complete list.

As Dutton and Dukerich (2006) highlight ”interview study depends on the quality of the connection built with research participants who have the information, knowledge and wisdom that are so essential to understanding and answering research questions” (p.23). Our ways to overcome any possible challenges with interviewees’ initial distrust were to:

- a) introduce ourselves and who we are

- b) briefly explain our purpose of the research and that we are willing to understand organizational culture, rather than evaluate or judge
- c) ensure to protect anonymity and confidentiality
- d) ask participants to introduce themselves, their background, previous experience, job position and length of time at DreamBig
- e) create a relaxed and friendly atmosphere
- f) mirror participants body language and the speed of conversation
- g) ask relevant questions according to the situation
- h) listen attentively and observe body language
- i) thank for valuable insights and time.

Most of the time interviewing process was smooth, and we liked leading the conversations. Some people shared extensively and actually engaged in the conversation. We received plenty of valuable information. However there were few more difficult interviews due to introverted nature of participants. In such cases, information was harder to obtain. Regardless, each one revealed their take on the cultural aspect of organizational life. With each new interviewee, we gained new knowledge and a better understanding of the organizational culture phenomenon, challenges associated with growth and how DreamBig tries to maintain organizational culture.

Overall we have coped quite well with challenges and interviewing was a learning experience. We were reviewing each interview with the partner to find out what their experience and feelings were. Seeking feedback on how well one did, was a great way to spot early mistakes and improve for the next meeting.

An advantage worth mentioning was our similar age and interests that facilitated us to “speak the participants language” (Dutton and Dukerich, 2006).

Following, we will describe the data gathering methods we applied: semi-structured interviews, observations and document analysis that enabled us to collect rich and broad data, also gain a deeper understanding of the phenomenon.

3.3.3 Semi-structured interviews

The main data collection method chosen for our research was semi-structured interviews. Interview guide containing open-ended questions was prepared in order to gain knowledge

about how employees understand the organizational culture in our chosen tech startup. As Kvale (1994) highlights, we wanted to reveal “meaningful relations to be interpreted” (p.11). Individual semi-structured interviews were held with 15 participants from various job positions and working for a different length of time. We had one interview with 14 participants and two interviews with HR manager (an introductory interview and one of the last interviews). Participants were asked to talk freely about the things that came to their mind in relation to our research. Practical examples were called upon for illustrations of individual experiences. Most of the interviews were conducted in national language as per participants’ preference for easier expressions of valuable information. Few interviews were conducted in English. To assure the anonymity of the employees, their real names are not disclosed. Each interview was conducted face-to-face (with one exception being an introductory interview over Skype) and took around 60 minutes and was recorded with the agreement of the interviewees. Recordings were transcribed and formed the biggest part of our data to be analyzed. Few modifications have been made when translating participants’ statements for better understanding. The interviews helped us to get more information about how employees interpret DreamBig’s organizational culture, values, rituals, celebrations, decision-making, hiring processes, etc.

3.3.4 Observations

While carrying out research at tech startup, we not only performed interviews but also took field notes for the richer data. The first day we were genuinely fascinated by DreamBig’s organizational life and took notes of every small detail that our eyes caught. Interactions between employees, dressing style, open office layout, signs, pictures, drawings were worth depicting. By paying close attention to what happens on-site and taking on the spot notes, we were able to put our sensations on paper. Our notes file was increasing with each new day spent at the office. Some interesting and noteworthy events happened during our time in DreamBig.

3.3.5 Documents

To familiarize with the background information (history, industry, news) and get a better understanding of the tech startup we also carried out a document analysis. We have researched a wide range of available media sources such as articles, videos, publications, etc. We also searched social media channels (LinkedIn, Facebook, Instagram) for additional information

about the company. On our request company's representative has sent internal documents containing values, cultural initiatives, job postings, internal presentations, and the history of DreamBig as it is presented on company's internal communication tool. When combined, all these sources facilitated a broad picture of the company.

3.4 Data Analysis

After data collection, we have transcribed interviews. Transcriptions, observation notes, and documents were printed. An overwhelming amount (159 pages of interview transcriptions and 18 pages of other data and notes) of data resulted in initial confusion where to start. During the first close read, key words in the margins were written to find topics easily, also marking of salient key phrases. With the second read, we looked for repetitions, metaphors, similarities and differences (Ryan and Bernard, 2003).

The initial codes were results-oriented, people-oriented, self-development, trust, openness, freedom, instability, chaos, sub-cultures, informal relations, fun, best professionals, challenges with growth, online communication, measures, inspiration bonus, and much more. Due to the scope of thesis and necessity to write in-depth about the organizational culture phenomenon we had to decrease the initial codes dramatically and decide which are the most important to elaborate.

There were several difficulties in the process:

- defining themes (not too broad and not too specific, with the clear name)
- deciding on the most important themes (that would help to answer research questions)
- cutting (to the appropriate amount of themes).

Themes definition came from data and our prior theoretical understanding of the phenomenon (Ryan & Bernard, 2003). Once the decision about main themes was taken, we then created files containing illustrative quotes.

3.5 Reflexivity

Alvesson & Sköldbberg (2009) highlight that being self-reflective is acknowledging the subjectivity of researchers own interpretations and being aware of pre-understandings, taken-for-granted assumptions, cultural traditions and language is of key importance. We accept that qualitative research is characterized by a high level of subjectivity (Alvesson & Sköldbberg, 2009). Being raised and educated in one of the Baltic countries we had to be aware of our cultural understandings that might affect the process and the interpretations of the interviews. Alvesson & Sköldbberg (2009) advise to turn attention inwards and critically self-explore the creation and interpretation of the empirical material. We would like to clarify that we were attentive to our assumptions and biases for this not to become an obstacle in analyzing the deeper meanings and looking beneath the surface. We affronted the beliefs, opinions and views by questioning one another and staying open-minded throughout interviews. Our different work and other experiences helped us to be more critical towards each others interpretations. For transparency purposes, we would like to disclose to the reader our assumption before the research, that new employees (constituting two-thirds of the whole workforce) might have a huge impact on organizational culture. This assumption was not fully confirmed.

With the help of participants in the study, we were able to see deeper than outsiders eyes due to the interpretations, perceptions, and experiences that employees shared with us. Our research assisted in creating the understanding of a particular organizational culture phenomenon in a fast growing tech startup.

3.6 Chapter Summary

To understand the organizational culture we did an interpretive qualitative case study of one rapidly growing tech startup from one of Baltic countries. We were applying an ethnographic approach for our qualitative research as we aimed to see the world through the eyes of natives. We used a combination of several data collection methods: semi-structured interviews (with 15 participants), observations (7 days) and document analysis. For empirical and theoretical data analysis, we applied the abductive strategy. The method of hermeneutics was applied.

4 The Story

For a better understanding of DreamBig company, its growth and employees we will provide a short overview of these aspects. Company applies flat hierarchy, works in autonomous teams. Both founders are still actively engaged in the company; one has a CEO position, and another one leads the Marketing team. CEO used to be a developer, while another co-founder studied Culture Management as well as Marketing.

The number of employees has been growing steadily over the last four years, and it has increased not only in the headquarters but in the other remote offices as well. There were around 40 employees in January of 2013; it has grown to 110 at the beginning of 2014, almost doubled to 170 in the start of 2015. Currently, the total workforce across all countries accounts for 270 employees. This means that the number of employees almost sixfolded in the last four years, and it created many challenges for a new business and its young and inexperienced executives. Around 75 percent of the total workforce (around 190 employees) is based in the headquarters that are located in the capital of one of Baltic countries and is in a focus of this study.

In the headquarters, the majority of employees are knowledge workers (Alvesson, 2004) backend and frontend developers, Android and iOS programmers, web designers and analysts. However, in the last couple of years, the need for customer support staff increased, and currently, it accounts for around 30 percent of total workforce. Employees from this department perform rather simple tasks and often times students occupy this position, thinking about it as a temporary job and not as a long-term employment. Moreover, employees are young, mainly 22-32 years old, meaning that they are representatives of the generation that grew up in already independent Baltic countries. Additionally, dominant workers are country nationals, with few exceptions of foreign professionals with extensive international experience.

Following in this chapter, we will provide the analysis of our results and some related findings. The aim is to explain organizational culture, challenges of growth and the ways of dealing with them from employees' and managers' perspectives and to point out contradictions or limitations. To make the paper interesting for the reader we have organized the material to the story. We will start presenting the key themes and characteristics of the organizational culture of DreamBig. After that, we will shortly overview the background of this organizational culture by trying to question how did it form. Later we present and discuss key challenges of growth that we identified. Finally, we will look into the ways company use to deal with the growth challenges by analyzing their application and importance as well as contradictions and limitations. More detailed overview of this chapter and topics covered can be found in Figure 2. The overview of chapter 4. The Story.

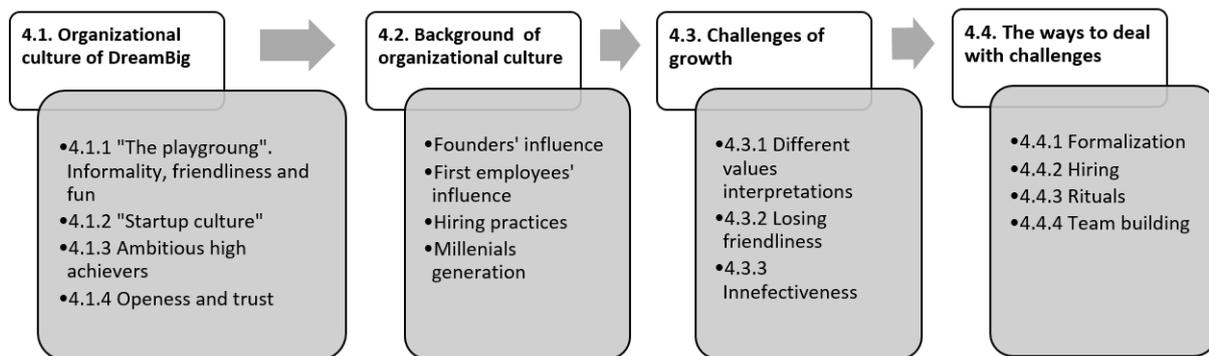


Figure 2. The Overview of Chapter 4. The Story.

4.1 Organizational culture of DreamBig

In this section, we will highlight several key themes and characteristics of the organizational culture of DreamBig that we have identified during our research. The themes are “the playground“ - informality, friendliness, and fun; “startup culture” – informality, constant and participative decision-making; ambitious goals; openness and trust. We have chosen the themes that seemed to be the most significant and most surprising to us, also most noticeable and expressed in the company, and are relevant to the challenges associated with growth. We have identified these themes based on our impressions from observations, interviews' notes, and documents analysis, but not from the official statement of the company. It could be mentioned that there is no clearly defined ‘final’ list of official company’s values, but in the answers of employees several values (self-development, openness, freedom, trust, and fun) were clearly

dominant (see the full list of values in Table 2. Values). Few of these values we have also identified as key characteristics of DreamBig and will analyse in more details in this section.

Here we would also like to remind the readers the limitations and the focus of our data analysis. We will focus on the dominant culture of the organization in the headquarters. Meaning we have not included in-depth analysis of existing subcultures and their differences as well as organizational cultures in remotes offices due to limited scope and timeframe. Therefore, in the following sections, we will highlight the dominant themes and characteristics at the headquarters, particularly on the eleventh floor where the majority of top management sit together with developers, Marketing, Product, People, and Finance teams. Consequently, we will not highlight the specific aspects of subcultures on this floor and on another floor where customer support specialists are located but rather focus on general dominant aspects.

Following is the analysis of identified key themes and characteristics of organizational culture in DreamBig. We will describe these themes and characteristics, the way they reveal in the organization, our experiences towards them, and also their limitations, shortcomings, and fragmentations.

4.1.1 “The playground.” Informality, friendliness and fun.

“The playground” – this metaphor came up to our mind to illustrate the first theme of DreamBig organizational culture. From the very first visit in the company and throughout our observation period we had a feeling of being in young adults’ playground. This feeling is based on physical artifacts in the office such as games or hammocks, emphasis on having fun while at work, informal employees’ behavior, and friendly relationships. We have identified three dominant characteristics of this ‘playground’ atmosphere - informality, friendliness and the aim to have fun. Following each one of the characteristics will be analyzed.

Informality

With the first steps in DreamBig headquarters, one can experience the informality. The office of DreamBig is spread throughout two floors in a shabby old building which used to be a factory and now is transformed into the lofts – not very usual place for successful companies to locate. After leaving the elevator, one enters to the cloakroom with a tennis table spot in the middle of it, and the loud popular music heard from the bathrooms nearby. One can wonder for a moment – is it an office of a fast growing successful international company? The cloakroom without any signboards of DreamBig and no directions to the reception caused some confusion for a moment as we were not sure whether is it the right office, should we leave our coats here or should we go straight through the other doors at the end of this spacious room. A similar feeling of 'find-yourself-out' appeared again after few minutes when the receptionist, sitting in the following area, led us to the canteen, showed where the tea bags are, invited to feel 'like at home' and left us to take care of ourselves while waiting for our contact person. This gave us a feeling of informal relationship as we were met not in formal way, but more like old friends at somebody's house.

The whole office space is full of various entertaining details and artifacts that make it very different from more formal offices. Starting with artifacts in the canteen, a huge twinkling sign 'DreamBig noise' made of neon light and loud music can be mentioned. In the kitchen located in the different floor, one can find a huge TV screen with PlayStation console and hammocks. Though the canteen might be expected to be a place where people relax and do not work, but in DreamBig, there is no strict separation between relaxation areas and work areas. Therefore, the canteen also serves as a workplace – sometimes employees come here to have meetings or to work while eating. The main working area is an open space with a lot of white height-adjustable tables. The loft style ceilings are the only old thing in the office interior reminding the previous purpose of the building while all the walls are renovated, and all furniture is brand new. Even though the walls and desks are mainly white, but office seems to be colorful because of the colorful carpet, several modern paintings and even graffitis on the walls of some of the meeting rooms make it playful. Sometimes employees leave their desks, take their laptop and go to work on sofas or bean bags in the lounge areas located in the same open space or to the canteen. In the canteen or lounge areas, frequently one can meet few people chatting, laughing, playing table tennis or Playstation games. At times, a scooter is used to reach another office corner in a faster and more entertaining way. One should not get surprised upon seeing a dog

walking in the office or sleeping under the table during the meeting. Founder's dog became an informal symbol of the company, for instance, the image of this dog is used as a logo of internal communication tool or a photo of him is uploaded to the DreamBig Instagram account. Sometimes other employees also bring their dogs, therefore, during our seven days of observations we met three different dogs freely running in the office or playing with the CEO. The dogs are not the only animals in the office; there are several hamsters in the hutches that employees take care of. In the interview, one of the co-founders related such informal office atmosphere with the modern way of thinking:

”If you compare DreamBig with other companies, in many areas we are thinking in a modern way. It doesn't feel like a real office because we have a dog here. These things are not very visible from the outside, but it is kind of freedom.”

The founder uses an example of the dog in the office to show how much freedom is available in DreamBig compared to other companies. This freedom is illustrated as a modern thing. The office with a dog is called not as a 'real office,' proposing that DreamBig office is somewhat different from usual offices.

The appearance of employees and their relations are also informal. The majority of employees wear simple, regular clothes like jeans, T-shirts, sweaters or hoodies; some others wear stylish, and original clothes, and no one is in official, fancy suit. We experienced that wearing more official clothes made us feel quite awkward, especially when even the CEO wears jeans and a hoody. Employees approach each other in an informal way, everybody calls each other by name, never by a title. Even though the majority of employees are locals, and they mainly communicate in the local language, however, a huge amount of English words and terms are used as well, along with jargon related to their job.

Informality is also expressed in a small number of little-written rules and processes. From the many interviewees, we have identified attempts of founders and employees to emphasize the absence of official procedures in DreamBig. Employees seem to appreciate this absence, and see it as a rational and clever decision. One of the staffers when asked what she likes the most in DreamBig answered:

“How flexible it is <...>. For being flexible and not having stupid processes that do not serve anyone”.

The statement 'stupid processes' inclines that some of the processes in other organizations are believed to be worthless. The absence of these 'stupid processes' in DreamBig means that the company is behaving in a clever way by providing freedom to its employees. In the interviews, hierarchy, formal procedures, bureaucracy, formal relationships, and control, are presented negatively, as attributes of big corporations.

However, the contrasting employees' opinions about the informality and the absence of clear procedures also exist. Some employees expressed their confusion about how things ought to work in the organization by saying that sometimes it is difficult to understand who is responsible for what or how specific things are done. Especially employees working less than one year highlighted the chaotic environment in the organization. One of the new employees emphasized the lack of orderliness in DreamBig. Even though the first impression of the company's informal culture was exciting, but later the negative side of it became more apparent:

“The first impression was – wow, this is not the standard company in the country, employees have a lot of rights, there is a lot of freedom and other things for them. Now, after familiarizing with everything, it seems that there is a lack of order and general rules, maybe. It would be very good if not only a lot of freedom would be provided but also everybody would know their duties. Also, I miss more orderliness. Sometimes it seems like a mess.”

Friendliness

Starting with our experience and impressions, we have experienced friendliness from the people in the company. The contact person as well as two other girls who were taking care of us, while our contact person was away, were very helpful and supportive, always inquired whether we are satisfied and were interested in the progress of our research. Several people, including the CEO, thought that we were new employees and came to introduce themselves, as well to have a small talk while we were in the canteen. They claimed that they tried to do this with almost all new colleagues. Staffers, who knew that the master students from Sweden are doing the research in the company, identified us and were interested in our observations and findings.

Talking about relationships between employees, interviewees mainly told about good and strong relationships with the teammates and other colleagues not only at work but also during

the monthly team building activities and in personal life. In the interviews, people described their colleagues as friendly and helpful. Metaphors of 'a bunch of friends' or 'a family' were often used to describe the organizational culture in DreamBig.

On the other hand, there were several situations that left a contradicting impression about the friendliness. For instance, during the lunch, few of our attempts to make a contact with unknown employees were unsuccessful as people moved their chairs a bit further away from us leaving a strange and unpleasant feeling. Another illustration of the lack of friendliness from the lunch time was when we sat next to the round table of other four people with nobody talking. After initiating the conversation, we found out that one person was hired just a few days ago, hardly knew anyone and seemed very happy that somebody finally approached her. Next to it, it seems that people are mainly communicating with the people from their team and, for example, young female employees working on another floor were coming to the canteen in groups, sometimes seemed timid and hesitated to join the tables where some employees from other teams were already sitting. Also, it could be mentioned that, in general, some people seem to be introverted, reserved and not talkative, even in the canteen where a lot of action happens. This characteristic is applicable especially for the developers. However, in the interviews, we found out that online chat and internal communication tool serves as the main mean of formal and informal communication in the company. Therefore, we should leave space for caution that rather quiet and introverted people might be very active communicators online.

Fun

Fun as an important characteristic of organizational culture was also often mentioned in the interviews, as well observed in employees actions and in company's actions to make the working environment and atmosphere 'fun.' Staffers expressed their joy (while new employees also expressed their surprise) that fun is encouraged in the company. All the previously listed games, hammocks, celebrations as well as plenty of team building activities (further described in Section 4.4.4) are encouraging fun. The fun is considered as an official value of DreamBig and is even measured. Employees told that in the retrospective bi-weekly meetings they fill in the special sheets to evaluate the process according to several criteria, and one of the criteria is 'how much fun it was.' Also, to encourage fun and pleasant atmosphere the HR department conduct annual surveys to find out the 'Happiness Index' of staffers according to various

parameters. Additionally, office administrator encourages employees to share their wishes regarding the fun things in the office.

To sum up, even though there are some contradictions, but the organizational culture at DreamBig leaves an impression of informality, friendliness and fun. These characteristics are noticeable in the behavior of the employees and founders and are also supported by physical artifacts in the office. The communication and relationships are informal, and the contrast with big corporations that have a lot of formal procedures and rules is highlighted. Also, this contrast is emphasized through other characteristics such as participative decision-making and constant change that will be described in the next section.

4.1.2 "Startup culture"

Participative decision-making and constant change together with the minimum of formal procedures were named as specific characteristics of 'startup culture' by many interviewees. These three characteristics seemed to be important attributes of organizational culture in DreamBig. We have already described the absence and avoidance of many formal procedures in the previous section where informality of organizational culture was presented. While participative decision-making and constant change will be elaborated in the following paragraphs.

Participative decision-making

Even though the number of employees in the company has reached 270 globally and 190 in headquarters office but participation in decision-making is still encouraged. This attribute of DreamBig organizational culture was often emphasized in the interviews with both founders and employees. Employees seem to feel welcome to express their opinion not only for their job-related issues but also for organizational matters and any other questions if they feel that they can contribute. Participation is enabled by the open internal online communication tool PeopleDreamBig that is used for information sharing, discussions, proposals and so forth. The ability to participate in decision-making is also used to contrast the company with big corporations:

“The main element is that it is a startup, and you can make a change. We are not a bank with thousands of employees, where you are only a small cog in a system. We want to

ensure that you can change it if you do not like something. These aspects are really appreciated by people [in DreamBig].”

The image of big corporations is painted negatively as its employees are not able to have an influence while the ability to participate and to 'make a change' is presented from the positive perspective and as a 'main element' of startup.

However, there are some negative sides of participative decision-making – employees might feel anxiety about receiving lots of contrasting opinions after proposing their ideas and that it makes difficult to reach an agreement and to make a decision. For instance, two new hires told that they have already finished their ideas about some changes in internal policies, but they still have not posted these proposed changes on internal communication tool as they are still looking for the best way to communicate it. They are concerned about not receiving support for their ideas. Similarly, another new hire admitted that he stopped suggesting ideas publically and sometimes just tries to find other ways to get confirmation for it (within a team or few senior people) to avoid public discussions. There is a fragmentation between the ways how members of top management and regular employees view this situation. Some employees expressed their opinion that participative decision-making is no longer possible as it was before, it is 'not a scalable' process and cannot be applied to the increased number of employees. While CEO still consider this as the best way to make decisions as employees can feel like 'the owners of organization' or that it 'helps to make better decision.' The following opinion was explained by shifting the responsibility to employees' insufficient conflict solving and decision-making skills:

“Of course, some people think that different opinions are a bad thing because it precludes from making decisions. But I think that we do not need to mix two different things like various opinions and ability to make decisions. We follow the principle that we should be able to decide quickly. Different opinions, people or approaches help us make much better decisions, in my opinion. “

To call this as a CEO's ignorance for employees' challenge might be too strong, but this example is a good illustration of opinions fragmentation and different understandings between founders and employees, especially newcomers.

Living in the Constant Change

The company is constantly changing, and the change is embraced internally. It was one of the dominant themes in employees' interviews, mainly it was mentioned as a specific characteristic of 'startup culture.' It includes changes in company's strategy, methods of working and managing, organizational structure, employees' roles and tasks, furniture allocation in the office and so forth. Change is associated with the existence of startup and therefore being flexible and able to adapt is crucial to ensure the continuity and success. This has been confirmed by People Team Leader talking about flexibility and adaptability to the changes.

“Our startup nature requires us to be flexible. We have to be able to adapt quickly to changes, change our mindset with the discovery of new information, if something isn't working, drop it and do things that prove successful”.

We also had an opportunity to experience the changes in the company during our data collection process. After our first visit (four days) in the company, we felt that we are already familiar with the faces of the majority of employees. However, when we came back to the office after three weeks, we met many new faces (5 new employees were hired, some staffers came back from holidays or training, or were working from home before). Furthermore, there was some new furniture on both floors of DreamBig; some tables were relocated. Employees commented on these changes as 'it is always like that' in this company.

Mostly the constant and rapid changes are described as a positive and natural thing - 'things change, the world doesn't stay still', however, it was also related to the high uncertainty, instability and stress in the job or was even named 'chaos.'

4.1.3 Ambitious high achievers

High ambitions, brave goals, aiming to be the best – another important theme in DreamBig. The significance of this theme can be identified from both - company's and employees' - perspectives. From company's perspective, it manifests through high and ambitious goals to be a global leader and to change the way how people around the globe use services that they provide. From employees perspective, one can notice that DreamBig encourages hard work, self-development and aims to become 'world class professionals.' We will elaborate on these two perspectives as well as their negatives sides in the following text.

Ambitious company

DreamBig is aiming for global success, and employees perceive it as a global player with ambitious goals. This observation is based not only on company's ambitious vision statement, business strategy, plans for expansion but also from the language of interviewees. "We want to conquer the world," "we are here to change the world," "we are global leaders and want to grow even more" – these are the phrases heard from top management as well as regular employees of the company. Often these ambitions were highlighted by mentioning national context, and emphasizing the uniqueness of DreamBig situation – that it is one of the first startups from the small country that gained a global success.

"I worked in other small companies in the country, but there was nothing like this anywhere, there were no such challenges like here. We are creating an international global product, and we do it successfully, and we do it mainly with talents that are here [in the country]. It is amazing!"

"This is our mission, we are here to change the world, and we do it from here, from [the country]. The majority of employees are from here, and the idea [of business] is also from the country, and this is it! We can do it!"

Creating a global product from the small country, courageous ambitions, and difficult challenges are seen as something 'amazing' which motivates and engages employees.

Ambitious employees

Besides company's big ambitions, employees also seem to work a lot and have high personal expectations. Even though there are plenty of possibilities to relax and have fun in the office staffers seem to be hard workers. Such contradicting situation was named as a 'paradox' and well described by one of the new employees:

"I have observed such a paradox, there are so many opportunities for people to relax – lounges, playrooms, canteen, freedom to plan own time, but people still work, and they work hard actually."

Focus on self-growth

Next to working hard, employees often emphasized their personal goal to become 'world class professionals' and to be the best in their field. Consequently, they pay a lot of attention to their self-development, participate in international conferences and training abroad. Several employees stressed that big opportunities of self-growth were a prime motivator to work and to stay in the company until now. For example, one new developer, who started working several months ago, revealed that opportunity of self-growth was the main reason for choosing DreamBig, not another company. He explains:

“The major factor in my decision to come to DreamBig was that I saw the opportunity to grow here. <...> I saw the opportunities to grow both as a person and as a professional tremendous in DreamBig.”

This employee sees growth opportunities not only in his professional field but also in a broader perspective. He later told that he sees additional opportunities to develop other areas such as doing public presentations or leading the team in DreamBig and that he found his intentions to develop not only in his main area to be supported here. Another example is several less experienced employees who named the colleagues as 'extremely clever' people. They shared their willingness to develop in order 'to catch up'. To conclude, startup's culture is encouraging self-development, hard work and high goals for employees.

To provide the negative sides of being ambitious high achievers, the pressure to deliver, stress, and fading boundaries between work and free time can be mentioned. DreamBig's applied agile working methods (daily standup meetings, bi-weekly retrospective meetings, monthly planning sessions, etc.) do not leave a lot of space to relax and create a constant pressure to deliver. Even though workers have a flexible schedule or can work from the beach in Indonesia, but the need to regularly present your results serve as a controlling mechanism. These methods together with the atmosphere of high achievers seemingly can cause stress. For instance, one new employee shared that sometimes she feels like 'drowning in the pile of job tasks.' She continued:

“There are all sorts of days. Sometimes I want to jump through the window due to stress and so many things accruing for one day. But the next day I will 'tear down the mountains' and feel awesome”.

Even though she sometimes 'wants to jump through the window due to stress', but still try to emphasize the positive side of it – confidence and delight of high achievements. Another

employee confessed experiencing stress and sometimes even working at home in the evenings to finish the tasks. Two more employees said that sometimes they start working at home due to notifications on the phone and somebody writing to them. Fading boundaries between work and leisure can be observed here.

To conclude, even though there are some anxiety and stress related to strong result orientation, however in most of the cases it is justified and taken as a logical thing in an ambitious global company and also as the possibility for self-improvement and better performance.

4.1.4 Openness and trust

Openness and trust are the last characteristics of DreamBig organizational culture we want to highlight. In the following paragraphs, we will share how these characteristics manifest in DreamBig, how employees perceive them and what are the limitations or negative sides of it.

Openness mainly manifests through physical artifacts and open information. Open space office all the employees sitting together (on both floors) is the most visible sign of openness. Meeting rooms are located in the same open space, and mainly have glass walls and doors. The second illustration of openness is an open internal communication tool, called PeopleDreamBig. Thanks to it, employees can see all the information of the company published or discussed, and all the employees have the same access to all information. This was highlighted by the CEO:

“Information is public, we do not hide anything, and everything is visible, for example, our financial results. There are some extreme initiatives, for instance, where people share their salaries. <...> I share protocols of the board meetings, CFO shares financial results. <...> there are no different access layers so that one can see either everything or nothing.”

The absence of different access levels illustrates openness and trust for their employees.

Trust is manifested not only through open communication tool but also through employees freedom to spend money on their self-development, team building or equipment needs, to work from wherever and whenever you want. The freedom to spend money for self-development means that employees can choose by themselves how they want to spend the money that is dedicated for their self-development – which courses to attend, what books to buy, etc. Similarly, it is with money for team building activities and equipment (computers, screens,

etc.). Furthermore, the flexible working hours, ability to work from home or even from another country can be identified as examples of trust. DreamBig trusts its employees and that they will perform necessary work tasks even not being present in the office.

Looking from the employees' perspective, openness and trust are seen positively, and often presented as one more distinguishing characteristic of the company. Trust is depicted as a rational and effective way to avoid superfluous controlling procedures. While, for instance, one member of HR team presented open information as an attribute that is attractive for whimsical knowledge workers, yet still 'not very usual in big companies'. Similarly, members of top management team highlighted the trust as a feature that contrasts DreamBig from regular bureaucratic companies that 'do not trust employees'. One good example is CEO's presentation during DreamBig Day - the regular bi-weekly internal event to present the news and other information. In one of the recent presentations, CEO compared two organizations. One company was a company where people need to work from nine to six, come to work with a uniform, check in with the card while entering the office. This company was provided as an example of distrust and control. Meanwhile, DreamBig was presented as an organization where nobody monitors when employees come and how much money they spend on team building in order to emphasize the trust.

Moreover, trust and openness are characteristics that distinguish the company in national context. One of the interviewees stated that the trust can be one of the company's success factors comparing to other companies in the country:

“There are no orders from the top, therefore, the person feels free – ‘somebody gave the responsibility to me, that means that they appreciate me, maybe I am gifted in this field. I think company wins a lot with such approach. It is better than to sit on the head of the person and to chase him with a stick. Many companies in our country do so. But I think, our [good] results talk for themselves.”

Both – the trust and openness - has its limitations and shortcomings. Starting with limitations of openness, it could be mentioned that some strategic information of top management is no longer published after increase in the workforce. While shortcomings are that some employees suffer from a huge amount of information and notifications in the tool, making it difficult to choose what is relevant. Furthermore, members of the top management team highlighted the negative impact on employees' happiness if negative information, for example, poor business results for that period were announced.

Trust also has its limitations. For example, it is required to post information about the expenditures on training or team buildings on the internal company's communication tool. One of People team members presented this as a cultural self-control mechanism:

“We only say ‘go and use the budget we provided’, and also ‘post a picture where have you been and how much did you spend with your team.’ This is a natural mechanism of self-control, the cultural one. You will not fly to Las Vegas with your team because it is simply not a ‘common sense’. In this way we create that ‘common sense’ in order to have fewer rules and better understanding ‘what is ‘DreamBig like’ and what is not’”.

Also, one representative of top management team told a story about one team cheating and using the money in a wrong way. This caused discussions between top management whether the trust can remain when the company becomes bigger and new people have a different understanding of values and 'how to use them'. Different understandings of values is one of the challenges of company's growth and we will further elaborate on it in the chapter 4.3.

To conclude, DreamBig organizational culture has quite many positive aspects, such as attractive values, and ability to participate in decision-making and high importance of self-development. Employees consider openness, trust, informality, and flexibility as characteristics that are unusual for corporations and , especially, for old traditional local companies. Therefore, these characteristics are considered as a sign of modernity and it serves as a source for positive identity creation of staffers. On the other hand, strong result orientation along with global ambitions, high expectations, and pressure to deliver can occasionally cause stress.

4.2 The background of organizational culture

To provide the background information about the organizational culture in DreamBig, we will describe several origins of this culture. First of all, there are many signs of the strong influence of founders' and first employees' beliefs. Secondly, the initial hiring practices were based on the hiring of friends and people from networks, this also enforced similar values and beliefs as of founders and first employees. Thirdly, the founders' and first employees admiration towards successful Western startups can also be named as an important aspect that influenced values and ways of working in DreamBig. Finally, the founders and the majority of employees can be

assigned to the generation of millennials according to their age as well as to their characteristics. Normative efforts were applied to strengthen the ideas of founders and first employees. In the following paragraphs, we will elaborate more on these themes.

Founders' influence

To start, co-founders of DreamBig were very important in laying the cornerstones of company's organizational culture. Several employees emphasized founders, especially the CEO, as a key source of organizational culture in the company. Both founders also agreed on their influence on organizational culture and values:

"It [the values] came from me and other main people. It is just a mirror of founders".
(John)

"Maybe this is because of founders... We always wanted to work in a place where we would like to work. Therefore, we created an environment which would be pleasurable [for us] to work in." (Andrew)

One of the founders here explained that their intention was to create a company where they would like to work. This intention means that they were aiming to create a 'pleasurable' atmosphere according to their beliefs and wishes. Accordingly, these beliefs became either the values of organization or specific characteristics of organizational culture in DreamBig and according to our empirical data little changed until now. To provide an example, focus on having fun while working and the emergence of Fun as a value can be mentioned. Seemingly, it appeared from founders' beliefs. One of founders named it 'hedonistic thinking' and explained his point of view by saying that "person spends one-third of his/her time at the job, and he/she cannot allow not to like that job" and that "it would be just unfortunate to spend valuable time where one does not like to be".

First employees' influence

First employees, mainly developers, were also highly influential. Consequently, attempts to be tech savvy can be identified in the organizational culture and ways how work is organized in the company.

CEO's and other first developers' admiration towards successful Western IT or tech companies influenced the emergence of some values and ways of working. As one of the first employees explained it:

“Organically culture creation started with senior developers and their interest in organizational culture. Developers were opinion leaders, suggesting ideas from very successful tech companies. They follow such companies very closely.”

”When we were small, many of cultural elements came from our developers because from the very beginning they were very interested in culture creation. They were following such companies as Spotify, Valve, Buffer and other great ones! (Laughing). They were also bringing various ideas. Several senior developers were opinion leaders. They suggested open communication, flat hierarchy, and monocacy.”

The developers are regarded as ‘opinion leaders’ to emphasize their importance in ‘culture creation.’ According to this and other employees, openness and trust – the characteristics of organizational culture described in the previous section – appeared as values of the organization due to developers’ admiration of some startups (Valve, Buffer) applying these characteristics. Also, some ideas about organizational structure and ways of working (for instance, autonomous teams, guilds of one type professionals) as well as management methodologies were copied from other successful companies such as Spotify or Google and adapted to DreamBig needs. The admiration of some very successful companies can also be identified through physical artifacts. In the office, we noticed employees wearing t-shirts with ‘Google’ or ‘Facebook’ logos. The company is using exceptionally Apple computers and mobile phones, and a poster with Steve Jobs picture is hanging in the bathroom.

Hiring practices

As we have already mentioned, the initial hiring practice was to hire through friends’ recommendations. Furthermore, for a long time until just recently hiring was decentralized and every team was responsible for hiring the people their need for their team. This practice has formed naturally due to the rapid expansion as bringing the person you know and trust from the personal connections was easier, less time-consuming and less costly. Moreover, the country is relatively small. Therefore, a person working in a particular area can personally know most of other individuals in the field (from university, previous professional experience, conferences or networks). Consequently, many new hires were friends of employees in their personal life. This

situation could be related to the emergence of the informality and friendliness in the organization, one of the key characteristics of organizational culture that was mentioned in the previous section - 4.1.1. “The playground.” Informality, friendliness and fun. To add, hired people shared similar values, beliefs, and interests as the people hiring them which were a positive aspect in the creation of strong organizational culture.

Millennials generation

Finally, values and characteristics of DreamBig possibly might be related to the attributes of Millennials generation. The founders, as well as first employees, are in the range of 22-32 years old and also they seemingly share the characteristics that are ascribed to the millennials. According to Meister and Willyerd (2010), this generation has such characteristics as setting high standards for themselves and employers and viewing work as a key part of life. Skiba (2005) says that millennials are multitaskers and collaborators, use technologies as an inherent part of their life. Similarly, Myers and Sadaghiani (2010) state that millennials “work well in teams, are motivated to have an impact on their organizations, favor open and frequent communication with their supervisors, and are at ease with communication technologies”(p.225). In DreamBig, the majority of employees seem to set high standards and goals for themselves, and view work as an important part of life where they want to develop and be satisfied, want to have an impact on the organization, tend to work in teams, use technologies extensively, favor open and frequent communication. Therefore, we claim that organizational culture in DreamBig can be perceived as a culture created by a bunch of Millennials in line with Millennials generation’s beliefs.

4.3 Challenges with growth

In the last four years, DreamBig was growing and expanding significantly, and it consequently created several challenges. The major challenges are related to the growth of the workforce. With expansion, the startup experienced significant growth in staffers’ number (in last four years the number of employees increased more than six times), and this number remains increasing. All our interviewees, especially members of the top management team, named this growth as one of the key challenges for the company. And as we have mentioned in section 1.2.

Rationale, this challenge is one of the key reasons why DreamBig is an interesting phenomenon for our research.

Following in this section, we will outline the key challenges DreamBig faces during the rapid growth, namely different values interpretations, losing friendliness, and increasing ineffectiveness.

4.3.1 Different values interpretations

A high number of new hires might create a risk for current organizational culture as according to one of the co-founders “they bring their own culture”.

“In the last years, we grew a lot. But everything has its own price because that growth has an influence on our culture as many new people come and they have to take over the same culture. However, sometimes they bring their own culture.”

The co-founder views challenges for organizational culture as a price for the business success. He sees a challenge to ensure that new hires adopt the existing culture, but at the same time, he recognizes that sometimes new hires bring ‘their culture’ to the organization. This implies that the co-founder is aware that there are limitations to what degree people can adapt to the organizational culture, and that their own beliefs and values from their previous experiences might be different from values and beliefs dominating in the company. Consequently, these differences seemingly bring new understandings of organizational culture in DreamBig.

New hires view the things in the organization through the lenses of their own experience and beliefs and interpret things differently. Top managers and first employees highlighted this situation in the interviews because they see newcomers’ understandings of values “totally different.” During the growth of the workforce, they became aware of the increasing fragmentation of cultural understandings between employees. As one of the founders stated:

“The more people, the more difficult it is. For example, I feel that understandings of values are totally different if we look from top management to bottom. I mean, in one department, we can see that many understandings of values contrast totally with what is ‘DreamBig [values].’ The things they tell us seem like an entirely different company.”

According to the co-founder, understandings are different of organization's values, and he sees these differences so significant that it creates a picture of the totally different company. Similarly, People team leader also sees that growth creates challenges to maintain the same values. She gives her explanation describing the new hires' confusion regarding the value of trust that encourage people to decide themselves how much money to spend for their self-development or team buildings:

“The lesson is that, with the fast growth of the organization, there is a need to reinforce values. I see that what is obvious to me as an old employee, it is not clear for the newcomers. They are lost, they are not used to such procedures, and clarity is needed for them. You have to explain to them that we trust that he or she will make the right decision.”

One specific example of fragmentation in values interpretations is the absence of shared meaning of the value of freedom and flexibility. The data analysis showed that interviewees hold different meanings about the values of freedom/flexibility. Staffers explained this particular value in various ways: as a freedom of choice, as freedom to use money for self-development needs or team buildings, as being flexible to change and adapt to changes in the company, as flexible working hours, as being free to make decisions on your own, and as being able to work without many procedures. The interviewees either used both words – freedom and flexibility - interchangeably or were using a different word to illustrate the same example.

Here we can also mention that various subcultures emerged in DreamBig during the growth. In the answers of interviewees from different departments, we sometimes have noticed some differences in what do they emphasize, what challenges they see and how do they explain the values.

4.3.2 Losing friendliness

Many employees working from the initial stages of startup remember with nostalgia the times when they all felt like one group of friends. They remember having lunch altogether, sharing personal life stories, and forming a 'bunch of friends' company, where it was enjoyable to work at because of the people. Positive and equal relationships when everyone respected each other

created a nucleus of startup life. With friends joining through personal recommendations the friendliness seemed to be fostered.

However, with the business expansion, the workforce also grew significantly, and they were no longer able to maintain close relations with everybody. This transition is illustrated by the quote of one of the employees working from the initial stages of the company:

“We were growing more and more, and there came a turning point when we could not eat altogether because there were already too many people. The breakthrough happened when people started to separate and form different smaller groups, and it wasn’t like one big family anymore. Now it’s just physically impossible to get to know everyone”.

The family metaphor used in the statement signifies close relationships and care for each other as opposed to mentioning a physical challenge for over 170 people (in Headquarters) to bond and become like a family. Similarly, another one of the first employees, who is a team lead, remembers close friendships at the beginning stages of startup:

“We were all friends before. Now, however, it’s not that easy to meet and communicate with all the new hires. Therefore, I am trying to mirror the friendliness what was before in the whole DreamBig to my team at least. I try to do that, as I have been in this company from the very start, I ‘grew up’ with the bunch of friends here. Other teams that formed later, from newer people, differ a little bit as they have not seen or experienced it the way I did”.

This quote clearly explains the difference in the atmosphere what was experienced by first employees and others joining later. It was not the same closeness level as in the very start, and the interviewee notices differences between the atmosphere in his team and other teams that were formed from newer people. In a similar vein, several other employees expressed that they are “no longer able to meet each and every new employee, and it no longer makes sense to get to know the whole organization”, but they have close relations within the team. Our contradicting experiences about employees’ friendliness during the lunch in the canteen that was described in the section 4.1.1 can also serve as an example of people no longer interested in meeting new hires, and not everybody behaving friendly towards them (or at least not trying to meet every newcomer).

4.3.3 Ineffectiveness

Startup growth challenges introduced added complexity, increased levels of chaos and misalignment between the teams, some of the practices or processes became outdated and not applicable for a bigger organization. The latter can be illustrated with one staffer revealing the challenge related to the constantly increasing number of employees and limited applicability of processes:

“Since I have joined DreamBig [two years ago], I think every week a new person was joining the company. The similar situation is happening right now as well. So, yes it is a challenge, because what suits the small group of people, does not suit the bigger one”.

This statement is a good illustration of self-awareness. Staffer expresses that with constant change, the company and the ways of doing things have to be adapted to the current situation. In the case of rapid growth, keeping same procedures became ineffective. Similarly, another interviewee said:

”We grew really rapidly from 50 people to 200 and, for example, not every communication tool or method was scalable, some things or processes might be out-dated.”

Due to the growth, some processes became more complicated. A good example could be a participative decision-making that from the beginning of DreamBig existence was considered as one of the key characteristics of 'startup culture' (discussed in more details in the section 4.1.2 "Startup culture"). Decision-making where everybody was encouraged to share their opinion, doubts or suggestions became a challenging process when the workforce more than sixfolded in the last four years. One of the first employees explained this challenge:

”Now it takes more time to make decisions because you need to discuss it with more people. Also, your decisions might have more influence, for more teams. Previously it was that you collect five people, say everything and you know that it is clear for everybody. While now somebody is on holidays, somebody is abroad, maybe sleeping in the USA at that moment, while you need to make a decision but you know that you cannot make a decision without them, so you have to wait for at least twenty-four hours. Also, the physical barrier appears. You have

to wait for the comments and only then to decide. Due to the size, it becomes more complicated.”

Furthermore, complexities and out-dated processes might create an image of a chaotic environment and lack of orderliness, especially for new hires. From the interviews, we have noticed that founders and employees working several years in the company consider the current situation in the organization as very stable compared to the initial phases of DreamBig while newer employees view the same situation as still chaotic. They expressed their confusion and willingness for more orderliness.

Finally, with the increase of startup size, the misalignment between company’s intended strategy, teams’ goals, and employees’ interpretations became apparent. CEO has commented on this:

“We have identified business problem that people are not entirely aligned regarding what the company wants to do. I talked with the top management team, and they see it one way, I asked other employees, and they see it differently. So there are small worlds people live in, and the view is not entirely the same as we want it to be”.

CEO expressed his concerns about different interpretations of company goals. While one new hire shared his anxiety whether the goals of his autonomous team are still in line with the recently changed strategy of the company and whether the job tasks they are working on are still relevant. He later continued that recent actions of the company might solve this issue. The actions will be presented in the following section - 4.4. Dealing with challenges.

All in all, growth created such challenges as values being interpreted differently by various employees, losing friendliness, and the increase of ineffectiveness. The former two challenges are directly related to the organizational culture of DreamBig. Founders and employees notice the fragmentation in the understandings of values and the decrease of friendliness and recognize the need to work with these challenges. The increase of ineffectiveness is a business related challenge. However, we decided to point it out as the way company is trying to deal with this challenge by introducing formalization which might have a significant influence on organizational culture. Formalization and other ways that are applied to deal with the challenges will be discussed in the following section.

4.4 Dealing with challenges

In this section, we will present several key ways the DreamBig uses to deal with the challenges of growth that were discussed in the previous section. We will start by introducing the formalization initiatives and their contradiction with the informality of culture in DreamBig. Then we will describe the importance of culture compatibility during the hiring of new candidates. Finally, we will finish this section by presenting rituals and team building activities and their role.

4.4.1 Formalization

To deal with added complexity and ineffectiveness created by rapid growth, the company has professionalized processes, introduced formalities, processes, and procedures, structured work, set clear priorities and currently works on the alignment of practices.

To start with, DreamBig is directing the attention into structuration practices and defining clearer roles and tasks. Recruiter admits that there is currently ongoing work happening to clarify what is exactly expected of employees and teams.

„We give people expectations; we help them to reach it by providing feedback.“ The salary is based on performance, therefore achievement is important. We are still working on expectations; we are working to achieve frequent meetings to discuss where people are moving, where we are moving as a team and as a company. Calibration and harmonization are our aspirations”.

Having grown several times as an organization while entering new markets and adding plenty of new team members poses challenges to integrate and coordinate the changes into an efficient and working system. With increasing organizational size comes the need not only to assign clear responsibilities and expectations to employees holding a specific position but also to ensure the alignment between the goals of the teams and the common goal of the company. It is reflected in CEO’s statement below.

“Earlier everyone used to do everything, now we distributed the clearer roles and responsibilities, introduced some structure, meaning certain things do not need to be done and one can concentrate on his/her own work. Current structuring involves

instilling OKRs, leadership program, roadmaps for teams. We plan long-term now as opposed to short-term actions earlier”.

In the CEO’s quote, OKRs are mentioned as one of the examples of structuring initiatives. OKRs stand for objectives and key results determined every quarter based on SMART criteria. The purpose is to align company’s, teams’ and personal’ objectives setting measurable goals that help everyone to move in the same direction – to reach the common goal of the company. This idea has been taken from Google and is also popular among other tech companies. It is suggested, that for individuals as well as the teams, it became clearer what is expected from them, and their objectives will be measured against the achievement every quarter.

DreamBig attempts to structure HR practices and to introduce more orderliness in internal communication. In the last year, a team responsible for internal communication, HR and cultural matters (called People Team) was created and expanded. This action was done to “strengthen the culture”, provide more clarity, ensure better internal communication and the well-being of staffers.

“We like to think proactively and take early action. <...> A natural need for structure and tools has given rise to a dedicated People Team. And they contribute a 100% of their time to cultural matters and effectiveness of [internal, communication] processes.”

Consequently, some rules appeared in internal communication (for example, to provide a summary on top of a post with a lot of information in internal communication tool), more attention is dedicated to the hiring procedures and hiring became more centralized. The latter will be further discussed in the following section.

Before turning to hiring practices, it is important to notice the contradiction of formalization in DreamBig. As we have presented in the section 4.1.1, the informality is one of the key characteristics of organizational culture in a startup; it is embraced and used to portray DreamBig as a company working in a modern way, not as a bureaucratic corporation or local authoritarian companies. The absence of ‘stupid procedures’ was highlighted. However, from this section, the reader might see that the current actions of the company are opposite. It creates a contradicting situation – the informality and absence of procedures are embraced by founders and employees, but the company is focusing on formalization and structuration. Direction to formalization could be partly related to the horizontal pressure from the employees, especially

the new ones, that want to have more orderliness in the organization and call current environment as chaotic (described in more details in section 4.3.3 Ineffectiveness) as well as with possible vertical pressure from investors. The contradiction between aims to maintain informal culture and pressure to structure and formalize the organization will be further discussed in the Discussion chapter.

4.4.2 Hiring

Hiring processes are given much importance and attention in DreamBig. Its primary objective is to hire people with a cultural fit, meaning, aligned with the company's values (trust, honesty, openness, fun, self-development, etc.). This intention can be related to the challenge of cultures - different understandings of values - that was described in more details in section 4.3.1 Different values interpretations.

Since the creation of the firm until quite recently hiring was a decentralized process. Every team was responsible for hiring the people in need. Many new hires came to the company through personal friendships or personal recommendations. Centralized hiring process had come to effect only a few months back when an official Recruiter position was created. Attracting, screening and interviewing candidates are the main tasks of Recruiter, together with few other projects and development of standardized hiring procedures.

Hiring procedures are still used as a filter to ensure that people coming to the organization do have 'cultural fit.' To enable this, DreamBig uses Tryout technique to evaluate the candidates. According to this technique, the candidate is invited to spend two days in the company. This way the team and individual get the feeling for one another. The person can get familiar not only with the tasks of work but also with the culture and atmosphere of the organization. In the same way, the team has the chance to see whether the individual fits the team and the company, and later all the team decides which candidates are the best regarding the 'cultural fit' and professional abilities. HR team members present the 'cultural fit' as more important in the hiring process:

“When we are hiring we look not only to professional aspects but also to personal ones. We always look for people who match our company from a cultural perspective. Someone who would be transparent, open for feedback, modern, honest. We can train people the necessary skills to do the job, but we are looking for a match in attitude and mindset.”

The citation shows the importance of cultural fit between the individual and the company. However, the person should be willing to learn and develop skills (self-development is also one of the values as described in section 4.1.3). It supports the view that it is easier to train the person hard skills for the job, but it is so much more difficult to change the attitude of the person. Also, CEO highlighted the importance of person to be ambitious; that is also in line with the current culture described in section 4.1.3. Ambitious high achievers.

While hiring is seen to focus attention to select the best matching individuals with the cultural and values fit, rituals further embrace one particular Fun value and allow people to bond, socialize and establish closer relationships.

4.4.3 Rituals

Rituals are an important and widely used way to embrace organizational culture in DreamBig. Especially it plays an important role in fostering the fun, friendliness and informality – the characteristics of culture that were analyzed in depth the section 4.1.1.

Rituals are all about Fun and having a good time in DreamBig. Various events like Christmas, Easter, Independence Day, Birthday celebrations, DreamBig festival are organized to keep people happy, bond together and socialize. Traditional celebrations like Christmas, Easter, Women day are celebrated in the office with delicious homemade treats and cakes from the in-house canteen. For example, Easter celebration follows traditional patterns with painted eggs and spring renewal decorations, while Christmas event surprises with Secret Santa gifts and Christmas tree decorations.

DreamBig Festival is an annual summer weekend event that is a most awaited and called as "a holy affair for most of us." There are many fun and crazy outdoor activities and a live band performance. Employees from remote offices in other countries are also invited to join, have fun and enjoy the sunny summer days. The informality is expressed in this festival; a complete freedom is allowed, and there is no obligatory team building tasks or strict program as compared with "big corporations."

Another ritual, bi-weekly event DreamBig Day serves as a platform to inform all the employees on business updates providing 'broader picture' and unifying the understandings. However, like many things in this organization (see more in the section 4.1.2. "Startup culture"), the concept

of this ritual was also presented as constantly changing. In the current concept, employees gather to listen to CEO's or other people presentations about hot/important topics or recent happenings. CEO states that the purpose of the event is to spread the information to the whole organization.

“This channel is for me to broadcast the information to a whole organization.”

Besides spreading the information, the embracement of organizational culture also became a goal of these events. As top management identified various understandings of values and the absence of shared meaning for some values (as was presented in section 4.3.1. Different values understandings), the CEO, after the encouragement of HR team leader, started to use this event also for the explanation of particular values for the employees.

Even though some rituals like DreamBig Festival remained to be very informal, but some rituals became more structured due to the growth of employees. A good example - birthday celebrations. With the employees' growth, birthday celebrations became a daily thing and not that much appreciated. Therefore, all birthday celebrations have been 'joined' and celebrated together on the last Friday of every month to retain the importance of the event and to maintain the festive atmosphere. The afternoon of the last Friday of the month turns into a bubbly relax time with colleagues and fresh birthday cake cooked in the canteen.

4.4.4 Team building

To maintain the friendliness and unity in the fast growing company the team building activities play an important role.

Company dedicates a lot of financial resources and attention to the team building activities. Every team is encouraged to plan its team building activity which is paid by the company. In the interviews, employees told that this helps to maintain friendly relations and fun atmosphere at work. Karting, bowling, ice-skating, snowboarding, trampolines, laser shooting, canoeing, karting are just few examples of fun activities in team buildings. While new employees also admitted that they use team building activities not only to get to know the teammates but also to puzzle out how everything is working in the company without clear processes – who is responsible for what and who is doing what.

Last year a special kind of team building - a roulette – was introduced to encourage and enable employees to meet people from other departments. Every month employees are willing to participate in this initiative need to sign up, system randomly picks people, and they are encouraged to organize team building activities according to their wishes. The employees, especially the new ones, enjoy this opportunity:

“I participated last month; it is actually a lot of fun as there were different people from different teams I do not get many opportunities to communicate with them. It was very cool!”

Roulette team buildings are not only fun, but it also helps people from different departments and teams to familiarize with each other, beliefs and values, to talk about the way they see the company, and by doing so it is expected for subcultures to 'get closer.'

However, several employees with varied work experience – from newcomers to employees working up to 1 year – mentioned that sometimes they feel tired from all the team building activities happening. One of the first employees has expressed that frequency of activities is high, and it can get tiring and time-consuming to participate in all of them.

“Sometimes I am tired of so many team buildings. So I do not even try to participate very often”.

Another example is people with families who are not able to dedicate so much time for the socialization in off work settings. Hence, they are occasional participants.

4.5 Chapter Summary

In this chapter, we analyzed our data to understand the organizational culture and the ways of maintaining it in a fast growing global tech startup – DreamBig from one of the post-soviet Baltic countries. We were seeking to understand the organizational culture phenomenon by exploring how employees and founders perceive and interpret it. We have described the key themes representing the organizational culture of DreamBig that are ‘the playground’ (informality, friendliness, and fun), ‘startup culture’ (participative decision-making, living in constant change, and informality), ambitious high achievers, also openness and trust. Founders’

and first employees' influence, hiring practices, and millennials generation were mentioned as key factors that seemingly influenced the existing culture. During the fast growth, DreamBig faced few challenges that are different values interpretations, losing friendliness, and ineffectiveness. DreamBig tries to deal with these challenges by implementing various formalization initiatives, paying attention to 'cultural fit' while hiring new employees, also by organizing a lot of rituals and team building activities.

5 Discussion

The purpose of this chapter is to discuss our key empirical findings in the light of the literature on organizational culture and its management. Upon starting our research study, we have formulated three research questions: what is the organizational culture in a fast growing tech startup? What are the challenges faced due to the rapid growth? And what are the ways to maintain the organizational culture in a fast growing tech startup? Keeping our research questions in mind we will present our key and most interesting findings of organizational culture, challenges of growth and the ways to deal with the challenges in the fast growing tech startup.

5.1 Result orientation in entertaining atmosphere

Friendly and informal relationships, investments in employees self-development and team buildings, participative decision-making, flexible schedule, comfortable, cozy and entertaining atmosphere in the office shows that DreamBig's is attentive to its employees' needs. However, belonging to a group of ambitious high achievers create pressure to perform and reach fast results. Furthermore, people are hurrying up, working even while eating or at home, sometimes feeling stressed due to strong result orientation. Such a contradicting situation was considered as a 'paradox' according to several employees. From the literature analysis, it seems that similar contradicting cultures are rather a common phenomenon as researchers aiming to identify general types of culture distinguish corresponding types of culture. For example, we can relate DreamBig culture to the Integrative type of organizational culture (Sethia and Von Glinow, 1985) with emphasis on high concerns for employees as well as high concerns for performance. DreamBig culture can also be assigned to the Work hard-Play hard culture type that highlights the fun and action-orientation (Deal and Kennedy, 2000). These types bring out the combination of people-orientation and result-orientation in DreamBig organizational culture and show that such contradicting orientations are quite common in organizations. However, we are aware that

such typologies generalize various cultures depending on what characteristic(s) they are based on, and, therefore, they present a rather simplified image of the culture.

Additionally, we would like to emphasize the controlling function of result orientation of DreamBig culture. Culture gives the agreed norms and rules of behavior in the organization (Brown, 1995). According to Kunda (2006), normative control attempts to elicit and direct the required efforts by controlling the underlying experiences, thoughts and feelings that guide members' actions. In DreamBig's case, the result oriented hard work, the atmosphere of ambitious high achievers and 'smart people' could be seen as a mean to encourage employees to work hard, fast, effective and in accordance with company's needs and global strategy. Cultural control strategies are of high importance for organizations as they encourage employees to take the decisions that are useful for the organization in the cases when there are no concrete guiding rules (Gosset, 2009). In the uncertain and constantly changing environment of DreamBig, members' identify with the organization, and they discipline their own behavior in a way useful for the organization even without any concrete procedures. As DreamBig can be named as knowledge intensive firm and the majority of employees can be considered knowledge workers Alvesson's (2009) statement that knowledge intensive firms are, at least to some extent, non-managerial and conventional management models are often not applicable is also relevant and supports the importance of controlling function in tech startups.

5.2 The uniqueness of organizational culture in the national context

Employees of DreamBig perceive the informal, friendly, flexible and open organizational culture as unique compared to other companies in the post-soviet Baltic countries, and this uniqueness motivates staffers. DreamBig culture is seen as modern - the 'modern way of doing business,' opposite to more authoritarian, controlling and formal organizations. This uniqueness seems to be attractive for young employees of DreamBig as many of them described the company as 'the best startup in the country' or 'the coolest place to work in the country.' Being one of the first startup's global success stories in the country without long entrepreneurship traditions seemingly is a strong motivator for local employees. Brown (1995) mentioned motivation as one of the functions of organizational culture. According to author, "employees are motivated when they find their work meaningful and enjoyable, they identify their aims and

objectives with those of organization” (Brown, 1995, p. 59). Similarly, Daft *et al.* (2014) stated that organizational culture gives employees a sense of identity. The culture of DreamBig helps employees to create shared identity of being a part of something new, modern, unique, somewhat better than the regular companies in the country and aiming for the common goal to ‘change the world’. The way how people relate to the objective and ‘practical’ matters in the organization is the level of culture that goes beyond the surface (Alvesson, 2002).

However, in a broader context, informal, friendly and flexible organizational cultures of companies seem to be rather usual. In other countries, where entrepreneurship traditions are much older and stronger, such culture is neither unique nor new phenomena. In the literature, similar organizational cultures are already widely discussed. For example, Daft *et al.* (2014) generalized all small organizations as usually flexible, having a flat structure, and being simple. In the same vein, Storey and Greene (2010) also highlighted informality, flexibility, innovativeness and fast responses as characteristics of the regular small enterprise. Furthermore, it could be added that, as we found out from our empirical data, many other Western tech startups or big tech companies were highly influential in the creation of DreamBig organizational culture as the startup copied and adapted many cultural initiatives and managerial practices. The staffers of startups see the application of cultural initiatives and methodologies of other companies as a rational decision as well as the way to be similar to admired members of the global community. However, according to Alvesson (2002) every specific case has its own unique context, therefore, following general rules for actions usually is not a productive way. Societal cultural traditions can also affect organizational culture (Alvesson, 2002). The managers applying Western methods and cultural initiatives, for example, trust and openness, might cause anxiety for local employees that may not share the same meanings of these values as people in other countries.

Even though the organizational culture of DreamBig might not seem to be unique or new in the global context, but it does not deny the fact that it is a unique phenomenon in the national context. Here we could point out that many authors (Brown, 1995; Hofstede, 1980) highlight the importance of national culture for organizational culture of the company. We do not deny that national culture may have an influence on assumptions or beliefs of local employees in the headquarters of DreamBig, but we would like to note that it seems that DreamBig’s culture is

more influenced by global tech startups' fashions than the national culture and business traditions.

5.3 Different meanings of values

Different cultural understandings and interpretations of newcomers can be mentioned as an aspect that makes DreamBig values rather vague. New hires view the things in the organization through the lenses of their own experience and beliefs and interpret things in the organization differently. Therefore, multiple interpretations of organizational values and norms appeared as well as several subcultures formed after the fast expansion of DreamBig.

Alvesson & Sveningsson (2016) suggest working with the meaning of values. Authors highlight that precise explanation is needed to create shared meanings. DreamBig does not seem to have lent sufficient attention to this matter. What is the meaning behind the advertised values of trust, freedom, flexibility, openness? We have observed the differentiation in understanding the meanings of these same values. It seems that meanings are socially constructed and differentiated depending on the length of employment, on position hold in the company, on personality differences and so forth. Alvesson & Sveningsson (2016) point out that cultural work needs agenda, and that "values and meanings are slippery, uncertain, vague and sensitive to drifting" (p.192). It is of high significance to have the same meaning and interpretation in order to exercise control through culture as diversified workforce make it difficult to maintain the existing culture as different understandings will bring about different cultural realities. And from our empirical data, it is observable that with more people, more meanings and interpretations can be identified, values are becoming vague, and interpretations can be distinct. In order to create and foster shared meanings of values, Alvesson and Sveningsson (2016) suggest continuous attention to symbolic work.

5.4 Ensuring culture compatibility through hiring

As one of the ways to create and maintain the organizational culture, the hiring can be highlighted. In the literature, it is recommended to pay significant attention to the selection and recruitment of new hires in order to maintain the organizational culture in growing

organizations (Daft *et al.*, 2014; Brown, 1995). According to Brown (1995), in order to hire people who accept organizational values and culture, companies should start with friends and relatives of current staffers, and also include cultural compatibility in the evaluation of candidates.

However, we can see from our empirical findings that DreamBig's abilities to be selective regarding 'cultural fit' are limited due to the need to hire a high number of new employees in a short period. Especially this is significant for developers and other experienced IT professionals that are in high demand in the labor market. Even though DreamBig tries to focus on 'cultural fit' of candidates by talking about their cultural beliefs in the interviews, performing a 'try out' - two days practice in the office - as a part of selection, and including the team in the decision-making of successful candidate, but there is a limited supply of IT professionals to choose from. Consequently, DreamBig occasionally hires people with different value interpretations and face the risk of values becoming vague.

5.5 Rituals, ceremonies and team building activities

Rituals, ceremonies, and team building activities are among the most common managerial means to maintain the friendly and informal culture. Kunda (2006) suggests that for employees to become what the company would like them to be, influencing the behavior and experience of organizational members is crucial. Brown (1995) suggests that ceremonies and rituals remind and reinforce values, create a feeling of belonging, and inform about the norms in the organization. Similarly, in our case, we have also found that rituals, ceremonies and team building activities help to meet people from other departments, to create stronger social bonds between staffers and find out how the organization works, especially this is relevant for newcomers.

However, it seems that employees working for several years are not participating in team building activities so actively and enthusiastically as new hires. Due to the high frequency of activities old staffers lack the interest to participate in these activities very often as they already know many people in the organization and do not feel the need to get familiar with everybody. Their explanations about not being active participants seemed like excuses and left an impression that they might experience indirect, cultural pressure to participate and guilt for not doing so often. To conclude, we recognize the importance and benefits of team building

activities and rituals, however, we see the risk that too high emphasis and too many of these activities may cause anxiety for employees working several years.

5.6 Formalization of informal organization

DreamBig claims the aim to maintain informality as one of the key characteristics of organizational culture. However, due to the challenges of growth organization is currently implementing several formalization initiatives. For instance, OKRs, defining clear roles, responsibilities and expectations, aligning individual, team and company goals, etc. Informality is one of the attributes of organizational culture that makes company so attractive to the employees in the post-soviet Baltic country, as well staffers named it as one of the principal attributes of 'startup culture' they want to maintain.

Nevertheless, with increasing organizational size, added complexity, increase in the uncertainty, and the bigger business at stake, formalization seems to be a logical step for growing business. Consequently, horizontal pressure from DreamBig employees (especially new ones) appeared as they need some more orderliness in the more complex environment. Furthermore, it might be that fast growing startup also faced vertical pressure from investors to stabilize and structure the processes in the organization. As a result, DreamBig started to behave as expected - to stabilize and structure varied work tasks, assign clear responsibilities and align everyone to work for the common goal. This is the usual behavior of growing organizations, and it can provide an effective way to increase orderliness in large groups of people (Daft *et al.*, 2014; Storey and Greene, 2010). However, the formalization can make the organization too bureaucratic. Morris *et al.* (2008) explained this risk:

“Structures are created to bring order and logic to company operations. Start-up ventures often begin with very little structure. They operate in a fairly loose and informal manner, and this means they are quite nimble. In fact, the speed and flexibility this provides is one of the major assets of small companies. However, <...> the challenges of growth and size make it impossible to operate efficiently and effectively without creating more formal structures. <...> Unfortunately, structures become increasingly bureaucratic as they evolve“(p. 222).

The decrease of adaptability, flexibility, the speed of actions and innovativeness are named as possible consequences of too much bureaucratization (Morris *et al.*, 2008).

To conclude, the informal image DreamBig is trying to maintain, contradicts with the current direction of formalization. Informality is attractive and motivating for employees while formalization seems to be a logical need for growing business with strong result orientation. At this moment, this contradiction does not seem to cause any issues, however, if the difference between the image and the reality becomes too significant, it might cause the anxiety and confusion for employees (Alvesson, 2009).

5.7 Chapter Summary

Bellow, we provide a summarized list of main findings and insights:

1. Organizational culture functions as a mean of control in fast-growing startups. In the environment without clear rules and procedures, culture helps to ensure that employees are behaving in accordance with business needs.
2. Even though the organizational culture of DreamBig is rather usual for other small enterprises, especially, tech startups globally, but it is unique in the national context of the post-soviet Baltic country without long entrepreneurship traditions. The newness and uniqueness of such culture in a national context as well as a significant contrast with cultures of old local authoritarian, hierarchical and formal companies are associated with modernity and serves as a strong motivator for employees.
3. Due to fast growth in the workforce, different understandings of the same values emerged (depending on the length of employment, on the position held in the company, on personality differences or other reasons). The company tries to embrace the values. However, their meanings are not explicitly described, and shared meanings of values seem to be lacking.
4. One of the applied ways to maintain the same culture during the fast growth is the attention to culture compatibility during the hiring of new employees. However, the application of this method is limited due to the need to hire a high number of employees in a short period and insufficient supply of needed professionals.
5. Rituals, ceremonies, and team building activities help to reinforce values, create a feeling of belonging and friendliness, and inform about the norms and the processes of

the organization. However, employees working several years feel tired of these activities, therefore, its effect is limited.

6. Due to business needs, DreamBig started various formalization initiatives. But such actions are contradicting with startup's intention to maintain informality as one of the essential characteristics of organizational culture. In the future, if the company will continue its formalization too much, the difference between espoused informal image and formal internal procedures can become significant and cause anxiety for employees.

6 Conclusion

The purpose of this thesis was to understand organizational culture and the ways of maintaining it in a fast growing global tech startup – DreamBig, from one of the post-soviet Baltic States. We were seeking to understand the organizational culture phenomenon by exploring how employees and founders perceive and interpret it. In this chapter, we will present our key findings and conclusions drawn from our research. We will start this chapter with shortly overviewing key findings, and then we will introduce our contribution to academia, practical implications, and suggestions for future research.

In our data analysis chapter 4. The story, we analyzed organizational culture and its background, challenges of growth and the ways how the company tries to deal with these challenges. We have identified key themes representing organizational culture of DreamBig namely ‘the playground’ (informality, friendliness, and fun), ‘startup culture’ (participative decision-making, living in constant change, and informality), ambitious high achievers, and openness and trust. To set the background of this culture and how it formed we highlighted founders’ and first employees’ influence, hiring practices, and millennials generation. We listed different values interpretations, losing friendliness, and ineffectiveness as key challenges of fast growth. And finally, we described several ways that DreamBig uses to deal with challenges, such as formalization, hiring, rituals, and team building activities.

Before starting our research, we were excited about studying fast growing global tech startups’ organizational culture phenomenon that is regarded to be unique in the Baltic countries. After the analysis of literature and empirical material, it became apparent that the organizational culture, challenges and the ways to deal with them are rather usual for startups in a global context. Hence, we identified out several interesting findings, contradictions and limitations. For a detailed analysis of these findings see the chapter 5. Discussion.

6.1 Contribution to academia

Organizational culture phenomenon in general and organizational culture of small growing enterprises has been researched previously providing a substantial variation of purpose. However, there is not much in-depth qualitative interpretative research done about organizational culture of fast growing tech startups. In this study, we considered tech startups as slightly different entities than regular small enterprises due to its a) strong tech orientation, b) ability to reach global scope fastly without investing many additional resources (because of the use of new technologies, for example, creating special platforms or software) and c) very fast growth rates in the case of success. Therefore, our in-depth qualitative interpretive case study is beneficial for understanding the organizational culture, its challenges and ways to deal with these challenges from the employees' and managers' perspectives in this specific type of small enterprises - fast growing tech startups. Moreover, the national context made the phenomenon even more interesting as DreamBig is one of the first startups from the post-soviet the Baltic States that gained global success.

"Western desire"

Lifting our empirical findings to a theoretical level, it can be said that the Western-like organizational culture serves as a strong motivator for young employees of tech startups in post-soviet Baltic countries. Employees' willingness to work in Western-like companies can be called as "Western desire." Staffers' excitement to work in such Western-like startups stimulate their positive identity creation and can partly compensate the drawbacks of this organizational culture (uncertainty, stress, pressure to deliver, etc.).

"Shaking ground"

The process of rapid workforce growth in tech startups and related challenges can be equated to "shaking ground". From initial stages, the informality, friendliness, participative decision-making, openness and constant changes are a basis of organizational culture in many tech startups, but during the growth, these characteristics face a danger due to the challenges related to significant workforce increase and formalization initiatives. Challenges like losing friendliness, the emergence of different values meanings and subcultures appear. Furthermore, business growth increases the complexity and ineffectiveness, and as a result, startups start

various formalization initiatives that contradict with such characteristics of organizational culture as informality, fast participative decision-making, and constant changes. This situation creates a challenge for the maintenance of startups' initial organizational culture.

6.2 Practical Implications

Our research is beneficial for other startups to gain a better understanding of employees' perceptions regarding the organizational culture of startups, challenges of growth and the ways to deal with these challenges. Our research highlighted several contradictions, limitations, and situations that managers of fast-growing tech startups should be aware.

First of all, managers of fast-growing startups should pay adequate attention not only to the names of proposed values but also to the creation of shared meanings of these values. Shared meanings of values do not appear naturally. Therefore, there is a need to manage it formally and other cultural initiatives. It is important to do this on the level of whole organization but also specific groups (for example, new hires or particular departments) or specific values might need more attention.

It is difficult to maintain the same organizational culture as there are certain elements that need to be adapted to the changed social reality and complex organizational situation. The means to maintain organizational culture such as rituals, team building activities and hiring with a focus on culture compatibility can be beneficial, however, their effect is limited. Therefore, it is essential not to focus only on one or two means, but to apply a set of various actions.

It is also important for companies to be aware of 'formalization trap' they will face during the growth. Even though formalization initiatives (at least some of them) might be desired by investors, managers and even employees, however, it contrasts the attractive image of informal 'startup culture.' Managers should be conscious whether the image and the reality in the company do not differ too much as this might cause confusion for employees.

6.3 Future Research

While collecting and analyzing the data for our case analysis, we have identified several related and interesting topics that we think are worth considering for future research. Firstly, subcultures could be given extensive attention to finding out how they emerge, to what extent it is possible to reduce differences between them and bring them closer together, what effect it has on dominant organizational culture, and how do employees perceive the emergence and existence of subcultures. Secondly, remote offices and their culture in the context of headquarters' organizational culture could be further researched as the fast global expansion, and other particular characteristics of startups might create peculiar differences in comparison to other companies. Furthermore, it would be interesting to compare other successful startups in Baltics and understand whether they have similar challenges of organizational culture maintenance imposed by the rapid growth, how do they deal with them and does the national context have the same or different role for their culture and employees' perceptions.

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Appendix A

Table 1. Participants

No	Position	Length of employment	Age
1	Co-founder, CEO, member of Top management Team (John)	8 years	32
2	Co-founder, Manager of one of Marketing Team, member of Top management team (Andrew)	8 years	30
3	Head of People Team (HR), member of Top management team	Almost 8 years	31
4	Customer Support Product Team Manager	More than 4 years	~30
5	Backend developer	More than 4 years	~35
6	Head of engineering, Guilds manager	3,5 years	28
8	HR Team member responsible for Internal communication	2,5 years	28
9	Customer Support Country Team Manager	2,5 years	~30
10	Customer Support Process Manager	1 year	24
11	Financier	1 year	~29
12	Office Administrator	4 months	~28
13	Office IT Administrator	3 months	~26
14	Recruiter	3 months	~29
15	Developer	Almost 3 months	28

Appendix B

Table 2. Values

No	The value	Number of participants mentioning the value
1	Self-development	10
2	Openness/Transparency	9
3	Freedom/Flexibility	7
4	Trust	6
5	Fun	6
6	Honesty	4
8	People (in the company)	3
9	Equal relations	2
10	Diversity	1
11	Support	1
12	Unity	1
13	Diligence	1
14	Belief in technologies	1
15	Goal orientation	1
16	Initiative	1
17	Coziness and comfortability	1