THE ORGANIZATIONAL CULTURE OF SOCIAL ENTERPRISES

A Comparative Study

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Objectives
Using a quantitative survey-based approach, this study aims to identify an optimal framework to measure organizational culture and utilize that framework to identify cultural differences between social enterprises and traditional enterprises.

Summary

An extensive review of the literature determines that a quantitative method, assisted by qualitative methodologies, is the optimal approach to studying organizational culture, especially in comparative studies. Thus, this study opts for the Revised Organizational Practices (ROP) scale developed and verified by Verbeke (2000) on the foundation of the 1990 article by Hofstede et al. to measure the cultures of a sample of 22 companies in the United States, both social enterprises and regular companies. An analysis of the collected data confirmed that there are key cultural differences on several dimensions between of these two types of organization.

Conclusions

As several limitations related to sampling techniques and methodological drawbacks remain that raise some caution on the generalizability of the results, the value of this study lies in its ability to demonstrate the utility of quantitative culture measurement, as well as provide some general ideas on the culture and prevalent management practices in social enterprises. From these results, managerial implications for social entrepreneurs and managers in SE, along with suggestions for future research, are discussed in the conclusion of the paper.

Key words: Organizational culture, social enterprises, organizational culture measurement.

Language: English

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AALTO UNIVERSITY SCHOOL OF BUSINESS   TABLE OF CONTENTS
Bachelor´s Program in International Business
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I. INTRODUCTION

1. Background

Social enterprises (SEs), or businesses that trade for a social purpose, have been growing in impressive numbers in recent years (Bounds, 2013), as more and more social entrepreneurs realize their extraordinary potential as platforms to make a positive impact on the world (Grene, 2015). These visionaries are eager to create productive and sustainable organizations to fulfil their dream and motivation. However, when in need of information and resources that might provide useful guidance, social entrepreneurs would find a SE literature that pays great attention to the startup process, but little to the management and organizational culture of already established SEs. As a result, it is difficult for them to get a grasp of the internal environment, management practices, and organizational values that are characteristic of SEs. Aware of such a gap, this study was conducted as an effort to uncover the mysterious veil that is the SE culture. Because SEs are essentially the intersection between profit-making companies and non-profit social organizations, it is reasonable to assume that they possess several distinctive cultural characteristics that are drastically different from both of these organizational formats. With the application of a suitable culture measurement framework, such differences would be highlighted with great accuracy and clarity.

2. Research Problem

For the reasons stated above, this study aims to be a comparative inquiry, where empirical quantitative research will be performed to investigate the potential dissimilarities between the organizational cultures of SEs and traditional enterprises. These differences, if they truly exist, will paint a general image about the components that comprise the culture of the intriguing and complex entity that is the SE.

3. Research Questions

This study constructs and aims to find answers to three research questions:
- RQ1: What is meant by the term "organizational culture"?
- RQ2: How can organizational culture be measured?
- RQ3: Are there any differences between the organizational cultures of SEs and traditional enterprises? If yes, what are those differences?

Among these three questions, answers to the former two can be found through a comprehensive review of the literature, whereas the third question will be resolved through empirical quantitative research.

4. Research Objectives

In order to study the proposed research questions, this study will conduct the following:

- Reviewing the literature on organizational culture and SEs to gain an understanding of key definitions and find optimal culture measurement methods.
- Identifying knowledge gaps in the literature
- Constructing hypotheses
- Collecting data through surveys
- Analyzing collected data and testing hypotheses
- Reporting findings and making conclusions
- Discussing and analyzing data analysis results
- Discussing potential future research and managerial implications

Following this agenda, the study will have a structure consisting of six main sections: Introduction, Literature Review, Methodology, Findings, Discussion and Analysis, and Conclusion. At the end of the literature review, a conceptual model is introduced as a means to visualize the relationships between key constructs and concepts and how they are connected to the research questions.

II. LITERATURE REVIEW

1. Introduction

Organizational culture, or "corporate culture" in the business context, has been the nucleus of an extensive field of research ever since the popularization of the construct in 1982 by the book "In Search of Excellence" by Peters & Waterman (Hofstede et al., 1990). However, even earlier, during the 1940s and 1950s, a significant number of publications in the anthropological and sociological disciplines were already exploring customs and traditions in work organizations (Hatch, 1993). Thus, it is a well-established research area with substantial compositions echoed both in academia and managerial publications (ibid).

On the other hand, the SE literature, which emerged as a side-product of the social entrepreneurship literature, is relatively younger, with the majority of the works conducted in the 21st century, and in a stage of robust growth (Haugh, 2012). In spite of this success, the literature suffers from a state of diffusion, characterized by a lack of definitional consensus (Alter, 2004; Chell, 2007) and theoretical understanding (Austin et al., 2006; Haugh, 2012). This is perhaps a direct result of the intricate and context-dependent nature of this special form of organization (Diochon & Anderson, 2010), which will later be elaborated on.

Aiming to explore the conceivably peculiar relationship between these two drastically different domains, this literature review aims to understand the accurate definitions of the two relevant constructs, then observe how organizational culture has traditionally been researched, and ultimately inspect the existing studies on the culture of SEs. Despite potential limitations such as unconscious selection bias or failure to review all relevant sources, the review makes an effort to minimize these by employing a dialectical approach, where various viewpoints and debates in the literature are simultaneously examined to draw meaningful conclusions. Using a theoretical framework, this review adheres to following structure that are comprised of three sections: definition of organizational culture, measurement of organizational culture, and SEs and their organizational culture. At the end, a conceptual model is provided as a visual summary of the discussion, along with an introduction of hypotheses.

2. Definition of Organizational Culture

2.1. The first school of thought

Having received contributions from many important authors, the literature has produced a wide variety of definitions for this construct. Culture, in its simplest characterization, is a "set of common understandings" in an organization (Becker & Geer, 1970). Van Maanen and Schein (1979: 1) expand this description by replacing "common understandings" with more unambiguous concepts: "rules of thumb", "standards", "ideologies", values, and beliefs that members come to embrace. Three elements of organizational culture are thus identified: (1) some meaning and interpretation (2) peculiar to (3) a specific group (Louis, 1983). These definitions,

despite using various terms and concepts, tend to emphasize the collective nature of culture, being shared by all individuals within the organization.

Numerous other researchers (Kroeber & Kluckhohn, 1952; Ott, 1989; George & Jones, 2008) offer the same explanation, but strengthen it by adding a crucial dimension. Culture, stressed by these scholars, not only is a collection of communal cognitions, but also possesses the power to shape and control the behavior of members, at least while they are still a part of the organization. In Schein's (1992) words, it is a set of "shared basic assumptions" that members acquired through continuous problem solving, that have been proven to be effective, and thus are taught to new members as the appropriate way to think and behave. These views are confirmed by the findings of Cooke and Rousseau (1988) that many workers display different thinking styles in the work environment as opposed to at home or in other social contexts. This would indicate that organizational culture, or at least a behavior-altering social force in the workplace, does exist and could have a significant impact on how members perceive, think, feel, and act.

From these elaborated discussions, three essential aspects of culture surface: (1) it is a set of fundamental values and assumptions, very often manifested in the form of beliefs, expectations, and interpretations of meaning; (2) it is espoused by all organizational members and acquired by newcomers; and (3) it could form behavior and create behavioral norms. This conclusion might propose that the primary features of culture are its intangibility and psychological nature, being intrinsic to each individual. Residing in the cognizance of members, it is described by Denison (1996) as a deep structure underneath which has great stability and yet, due to its establishment through socialization, is fluid and tenuous at the same time

2.2. An alternative school of thought

Despite the popularity of the previously examined conceptualization, there exists another school of thought which is seemingly contradictory. Instead of characterizing culture as a cognitive phenomenon, this alternative perspective shifts the focus to visible and audible elements, which are conducts, norms, processes, and physical displays that the organization as a whole exhibits, collectively referred to as "organizational practices" (Verbeke, 2000; van den Berg & Wilderom, 2004; Hofstede

et al., 1990). It dictates that culture is a series of symbols, ceremonies, rituals, goals, and physical facilities which reflect some values (Ouchi, 1981; Brocka & Brocka, 1992; Cleary & Packard, 1992). Other sources (Peters & Waterman, 1982; Cleary & Packard, 1992) lay greater stress on rhetoric factors such as stories, myths, legends, languages, and metaphors. Moreover, management practices, leadership, communication, and decision-making processes are also considered cultural aspects and are underlined by management-oriented studies (Schein, 1992; Brown & Starkey, 1994; Austin et al., 2006). Justifying this emphasis on practices rather than psychological components, Hofstede et al. (1990) maintains that when tackling organizational culture, practices hold greater importance than values because whereas the latter can be skewed by other influences such as upbringing, the former are unique, distinctive, and peculiar to the organization.

2.3. The point of convergence

On the surface, it appears that these two different points of view create contrasting voices that disperse the literature. Nonetheless, they in fact seem to converge as the rationale of a single consistent logic, albeit approached from opposite directions. More specifically, organizational practices, which the second school of thought accentuated, are the de facto representation of collective behaviors shaped by the underlying values that the first school of thought highlighted (Anderson, 2000). Thus, one coherent line of reasoning would remain throughout: fundamental principles are adopted by members and translated into behavior in the tangible form of organizational practices. Where the discrepancy arises is the point on the chain of argumentation that each school of thought draws attention to. The first group of authors assume an emic point of view and highlight culture as deep-rooted philosophies and notions, which would then serve as a basis for management practices and conducts that reinforce these ideologies (Denison, 1990). On the other hand, the second conception, adopting a more etic viewpoint, perceives organizational practices as the building blocks of the construct, and uses them to probe and uncover the ideals buried underneath (Ouchi, 1981). Therefore, a comprehensive definition of organizational culture should encompass all these standpoints and paint an inclusive picture of the construct.

In order to accomplish this and establish a link between the two schools of thought, this literature review visits a classic conceptual framework, developed by one most the

most prominent (Hatch, 1993) and most cited (Weatherly, 1995) researchers in the field, Edgar H. Schein (1985, 1992). Despite the depth of the literature on the topic, his work remains one of the only conceptual models ever introduced (Hatch, 1993). The framework offers the view that culture simultaneously exists on three layers: (1) artifacts, or tangible or verbally identifiable elements on the surface; (2) below lie values, which are principles, philosophies, and standards that are consciously upheld by members; and (3) at the deepest level are assumptions, profoundly embedded and taken-for-granted beliefs about reality. These manifestations of culture interdependently influence each other on a constant basis, constituting a dynamic and all-encompassing illustration of the construct. Dickson et al. (2000) concurs that no approach to organizational culture can be complete without a combined assessment of both values and practices. Thus, based on this model, the following definition can be presented: organizational culture is a set of shared underlying values and assumptions that shape member behavior, which is reflected in the practices and physical environment of the organization.

3. Measurement of organizational culture

3.1. Qualitative versus quantitative

Due to its fuzziness and elusiveness (Reynierse & Harker, 1986), organizational culture was traditionally studied using qualitative methods, with a sizeable proportion of the literature being built based on ethnographies and detailed case studies (Hofstede et al., 1990; Denison, 1996). The rationale behind such an approach is perhaps well founded and natural, considering the anthropological nature of the topic, where researchers are likely aiming to obtain a holistic view of meaning, unique individual perspectives, as well as intensive and in-depth information (Cooke & Rousseau, 1988; van Muijen et al., 1999).

Nonetheless, in the 1990s, a rather interesting development occurred in the domain of organizational culture research. A growing number of researchers (Hofstede et al., 1990; Rousseau, 1990; Jermier et al., 1991; O'Reilly et al., 1991; Gordon & DiTomaso, 1992; Denison & Mishra, 1995) started to apply quantitative research methods, primarily survey methods, in an attempt to formulate frameworks for the measurement of culture. This has sparked an ongoing scientific debate in the literature on the acceptability of said methodology in this field of research, in which some authors (Den

Hartog et al., 1999; House et al., 2004) show assent whereas others (Schwartz & Davis, 1981; Trice & Beyer, 1993) strongly voice their disapproval of the idea. The main reason for arguments against seems to be the skepticism that they are unable to capture all aspects of such a complex phenomenon as culture, and would diminish it into "just another variable in the existing models of organizational performance" (Siehl & Martin, 1990: 274).

Although this doubt might be somewhat reasonable, it is difficult to refute that quantitative measures are utilized on the foundation of sound reasoning and to serve specific purposes that qualitative research may fail to fulfil. They offer the benefits of consistency and replicability when assessing a large number of organizations or units, and provide a systematic frame of reference for data interpretation (Cooke & Rousseau, 1988). In addition, because of their ability to involve a diversified portfolio of respondents across all levels and subunits, they enhance the representativeness of the collected data (ibid). On such a basis, there is widespread consensus in the literature that quantitative measurement is undoubtedly the more appropriate methodology for cross-sectional comparisons of culture, for instance, between organizations, industries, or sub-units (Cooke & Lafferty, 1983; Reynierse & Harker, 1986), which corresponds to the aim of this study, that is, to compare the cultures of two types of organizations. Quantitative assessment is also advantageous as a tool to reveal the possible correlation between culture and other organizational variables such as performance (Siehl & Martin, 1990; Gordon & DiTomaso, 1992; Denison & Mishra, 1995; Naranjo-Valencia et al., 2016). Lastly, not only are quantitative techniques appropriate and valuable, their practicality has also been scientifically verified (Denison, 1984; Hofstede et al., 1990).

3.2. The optimal methodology

Adding to the credibility of quantitative methods, scholars who defended their usage did so without dismissing the usefulness of qualitative studies, and instead acknowledged that both approaches are feasible in a complementary manner that contributes to the comprehensiveness of the literature (Reynierse & Harker, 1986; Cooke & Rousseau, 1988; van Muijen et al., 1999). This objective and unbiased evaluation significantly heightens the validity of their defense. In fact, several studies (Siehl & Martin, 1988; Denison & Mishra, 1995; House et al., 2004) have implemented

a mixture of both quantitative and qualitative methods, where the latter fulfills numerous essential purposes, ranging from discovering suitable questionnaire items to interpreting meanings and unfolding core assumptions hidden in survey results. As different values could be embedded in the same practices and vice versa (Dickson et al., 2000), qualitative methods would offer critical assistance in the clarification of such subtle nuances. Hence, it is likely that a quantitative approach to measuring organizational culture, when utilized in combination with qualitative methodologies, would be able to produce the most reliable outcome in comparative studies. Mixed methods are believed to produce optimal explanation of error variance, more detailed and insightful elaboration of culture (Alvesson & Berg, 1992), and greater opportunity for data analysis (Fleeger, 1993).

Research efforts that quantify and measure culture tend to exhibit noteworthy similarities in their execution. First, the targets for inquiry are often the insiders of the organizations, who arguably possess the best and most exhaustive insights into occurrences within these units. Second, these respondents are typically surveyed about their perceptions of organizational practices (Hofstede et al., 1990; van den Berg & Wilderom, 1999, 2004; van Muijen et al., 1999), which is consistent with the earlier analysis of the value of practices. Third, survey items are developed either on the basis of previous literature (Reynierse & Harker, 1986; O'Reilley et al., 1991; Gordon & DiTomaso, 1992; Lee & Yu, 2004) or independently through qualitative interviews (Hofstede et al., 1990) and intensive discussions (van Muijen et al., 1999). Before the items are finalized, thorough statistical tests are run to ascertain their degree of trustworthiness and accuracy. Lastly, dimensions of culture can be established and are reflected in the grouping of survey items (Denison, 1984; Quinn, 1988; Gordon & DiTomaso, 1992; Denison & Mishra, 1995; House et al., 2004). Although authors assign distinct titles to their own set of dimensions, it has been shown that most frameworks tend to correspond and cover similar issues (van den Berg & Wilderom, 2004). Ideally, dimensions in one framework are mutually exclusive and collectively exhaustive, embracing all aspects and aggregating into an all-inclusive depiction of the culture of an organization.

3.3. The framework of Hofstede et al. (1990)

Among a substantial number of culture measurement frameworks, the work of Hofstede et al. (1990) has been widely considered pivotal and fundamental (Evans, 2014). In fact, no other researcher has garnered as much attention for their cultural studies (Detert et al. (2000), Tung & Verbeke (2010), Rapp et al. (2011) cited in Evans, 2014). The popularity of this research project could perhaps be attributed to its pioneering and foundational status in the literature, as well as a sound scientific basis. One of the first to employ a combined approach of qualitative and quantitative methods, the study was able to confirm its hypotheses that organizational culture can be measured quantitatively and that a set of independent cultural dimensions corresponding to issues covered in previous literature would be generated from the analysis. These dimensions include: process-oriented versus results-oriented, employee-oriented versus job-oriented, parochial versus professional, open system versus closed system, loose control versus tight control, and normative versus pragmatic. In terms of sample selection, Hofstede and his co-authors conducted the study on 20 units from 10 different organizations in two countries with approximating cultures, Denmark and the Netherlands, minimizing the interference of national cultural factors. Lastly, following a three-staged process incorporating in-depth interviews and survey questionnaires, the research project reports that the essence of organizational culture is insider perceptions on shared organizational practices.

However, these methodology and conclusions are frequently questioned by later researchers (Singh et al., 1996, cited in Verbeke, 2000; House et al., 2004; Drogendijk & Slangen, 2006). Such skeptical and critical views arose from a lack of verification of and contradictory conclusions with the findings of Hofstede et al. (1990) (Verbeke, 2000; Evans, 2014). As a result, Verbeke (2000) made an important contribution to the literature by devising a revised organizational practices (ROP) scale, which is a statistically validated and refined version of the Hofstede framework, with several dimension names rephrased for increased clarity. In the ROP scale, the original dimensions are proven to be legitimate with the exception of two, social responsibility versus self-interest and tight versus loose, which are not erroneous but fail to satisfy the statistical conditions that would render them valid. This enhanced and verified instrument compliments the measurement framework of Hofstede et al. (1990) and

reaffirms its position as a crucial foundation to gain insights into the culture of an organization.

4. SEs and their organizational culture

Since the objective of this study is to assess the culture of SEs, it is important to visit how the literature defines this unique form of organization and how the organizational culture of SEs has been portrayed in previous studies. A concrete definition would help the selection of companies to include in the survey sample to be more precise, while a review of previous depictions of SE culture provides a good basis upon which to identify knowledge gaps and construct hypotheses.

4.1. Definition of SEs

The literature widely recognizes the lack of unanimity on a concrete definition of SEs (Alter, 2004; Chell, 2007; Dacin et al., 2010). This absence could be attributed to their complexity and ambivalence (Diochon & Anderson, 2010), as well as the fact that defining them seems to be a repeatedly neglected task. Appearing frequently in a social entrepreneurship literature that prefers exploring the entrepreneurial process and the traits of social entrepreneurs (Haugh, 2012), SEs are often left with an unarticulated description, and perhaps ought to be implicitly understood as the type of organization originated from social entrepreneurship activities. Researches that do attempt to define them, however, find it to be a rather daunting responsibility with an extensive amount of uncertainty and terminological ambiguity (Bull, 2008; Martin & Thompson, 2010). Due to their heavy dependence on the national and regulatory context, SEs can be manifested in a vast array of modes, including commercial projects with nonprofit sponsorships, CSR projects in large corporations, and SMEs whose founders commit to a social mission (Young & Kim, 2015), which severely impedes the crystallization of a unified definition. Smallbone et al. (2011) identified 16 of such forms, which suggests that distinction might have to resort to personal judgment. Therefore, the categorization of these peculiar establishments, dissimilar to that of other organizations, cannot and should not be based on legal format and predetermined classifications (ECOTEC, 2003, cited in Bull & Crompton, 2006).

Nevertheless, despite the various configurations that they may assume, most SEs essentially subject themselves to the balancing of two parallel aims: a societal mission

and economic achievement (Bull & Crompton, 2006; Christie & Honig, 2006; Dacin et al., 2010). Consequently, an appropriate characterization for these units would be that of hybrid organizations, exclusively belonging to neither the realm of traditional companies nor not-for-profit organizations (Hockerts, 2006). The differentiating factor from conventional voluntary and nonprofit organizations seems to be the source of income which, in the case of SEs, is independently obtained through trading activities with a market orientation, rather than relying on donations or sponsorships (Jones & Keogh, 2006). On the other hand, hybrid enterprises also distinguish themselves from traditional businesses by their principle of profit distribution, where the emphasis is unlikely to be maximizing shareholder gains but to benefit communities and stakeholders (Department of Trade and Industry, 2002). To ensure that financial returns are appropriately utilized, legal mechanisms are designed to keep the assets and accumulated resources of the enterprise in trust and for the collective prosperity of the desired recipients (Galera & Gorbaza, 2009). Hence, a triple bottom line comprised of social improvement, social ownership by communities and stakeholders, and financial wealth is actively pursued (Martin & Thompson, 2010).

Although most SEs are committed to a triple bottom line, great stress has been laid on the fact that the more prioritized objective is social transformation, and the surpluses from business operations should only be reinvested for expansion, directed towards its cause, or distributed to disadvantaged groups (Hibbert et al., 2005; Hartigan, 2006; Haugh, 2006). Kay et al. (2016) rebuts the triple bottom line philosophy on the basis that economic imperatives should solely be regarded as a means to the social end rather than one of the core aims. Alternatively, a redesigned triple bottom line, which consists of social, environmental, and societal impact, in which "societal" refers to activities concerning relationships between groups and individuals, is perhaps more suitable (ibid). The importance of commercial imperatives in social purpose businesses, however, should not be overlooked (Dacin et al., 2010), owing to their ability to determine the survival and sustainable existence of these organizations, which is critical to their social quest (Weerawardena & Mort, 2006). It can be said that their approach to income generation has evolved from a not-for-profit mindset (Pearce, 2000) to a "more-than-profit" ethos (Ridley-Duff, 2008: 291) that asserts the centrality of business endeavors as a prerequisite to robust reinvestments and broadened social influence. Building on these common viewpoints, "an emerging consensus" on a

definition of SEs is gradually materializing (Haugh, 2012: 9). This developing consensus deems it appropriate to label SEs as businesses that trade to accomplish a social purpose (Pearce, 2003; Haugh, 2006) or as organizations "seeking business solutions to social problems" (Thompson & Doherty, 2006: 362). Their ultimate motive is a desired social outcome, and financial gains from market-based conducts would be the crucial tool to attain that vision.

A few other authors are keen on more sophisticated definitions. Pearce (2003) add another layer to the construct by stating that community engagement and egalitarian participation of members in decision-making are defining aspects of SEs. However, Jones and Keogh (2006) debate the relevance of this point in a modern context in which the society no longer demonstrates high willingness to participate in democratic governance processes. Other elaborated discourses regarding, for instance, legal structure and the third sector, more appropriately fits into the themes covered in policy and economics literature (Galera & Gorbaza, 2009; Martin & Thompson, 2010), none of which belong to the area of interest of this study. Therefore, this literature review accepts the holistic definition that the term "social enterprise" is used to describe any more-than-profit organization that pursues a dual goal of social progression and financial earnings, with the latter being redistributed or further utilized as resources to achieve the former.

4.2. Organizational Culture of SEs

Research into the organizational culture of SEs has been surprisingly few in quantity and questionable in quality. The small number of such attempts that this literature review could identify either limited themselves to a specific industry (Imperatori & Ruta, 2015; Munoz et al., 2015) or contained a sample size too insignificant for generalization (Diochon & Anderson, 2010). Their approach is often of a theoretical or qualitative nature, serving the purpose of conceptualization and exploration rather than drawing conclusive results. Because of their distinctive traits, SEs and their culture tend to be examined in isolation without comparisons to other types of undertakings, since it is postulated that existing literature in neither the sphere of entrepreneurship nor not-for-profit is able to capture their multi-faceted reality (Defourny, 2001). Most notably, despite investigating issues often associated with organizational culture, most of these inquiries do not consider themselves cultural studies, and employ theories or

frameworks from other domains such as organizational configuration (Imperatori & Ruta, 2015) or management (Bull & Crompton, 2006), resulting in a failure to deliver encyclopedic and precise analyses. It seems that no attempt has been made to apply the abundance of measurement frameworks in the organizational culture literature to the investigation of SE culture, and the same can be said about comparative studies between the cultures of regular and SEs.

It is highly debatable that this undesirable trend is due to the triviality of culture in such organizations. In fact, organizational culture is of great importance to hybrid businesses because of the constant necessity to communicate and uphold certain ethical and social values (ibid). One possible explanation could be that due to their nature as agents of social change, it is perhaps assumed that a strong culture of firm ideals and social values should automatically be present in SEs. In reality, the situation is slightly more complicated. Research has revealed that contrary to common belief, a widespread commitment to shared values is almost non-existent in the SE sector (Ridley-Duff, 2008). This might be a result of having to harmonize between two often contradictory set of values, that of a business and that of a social organization (Young & Kim, 2015), which creates a degree of identity uncertainty and internal conflict (Diochon & Anderson, 2010). The term "SE" in itself perhaps contain a dilemma, where "enterprise" points to individual orientation and an emphasis on personal achievements, while "social" implies a culture of giving aimed at the collective good (Chell, 2007). Nevertheless, Diochon and Anderson (2010) states that it is precisely the co-existence of dichotomous values that constitute the foundation of a strong culture where members, unable to identify with their colleagues in the business and nonprofit sectors, seek within and develop camaraderie, along with an elevated identity of belonging to something unique. Thus, perhaps for SEs, it is not values but value struggles that become the basis of organizational culture (ibid). These discussions demonstrate the intriguing characteristics of SE culture, which are yet to be fully comprehended and demand more effort to be unveiled.
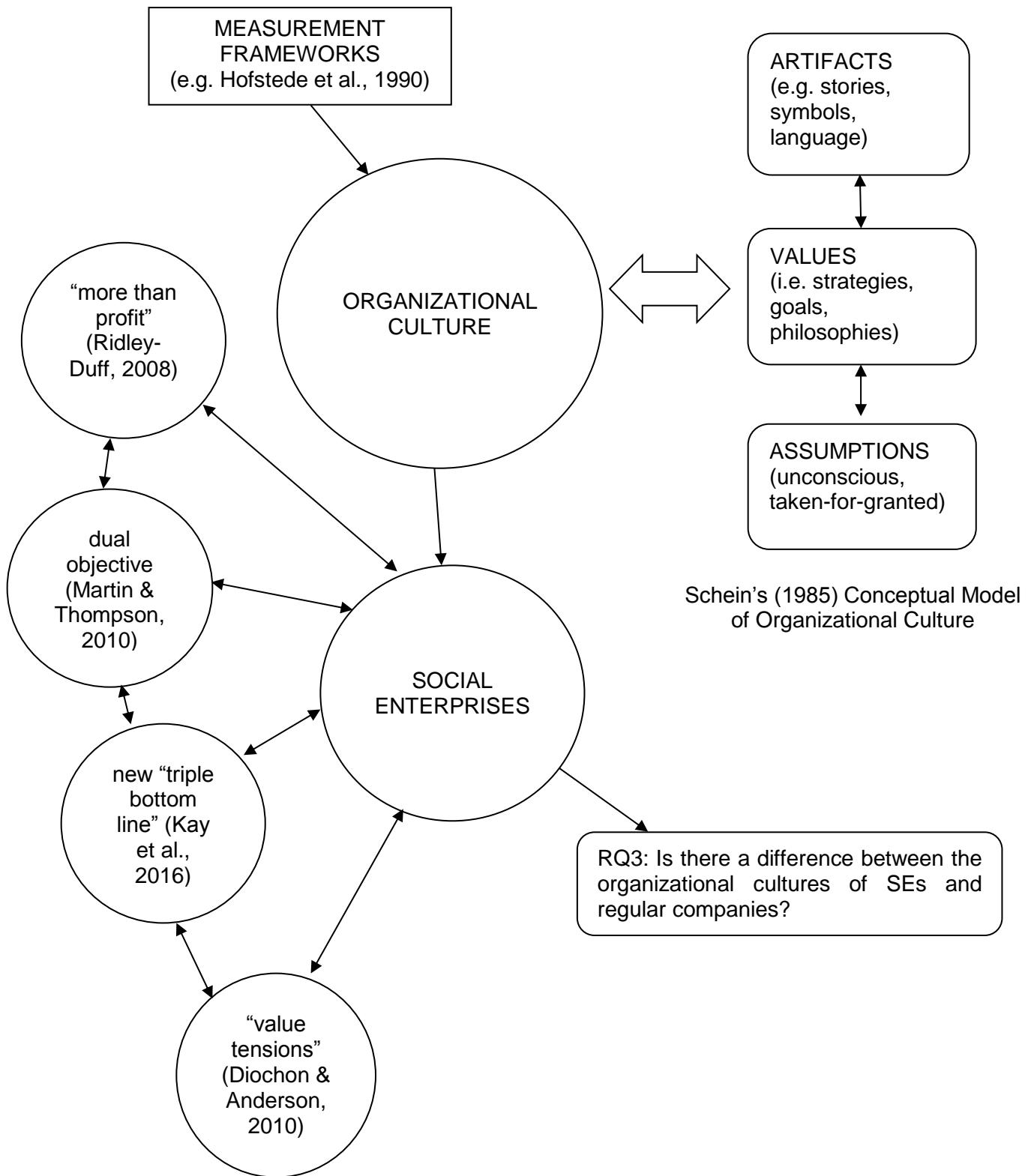
Despite that, the few observations available are sufficient to provide an overview and a basis for further inquiry. Austin et al. (2006) argues that because of their unrelenting need to respond to external issues and interact with the outside environment, SEs often allow and encourage a high degree of flexibility and agility, reflected in the

practices of delegation and open communication, corresponding to the "open versus closed" dimension on the ROP scale. Furthermore, as their social purposes dictate, they are naturally inclined to advocate active citizenship and lean towards the "socially responsible" end of the fifth dimension. However, inconclusive and contrasting findings remain. For instance, Austin et al. (2006) finds that result indicators are often utilized, implying an outcome orientation, and yet, Imperatori and Ruta (2015) claim that formal management procedures tend to be preferred, which is an indication of a process emphasis. In terms of internal versus market orientation, Diochon and Anderson (2010) report that owing to the tension between firmly adhering to the social purpose and adjusting to customer needs, SEs are often forced to reconcile. These incomplete results represent a notable gap in the literature and perhaps intimate that further research is required to reach any meaningful conclusion.

5. Conclusion

In summary, this literature review was able to unearth the definitions of the two central constructs, that is, organizational culture and SEs, discover the most useful measurement tools, and identify a lack of reliable studies on the culture of SEs. The knowledge featured in this review will enhance the understanding of relevant concepts and constructs, serve as the essential theoretical foundation for the methodology applied in this study, and offer a meaningful basis for the construction of hypotheses. The observations presented provide reasons to speculate that for an undertaking as obscure and ambivalent as a SE, with which exploratory and theoretical methodologies seem to have proven fruitless, it could be perhaps more appropriate to resort to a quantitative and measurement-based approach in which results are tangible and in an easily interpretable format. Additionally, it might be useful to place the culture of SEs on a frame of comparison to traditional enterprises, so that potential differences can be discovered, magnified, and deciphered. Therefore, this study aims to take such an approach and attempt to unveil the puzzling phenomenon that is SE culture. The following section will go into depth about the research design, hypotheses, and the steps required to achieve such an objective.

6. Conceptual Framework and Hypotheses

MEASUREMENT
FRAMEWORKS
(e.g. Hofstede et al., 1990)

ORGANIZATIONAL
CULTURE

"more than profit"
(Ridley-Duff, 2008)

dual objective
(Martin & Thompson, 2010)

new "triple bottom line" (Kay et al., 2016)

SOCIAL
ENTERPRISES

"value tensions"
(Diochon & Anderson, 2010)

ARTIFACTS
(e.g. stories, symbols, language)

VALUES
(i.e. strategies, goals, philosophies)

ASSUMPTIONS
(unconscious, taken-for-granted)

Schein's (1985) Conceptual Model
of Organizational Culture

RQ3: Is there a difference between the organizational cultures of SEs and regular companies?

Building on this conceptual foundation, this study employs a quantitative and survey-based approach to measure the organizational cultures of a sample of various companies, both traditional firms and SEs, then compare and test for statistically significant differences. The framework of measurement to be used is the ROP scale by Verbeke (2000) that consists of 35 items, which measure organizational culture on six separate dimensions. Thus, the study will search for a difference between SEs and traditional enterprises on each dimension. Therefore, it is perhaps useful to first clarify the meaning of each cultural dimension in the scale and accordingly construct hypotheses.

Dimension 1: The process-result dichotomy

According to Verbeke (2000), the first dimension refers to the degree to which strict conformity to responsibilities, protocols, and processes is emphasized in the organization. A process orientation seems to illustrate a culture where employees are primarily concerned with their own tasks and the assurance that organizational processes are duly performed. On the other hand, in a result-oriented culture, members often cooperate and find innovative solutions to solve problems with less regard for formal procedures, since the priority is a positive outcome for the organization.

Imperatori and Ruta (2015) observe that hybrid organizations are highly stringent as a result of the need to follow a specific social agenda. Diochon and Anderson (2010) however doubts that the real-life situation can be that straightforward, due to the complexity of these organizations. The author discovers that SEs must constantly face conflicting values, because whereas the pursuit of a social mission requires unyielding rigidity and a systemized approach, the market-based side of the business demands flexibility to respond to market needs. Nevertheless, since SEs are more geared towards their social purpose, it is likely that they accept a more structured and rigid culture to better fulfil their quest. This rationale is consistent with the findings of Imperatori and Ruta (2015). Thus, there is sound reason to believe that SEs have a more process-oriented culture than regular firms.

Hypothesis H$_1$: There is a significant difference between SEs and traditional companies on the process-result dimension.

Dimension 2: The employee-job dichotomy

This dichotomy describes the extent to which matters related to employee wellbeing and personal development is attended to by the management. An employee orientation indicates a strong concern for the personal achievement and improvement of organizational members, as well as dedication to looking after their welfare and level of comfort. On the other side of the spectrum is a strictly professional environment where little "personal touch" (Verbeke, 2000: 591) is present.

Given the fact that SEs often lay great stress on communities and stakeholders (Department of Trade and Industry, 2002; Martin & Thompson, 2010), and that they are solving social problems which are highly people-centric, it could be expected that a high degree of people-orientation, along with considerable support and attention for employees, is extant in these organizations. Thus, SEs are perhaps more employee-oriented than traditional profit-making companies.

Hypothesis H_2: There is a significant difference between SEs and traditional companies on the employee-job dimension.

Dimension 3: Open-closed dichotomy

This measurement expresses how open internal communication is within the organization. The extent to which criticisms and issues can be freely discussed among members of the company is referred to as the degree of openness. Employees of open organizations find it easier to reach the people that they need and have more freedom to express their concerns and feelings about problems at work. Contrary to that, closed organizational cultures are characterized by myriads of communicational barriers, bureaucratic layers, or simply an environment where constructive criticism is not welcomed, making insiders frequently feel reluctant to open up.

Even though running a SE indeed requires extensive communication with a multitude of stakeholders in order to align the social and business missions (Austin et al., 2006), the same amount of effort would be demanded of a normal business that aims for success and operational effectiveness. Therefore, it is difficult to conclude that communication in a SE is more open or closed than a regular company.

Hypothesis H₃: There is no significant difference between SEs and traditional companies on the open-closed dichotomy.

Dimension 4: Loose-tight dichotomy

The degree of management control in the organization is reflected in this dichotomy. As the name of the dimension itself suggests, loose organizations impose less supervision and rarely perform checks on their employees, contrasting to tight organizations with a considerable amount of governance.

Since there is little evidence in the literature on the subject of control in SEs, it is perhaps reasonable to hypothesize that the difference is insignificant on this dimension.

Hypothesis H₄: There is no significant difference between SEs and traditional companies on the loose-tight dichotomy.

Dimension 5: Social responsibility-self-interest dichotomy

This dimension assesses whether the organization is more externally or internally oriented. In a socially responsible organization, employees bear the obligation of conducting business practices and other acts that are ethical and beneficial to society. In contrast, organizations with high self-interest put themselves and their own welfare above all other missions.

Due to their commitment to the betterment of society, SEs would naturally be more socially responsible than other types of companies. Even though a majority of regular companies do have strong CSR policies, they are very often of secondary priority compared to the number one goal of maximizing shareholder wealth.

Hypothesis H₅: There is a significant difference between SEs and traditional companies on the self-interest-socially responsible dimension.

Dimension 6: Market-internal dichotomy

Similar to the previous dimension, the market-internal dichotomy also gages whether the organization has an external or internal orientation, but in terms of business

activities. The final dimension signifies the attention paid by the organization to interaction with customers and competitors. Organizations that lean towards the market side of the scale tend to be sensitive to changes in the external environment and alert to information about customers and the competition. Based on the information collected, subsequent adjustments to the business model, strategy, and their implementation are inaugurated. On the contrary, an internal orientation refers to a culture that lay less stress on reacting to the market, are relatively fixated on their predetermined strategy, and often look within for solutions.

Scanning the environment, gaining an understanding of customers, and learning about the competition are activities ingrained in the DNA of almost every profit-making business, because of their ability to determine the survival of these organizations. SEs, on the other hand, even though do operate on a market-based principle, only view trading activities as a means to achieve another purpose, as the literature has confirmed. Thus, they are less likely to exceedingly emphasize the importance of customer needs and competing with other players in the market.

Hypothesis H_6: There is a significant difference between SEs and traditional companies on the market-internal dimension.

III. METHODOLOGY

To assess the accuracy of stated hypotheses, the study primarily utilizes the t-test, a statistical tool designed to identify statistically meaningful differences. In order to make use of this quantitative tool, organizational culture has to be quantified in an articulate and comprehensive manner, which can be achieved through the use of a well-established measurement framework. As previously discussed, this study opts for the ROP scale (Verbeke, 2000) that defines culture in six independent dimensions. Thus, hypothesis tests will be conducted to investigate whether SEs and traditional firms differ on each separate dimension. This section details the methodology by first describing sample selection and data collection, then reviewing the survey instrument, and finally proceeding to data analysis.

1. Sample

To test the accuracy of the constructed hypotheses, this study investigates a sample of 22 employees from 22 companies based in the United States, 9 of which are regular companies and the other 13 are SEs. Thus, these two groups can be considered two separate sub-samples that would later be compared. The background of respondents is highly diverse, with positions in their respective organizations ranging from "marketing intern" to "CEO and founder", providing the study with a relatively broad collection of perspectives. All sampled companies operate in the U.S., which is a deliberate selection to minimize the interfering effect of different national cultures on the result of the study. This approach is assimilated from Hofstede et al. (1990) when he also studied companies in only two nations with virtually identical cultures for the same reason. However, within the U.S., the studied firms are geographically distributed in an arbitrary manner.

The sample was formulated based on a non-probability convenience sampling method, in which the goal was to reach as many companies as possible. Various suitable firms were identified through online directories and search engine results, and then contacted via social media and company websites. In addition, individuals working in the U.S. who are in the personal network of the researcher have also been asked to complete and distribute the survey. As a result, 28 responses from employees of 28 organizations have been collected, yet six must be discarded due to incompletion or responding error.

Among responses collected, several originated from people working in hospitals or private universities in the United States who categorize their organizations as SEs. It is difficult to determine whether this classification is accurate or not. On the one hand, since in the U.S., citizens are charged by healthcare and education institutions for medical and tuition costs with little support from the state, hospitals and private universities can indeed be considered business operations that trade for a social purpose. On the other hand, it can be argued that because these institutions are not registered companies, and their services are sometimes not a choice but an obligation, they should not be viewed with the same standards as SEs. Therefore, this study chooses to analyze the data both when these special organizations are included in the

sample and when they are not, so as to evaluate whether their inclusion would have a notable effect on the findings.

Even though the sample size is small, the representativeness of responses in terms of geography, companies, and positions of employees warrants a reasonable degree of reliability. Furthermore, this sample size is perhaps appropriate for a study that aims to explore and establish an initial basis for further in-depth inquiries.

2. Survey instrument

The survey used in this study was adopted entirely from the work of Verbeke (2000) with the exception of some slight vocabulary changes and the addition of three classification questions inquiring for the name of the company, the position of the respondent in the organization, and the type of firm (i.e. regular company or SE). Aside from these three questions, the remaining part of the survey is comprised of 35 items, measuring organizational culture on six independent dimensions, corresponding to six sections in the survey. These items are constructed on a bipolar scale, where respondents are asked to choose the point on the scale which best reflects the reality in their organization. The selection of the respondent can be quantified as a score of "1", "2", "3", "4", or "5", which constitutes what is referred to as the score for that specific item.

To ensure that the collected data are quantified accurately, the direction of the dichotomous scale in an item is aligned with that of its corresponding dimension. For example, a question that assesses the employee-job dimension would have, on the left-hand side, the option that best characterizes an employee orientation and on the right-hand side, one that describes an extreme job orientation. Consequently, a score of "2" on such a question, for instance, would correctly translate into an employee-oriented score.

The reliability of the scale has been statistically verified by Verbeke (2000), with all six dimensions having a Cronbach's alpha of higher than 0.60, and three of which with scores higher than 0.70.

3. Data analysis

4.1. Dimension score calculations

The first step in the data analysis is to evaluate the dimension scores of each company in the sample. The score of one dimension (denoted as X) is calculated by averaging the individual scores of the items that represent it:

$$Dimension\ score\ (X) = \frac{Item\ 1\ score + Item\ 2\ score + \cdots + Item\ n\ score}{n}$$

After assessing how well each company scored on every cultural dimension, the analysis proceeds to find the average dimension scores of all SEs in the sample. A SE dimension score is the arithmetic mean of all individual scores on that same dimension:

$$Social\ enterprise\ score\ on\ Dimension\ m = \overline{X}_m = \frac{1}{n}\sum_{i=1}^{n} a_i$$

n = number of SEs in the sample

a_i = Dimension m score of SE i

A similar formula for regular companies can be derived:

$$Regular\ company\ score\ on\ Dimension\ m = \overline{X}'_m = \frac{1}{n}\sum_{i=1}^{n} a_i$$

n = number of regular companies in the sample

a_i = Dimension m score of Regular Company i

For the clarity of presentation, every statistic concerning SEs will be denoted with regular symbols (e.g. X_1, X_2, μ_1), whereas statistics that describe regular companies are characterized with an apostrophe (e.g. X_1', X_2', μ_1').

4.2. Hypothesis testing

To test whether there is a difference between the two types of organization on each dimension, the study utilizes a two-sample t-test assuming unequal variances for every

hypothesis. The null hypothesis is that the population mean difference is 0, that is, there is no difference between SEs and regular companies on the dimension, and thus a two-tail test is conducted to assess the null hypothesis. The confidence level selected is 95% ($\alpha = 0.05$). Based on the confidence level, the t-test will result in a t-statistic (t_{STAT}) and a critical value ($t_{CRITICAL}$) that will be compared to draw statistical conclusions:

- If t_{STAT} falls into the non-rejection region ($-t_{CRITICAL} \leq t_{STAT} \leq t_{CRITICAL}$), there is insufficient evidence to state that there is a difference between SEs and regular companies on this dimension.

- If t_{STAT} falls into the rejection region ($t_{STAT} < -t_{CRITICAL}$ or $t_{STAT} > t_{CRITICAL}$), there is sufficient evidence to reject the null hypothesis and conclude that the difference is significant.

Should the case be that there is indeed a significant difference, a one-tail test is conducted to confirm the direction of the difference.

IV. FINDINGS

Using the discussed methodology, an analysis of the collected data yielded noteworthy results that indeed point out several cultural differences between SEs and traditional companies, which indicates a confirmatory answer to research question RQ3. This section reports such findings by first presenting the outcome of descriptive statistics and dimension score calculations, then describing the results of hypothesis tests. The findings in both scenarios, when the sample included or excluded hospitals and universities, are offered, so that comparisons and contrasts can be drawn.

1. Dimension scores

The individual dimension scores for all companies in the sample is described in the following Table 1. It is important to note that under the "Type of organization" column, SEs have been marked with the label "0" while regular companies are signified by the label "1".

Table 1: Dimension Scores of Sampled Companies

	Organization Name	Position of respondent	Type of org.	X1	X2	X3	X4	X5	X6
1	Goldman Sachs	Investment Banking Analyst	1	5.000	2.000	2.250	2.429	2.000	1.167
2	UncommonGoods	Director of Customer Service	0	4.600	3.250	1.500	4.143	4.200	1.000
3	Amazon	Financial Analyst	1	3.800	3.250	2.500	3.857	4.200	1.500
4	BRANDED Collective	Co-Founder	0	4.400	1.250	1.000	4.143	4.200	1.500
5	Sudara	Communications Lead	0	4.400	1.375	1.000	4.286	4.000	1.333
6	Purse & Clutch	Founder & Executive Director	0	4.400	1.875	1.500	4.000	4.200	1.500
7	Agam Capital	Senior Quant Analyst	1	4.600	1.875	2.250	4.000	4.000	1.500
8	Worcester Polytechnic Institute	Professor	0	2.000	3.250	3.000	3.857	3.000	3.167
9	Catawba Regional Hospice	Patient Support	0	2.800	3.000	2.750	4.286	4.200	1.833
10	Roma Boots	Marketing Coordinator	0	4.200	2.000	2.000	4.000	3.800	1.833
11	Hospital	Technologist	0	2.800	3.750	4.000	2.714	2.400	2.000
12	US Tobacco Cooperative, Inc.	Staff Accountant	1	4.000	2.750	3.000	3.286	3.000	1.333
13	Unnamed Advertising Agency	Art Director	1	3.200	2.125	3.500	3.286	4.000	3.000
14	Kargher Chocolate	Quality Assurance	1	4.000	2.375	3.000	3.000	2.800	3.167
15	Unnamed Computer Manufacturer	Staff Testing Engineer	1	3.200	1.875	2.500	3.000	3.400	1.000
16	Automotive Engineering	Field Service Engineer	1	2.800	3.500	3.750	4.143	3.000	1.500
17	FM Global	Consultant Engineer II	1	3.400	2.250	2.500	3.143	2.800	2.000
18	FareStart	Marcomm Director	0	4.200	2.000	1.500	3.286	4.600	1.833
19	TerraCycle, Inc.	Global Director, Staff and Admin	0	4.600	2.250	2.250	4.286	3.400	1.500
20	Vivid Roots	Co-Founder	0	4.600	1.000	1.500	4.000	4.200	1.333
21	Yellow Leaf Hammocks	CMO	0	4.400	1.875	1.500	4.286	4.000	2.167
22	MADI Apparel	Designer, Founder, CEO	0	4.800	1.250	1.500	4.143	4.000	1.667

Based on the information presented in Table 1, the aggregated dimension scores of the two organization types are calculated and illustrated in the following diagrams.
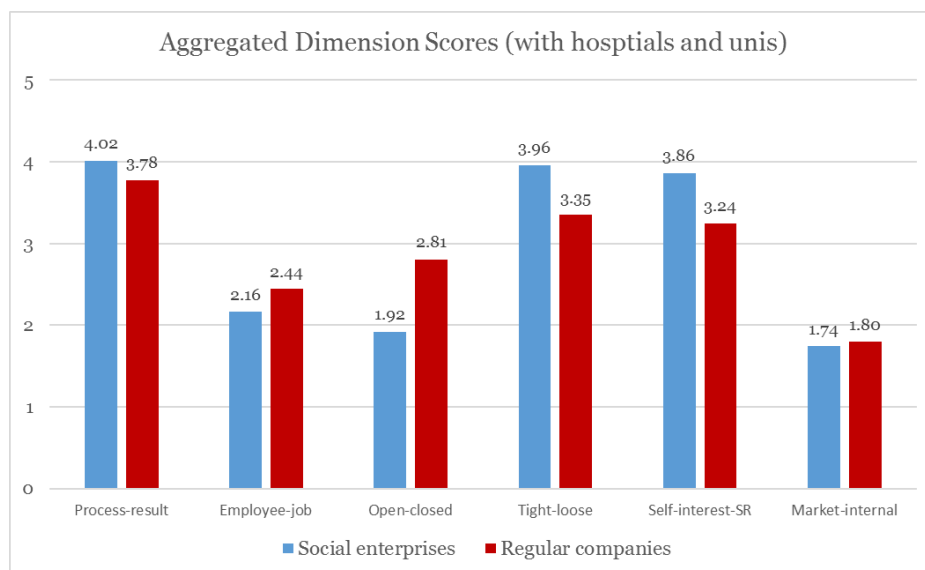
Figure 1: Aggregated Dimension Scores (with hospitals and universities)

Upon initial observation, when hospitals and universities are included in the sample, the two types of firms are virtually identical on the process-result and market-internal dimension, whereas the differences on the open-closed, tight-loose, and self-interest-socially responsible dimensions are more significant.
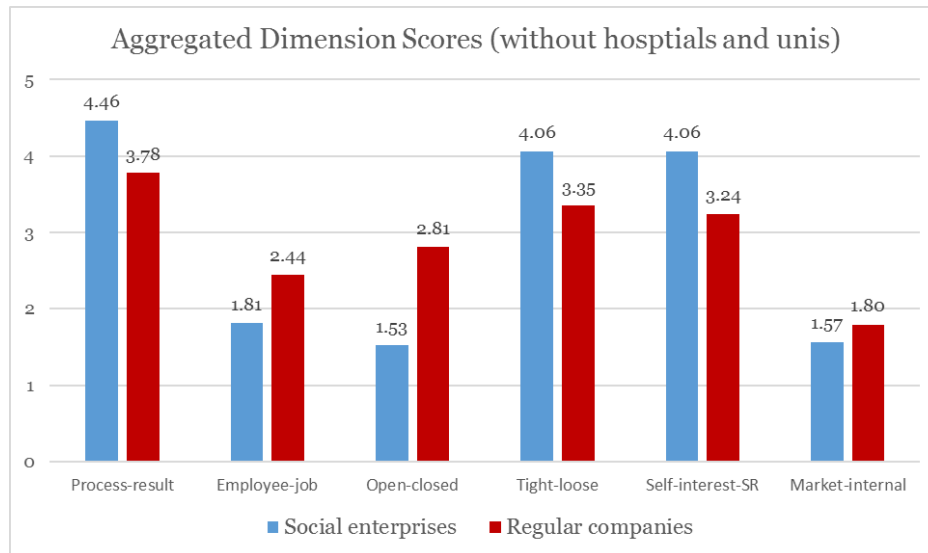
Figure 2: Aggregated Dimension Scores (without hospitals and universities)

The exclusion of hospitals and universities caused the scores to change dramatically. Striking gaps now appear on most of the dimensions, most notably the third and fifth. Intriguingly, even when the sample has been modified, there still appears to be little difference on the market-internal dimension between SEs and regular companies.

2. Hypothesis testing

2.1. Scenario 1: With hospitals and universities included in the sample

Hypothesis H$_1$: *There is a significant difference between SEs and traditional companies on the process-result dimension. ($\mu_1 \neq \mu_1'$)*

A two-tail two-sample t-test assuming unequal variances to test the hypothesized mean difference of 0 ($\mu_1 = \mu_1'$) at $\alpha = 0.05$ was conducted, resulting in a t-critical value of ± 2.093024054 and a t-statistic of 0.698320553. Since -t$_{CRITICAL}$ < t$_{STAT}$ < t$_{CRITICAL}$, there is insufficient evidence to state that there is a difference between the mean dimension 1 scores of the two types of organizations. Therefore, at a confidence level of 95%, hypothesis H$_1$ cannot be confirmed.

Hypothesis H₂: *There is a significant difference between SEs and traditional companies on the employee-job dimension. ($\mu_2 \neq \mu_2'$)*

A two-tail two-sample t-test assuming unequal variances to test the hypothesized mean difference of 0 ($\mu_2 = \mu_2'$) at α = 0.05 was conducted, resulting in a t-critical value of ± 2.085963447 and a t-statistic of -0.888019552. Since -$t_{CRITICAL}$ < t_{STAT} < $t_{CRITICAL}$, there is insufficient evidence to state that there is a difference between the mean dimension 2 scores of the two types of organizations. Therefore, at a confidence level of 95%, hypothesis H₂ cannot be confirmed.

Hypothesis H₃: *There is no significant difference between SEs and traditional companies on the open-closed dimension. ($\mu_3 = \mu_3'$)*

A two-tail two-sample t-test assuming unequal variances to test the hypothesized mean difference of 0 ($\mu_3 = \mu_3'$) at α = 0.05 was conducted, resulting in a t-critical value of ± 2.10092204 and a t-statistic of -2.68348482. Since t_{STAT} < -$t_{CRITICAL}$, there is sufficient evidence to reject the null hypothesis and conclude that there is a difference between the mean dimension 3 scores of the two types of organizations. Therefore, at a confidence level of 95%, hypothesis H₃ is rejected.

To identify the direction of the difference, a lower-tail test at α = 0.05 was performed to test the null hypothesis that the mean difference is larger than or equal to 0. The one-tail test resulted in a t-critical value of -1.734063607, which is higher than t_{STAT}. Thus, the null hypothesis is rejected, and it can be concluded that SEs score significantly lower than regular companies on this dimension. In other words, at a confidence level of 95%, there is sufficient evidence to state that SEs are significantly more open than regular companies.

Hypothesis H₄: *There is no significant difference between SEs and traditional companies on the tight-loose dimension. ($\mu_4 = \mu_4'$)*

A two-tail two-sample t-test assuming unequal variances to test the hypothesized mean difference of 0 ($\mu_4 = \mu_4'$) at α = 0.05 was conducted, resulting in a t-critical value of ± 2.131449546 and a t-statistic of 2.703093704. Since t_{STAT} > $t_{CRITICAL}$, there is

sufficient evidence to reject the null hypothesis and conclude that there is a difference between the mean dimension 4 scores of the two types of organizations. Therefore, at a confidence level of 95%, hypothesis H_4 is rejected.

To identify the direction of the difference, an upper-tail test at $\alpha = 0.05$ was performed to test the null hypothesis that the mean difference is smaller than or equal to 0. The one-tail test resulted in a t-critical value of 1.753050356, which is lower than t_{STAT}. Thus, the null hypothesis is rejected, and it can be concluded that SEs score significantly higher than regular companies on this dimension. In other words, at a confidence level of 95%, there is sufficient evidence to state that SEs are significantly looser than regular companies.

Hypothesis H_5: *There is a significant difference between SEs and traditional companies on the self-interest-socially responsible dimension. ($\mu_5 \neq \mu_5'$)*

A two-tail two-sample t-test assuming unequal variances to test the hypothesized mean difference of 0 ($\mu_5 = \mu_5'$) at $\alpha = 0.05$ was conducted, resulting in a t-critical value of ± 2.131449546 and a t-statistic of 2.117766522. Since $-t_{CRITICAL} < t_{STAT} < t_{CRITICAL}$, there is insufficient evidence to state that there is a difference between the mean dimension 5 scores of the two types of organizations. Therefore, at a confidence level of 95%, hypothesis H_5 cannot be confirmed.

Hypothesis H_6: *There is a significant difference between SEs and traditional companies on the market-internal dimension. ($\mu_6 \neq \mu_6'$)*

A two-tail two-sample t-test assuming unequal variances to test the hypothesized mean difference of 0 ($\mu_6 = \mu_6'$) at $\alpha = 0.05$ was conducted, resulting in a t-critical value of ± 2.160368656 and a t-statistic of -0.176359518. Since $-t_{CRITICAL} < t_{STAT} < t_{CRITICAL}$, there is insufficient evidence to state that there is a difference between the mean dimension 6 scores of the two types of organizations. Therefore, at a confidence level of 95%, hypothesis H_6 cannot be confirmed.

The results of the hypotheses tests that included universities and hospitals are summarized in the following table:

Table 2: Hypothesis Testing Results (with hospitals and universities)

Hypotheses	Result	Conclusion
H_1	Cannot be confirmed	No difference
H_2	Cannot be confirmed	No difference
H_3	Rejected	SE are more open
H_4	Rejected	SE are looser
H_5	Cannot be confirmed	No difference
H_6	Cannot be confirmed	No difference

Overall, disparities were found in two out of six dimensions: the open-closed dimension and the tight-loose dimension, where SEs were found to be more open and looser than traditional enterprises. All hypotheses either were rejected or could not be confirmed. Hypothesis testing confirms that there is a difference in the organizational cultures of SEs and regular companies.

2.2. Scenario 2: Without universities and hospitals included in the sample

The hypothesis testing process is repeated without any modification, and thus for the purpose of succinctness, the study will report the test statistics, critical values, and conclusions in the following table:

Table 3: Hypothesis Testing Results (without hospitals and universities)

Hypotheses	t_{STAT}	Two-tail test		One-tail test		Conclusion
		$t_{CRITICAL}$	Result	$t_{CRITICAL}$	Result	
H_1	2.793334111	2.262157163	Reject null, confirm H_1	1.833112933	Reject null	SEs are more result-oriented
H_2	-2.206944371	2.109815578	Reject null, confirm H_2	1.739606726	Reject null	SEs are more employee-oriented
H_3	-5.899599436	2.144786688	Reject null, reject H_3	1.761310136	Reject null	SEs are more open
H_4	3.422577002	2.17881283	Reject null, reject H_4	1.782287556	Reject null	SEs are looser
H_5	3.142496478	2.20098516	Reject null, confirm H_5	1.795884819	Reject null	SEs are more socially responsible
H_6	-0.820382899	2.228138852	Cannot confirm H_6			No difference

Interestingly, when universities and hospitals were excluded from the sample, the findings are drastically different. Significant differences were observed in five out of six dimensions, where SEs are discovered to be more employee-oriented and socially responsible, which is consistent with the literature, but also more open, result-oriented, and looser, which is sharply inconsistent with presuppositions. In the sixth dimension, no discrepancy could be found, suggesting that SEs are as focused on responding to market needs as regular firms. Overall, hypothesis testing confirms that there is a divergence between the organizational cultures of SEs and traditional enterprises.

V. DISCUSSION AND ANALYSIS

The findings provide an answer to research question RQ3 that the organizational cultures of SEs and traditional enterprises indeed contain key differences. Furthermore, the inclusion of hospitals and universities into the analysis had a notable impact on the results, which indicates that perhaps these organizations possess idiosyncratic traits that require them to be studied separately. When they are accounted for in the sample, only two out of six dimensions showed significant differences, whereas when the analysis omitted them, the number rose to five out of six.

Three dimensions displayed consistent results in both scenarios: open-closed, tight-loose, and market-internal. First, it is quite unexpected that SEs are not at all less responsive to customers and competition than their profit-making counterparts. This insinuates how important business operations are to the sustainability of SEs, as pointed out by Weerawardena and Mort (2006), and that dedication to a social purpose is by no means a guarantee that customers would be willing to purchase their products and services. This equal emphasis also confirms the validity of the triple bottom line model proposed by Martin and Thompson (2010) where profit remains an important factor, and demonstrates that the counter-argument offered by Kay et al. (2016) is in fact less valuable. However, echoing Diochon and Anderson (2010), a focus on responding to customers and competitors also means that considerable effort is required to ensure that SEs stay persistent and committed to their primary goal, instead of neglecting disadvantaged stakeholders to chase profits. Second, SEs are

shown to be embracing a more open communication style and looser management control compared to regular firms, which is contradictory to the hypothesized assumptions but consistent with the results of Austin et al. (2006). Uncovering the reasons behind these trends would demand the use of qualitative research techniques that go beyond the scope of this study, but could be the foundation for a future inquiry effort. One possible explanation could be that most SEs are small or medium-sized (in fact all SEs in this sample are), which allows the environment to be less hierarchical and communication less restricted and more direct.

The other findings, albeit differing in two scenarios, also offer some useful insights. The exclusion of hospitals and universities confirmed the presumed hypotheses that SEs are highly employee-oriented due to their commitment to human-centric issues, as implied by Pearce (2003) and Martin and Thompson (2010), and extremely socially responsible owing to their nature. Nonetheless, contrary to the observations of Imperatori and Ruta (2015) that SEs are keener on upholding processes, the findings reveal that they are significantly more or at least as result-oriented as regular enterprises, which confirms the view of Austin et al. (2006). Without hospitals and universities in the sample, SEs scored a remarkable 4.46 on this dimension, which is close to an extreme result orientation. The rationale for this is perhaps the fact that the quest of resolving social issues is a task that, similar to business, involves an outstanding amount of innovation and creative problem solving. While Diochon and Anderson (2010) assert that SEs conform to processes because of the need to follow a social purpose agenda, the reality could be that they need to be even more flexible and result-focused to solve both business and social challenges, which can sometimes be incompatible and demand disruptive innovations. In an endeavor daunting as such, there is perhaps little room for bureaucracies or rigid procedures.

Theoretical Implications
The findings of this study make contributions to both the organizational culture and SE literature.

For the organizational culture literature, the study further consolidates the notion that culture can be quantitatively measured and in fact studied efficiently and extensively when quantified (Den Hartog et al., 1999; House et al., 2004). More specifically,

quantitative techniques enabled the comparison between the cultures of two different organization types to be executed with significant clarity and depth, supporting the argument of Cooke and Lafferty (1983) as well as Reynierse and Harker (1986) that culture measurement is especially valuable for comparative studies. The study also demonstrates the usefulness of the ROP scale (Verbeke, 2000) and its predecessor, the framework of Hofstede et al. (1990) as valid and valuable tools to assess the culture of any number of organizations in a systematic and comprehensive manner. Furthermore, acknowledging that the most effective way to measure organizational culture is to examine the perception of organizational members (van den Berg & Wilderom, 2004), the researcher distributed the survey to employees of various positions in their respective companies to gain an understanding of how the culture is viewed by insiders of the firm. However, similar to what van den Berg and Wilderom (2004) suggested, this measurement effort should be complemented by qualitative research methods in order to unearth the intricate reasons behind all the differences between the two cultures.

For the SE literature, this study is one of the first to provide some general insights into the organizational culture of SEs and suggest that it is vastly different from that of traditional firms. The findings support several theoretical concepts and empirical findings offered by earlier authors, such as the "more-than-profit" ideology (Ridley-Duff, 2008: 291), but also rebutted other scholars, such as Kay et al. (2016) who introduced the revised triple bottom line that disregards the importance of profit in SEs, which has been shown by this study to be slightly inaccurate. More importantly, the abundance of tools and frameworks in the organizational culture literature can indeed be employed to reveal important features of SE culture, which would considerably enhance the extensiveness and depth of this literature, as well as offer solid managerial assistance for social entrepreneurs around the world.

Limitations

Needless to say, these conclusions and methodologies inherently contain several limitations that render them more exploratory than definitive. The non-probability sampling method is considerably sub-optimal and less dependable than a probability sampling technique, but considering the costs of the latter, a convenience sample was chosen to reduce the amount of resources required. Moreover, the small size of the

sample and the risk of non-response bias pose a legitimate question regarding the trustworthiness of the conclusions. Along with imperfect sampling techniques, the fact that only one employee from each company responded is also a significant weakness, since the interpretation of one individual might not be a good basis to generalize about the organizational culture of the whole company. Lastly, employees may uphold a bias or sense of obligation to provide answers that portray a favorable image about their companies, since they are still asked to state the name of their respective organizations. Overall, this study acknowledges these drawbacks and recognizes that its value lies not in absolute preciseness, but in the ability to demonstrate the utility of quantitative methods in cultural studies, as well as introduce some exploratory insights into the cultural differences between hybrids and regular firms.

VI. CONCLUSIONS

In summary, an extensive review of the literature, combined with quantitative empirical research, provided answers to all three of the research questions that this study aimed to investigate. Key definitions were explained in-depth, measurement methods, frameworks, and tools were compared and analyzed to select the optimal approach, and an empirical survey study produced intriguing findings that shed some light into the culture of social purpose businesses. The ROP scale was proven to be an exceptionally useful framework in assessing and contrasting between the cultures of a large number of organizations. Nevertheless, several limitations related to methodology remain, which raises some caution when making interpretations from data analysis results.

1. Main findings

The study confirmed that a quantitative approach, with the aid of qualitative methods, is the most valid strategy to study organizational culture, especially in comparative studies. Utilizing this methodology, the study discovered an affirmative answer to the research question: "Is there a difference between the organizational cultures of SEs and regular companies?". SEs indeed have more open communication, less rigorous management control than, and are as market-oriented as regular companies. Without hospitals and universities included in the sample, the study also observed that SEs are noticeably more employee-centered, favor result over adherence to procedures,

and with little surprise, are more socially responsible than regular companies. These observations depict a picture of the average SE in the United States as an innovative, people-oriented, flexible, responsive, and socially conscious workplace.

2. Implications

This portrayal offers social entrepreneurs a rough idea of what to expect when engaging in a social entrepreneurial venture and building their own SE, and managers in existing SEs some reference material for their own managerial success. Social entrepreneurs and managers in SEs must find a way to foster a culture that enables the firm to strongly maintain the social vision and balance between the demanding needs to serve the market and support disadvantaged stakeholders. This challenging task dictates that entrepreneurs and managers be able to establish an environment that cherishes disruptive innovation and creative problem solving, instead of holding on to rigid processes and complicated bureaucracies. Such an environment starts with and centers around people, and involves a significant degree of flexibility and obstacle-free communication. Therefore, the findings of this study can be viewed not only as a description of the organizational culture of SEs, but also to a certain extent, a blueprint for a successful and sustainable working environment for hybrid organizations.

3. Suggestions for future research

Future research can expand on the outcome of this study in numerous directions. A similar approach can be utilized, but with a larger and more well-selected sample, so that the reliability and conclusiveness of the results can be enhanced. Qualitative research can also be conducted to make sense of the observations of this study and clarify hidden meanings. Furthermore, quantitative studies to measure the correlation between certain cultural traits and the social impact of SEs could be a logical next step in identifying the "best cultural practices" that can lead to success for these companies. On a broader perspective, research can be done on an international scale, for example, to compare SE cultures between countries and draw conclusions about the effect of national culture on organizational culture. Lastly, the organizational culture of hospitals and universities can be an interesting topic to explore, since it appears that they are vastly different from other SEs.

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APPENDICES

Appendix 1

Survey on Organizational Culture:

Dear Participant, I am a final-year undergraduate student from Aalto University School of Business, Finland currently working on my Bachelor's Thesis. For this purpose, I am gathering data on the organizational cultures of traditional firms and social enterprises in the United States, which is why I would be glad if you could take a few minutes to take part in this survey. It is comprised of 35 questions, divided into six sections, and has been designed so that it would only take approximately 5 minutes of your time. You have been selected randomly to participate in the survey; however, the survey only concerns employees of companies or social enterprises in the United States, so if you do not belong in that category, please do not participate. I assure you that you will remain anonymous, the information filled in this survey will be strictly confidential and solely used for research purposes, and the results will be reported in aggregates only.

The following questions concern the general details about your organization and yourself as one of its employees.

1. Please choose the option that identifies the type of firm that you are currently working in:
❍ A regular company (1)
❍ A social enterprise (0)

2. Please specify in the field below the name of the organization you are currently working in:

3. Please specify in the field below the official title of your position in the company:

For the following questions, please truthfully choose the option that best represents the reality of the work environment in your organization.

The first section:

When confronted with problems, the people in the company are:

	1	2	3	4	5
rarely helped by other employees or people of other divisions/teams - regularly helped by others employees or people of other divisions/teams	O	O	O	O	O

The tasks of employees that are absent are:

	1	2	3	4	5
rarely taken over by colleagues - usually taken over by colleagues	O	O	O	O	O

The services that are asked for by other divisions/teams:

	1	2	3	4	5
are only carried out if the formal procedures have been followed - are usually carried out without delay	O	O	O	O	O

On special projects, there is:

	1	2	3	4	5
a laborious cooperation between employees (or between various divisions/teams) - a quick cooperation between employees (or between various divisions/teams)	○	○	○	○	○

The employees contribute their bits:

	1	2	3	4	5
by directly following the prescribed methods of the managers - by coming out with their own ideas to have the company function in a better way	○	○	○	○	○

The second section:

With respect to people who do not feel too happy about their job, but still perform well:

	1	2	3	4	5
new possibilities are being searched for them - little or nothing is done for them	○	○	○	○	○

Whenever an employee is ill, or when something has happened in his or her personal life:

	1	2	3	4	5
managers ask after their problems with interest - managers only ask when he or she will be working again	○	○	○	○	○

Employees are allowed to take courses and go to seminars and conferences:

	1	2	3	4	5
because the management encourages self-development of the employees - just because of the increasing profit for the company	○	○	○	○	○

If there are personal conflicts between employees in the company or within a division/team:

	1	2	3	4	5
the managers will attempt to solve these problems - the managers will do nothing about these problems	○	○	○	○	○

With respect to birthdays, marriages and births, managers:

	1	2	3	4	5
show personal interest - show little interest	○	○	○	○	○

In matters that directly involve them, employees:

	1	2	3	4	5
usually have a say - hardly ever have a say	○	○	○	○	○

The managers address the employees:

	1	2	3	4	5
to give them a compliment - to point out their mistakes	○	○	○	○	○

The pressure of work:

	1	2	3	4	5
is being held acceptable on the initiative of the manager - is not reduced by the manager, if the employees think it is too high	○	○	○	○	○

The third section:

Criticism of the employee is:

	1	2	3	4	5
discussed with the managers - usually brushed aside by the managers	○	○	○	○	○

Employees express their criticism:

	1	2	3	4	5
directly against the managers - just against their colleagues	○	○	○	○	○

At my work:

	1	2	3	4	5
the employees are being asked to pass constructive criticism on the managers - the management puts the blame on the employees when they pass well founded criticism on something	○	○	○	○	○

The mistakes of a colleague are:

	1	2	3	4	5
personally discussed with him or her - mainly	○	○	○	○	○

discussed behind
his or her back

The fourth section:

Managers:

	1	2	3	4	5
always check if the employees are working - rarely check if the employees are working	○	○	○	○	○

If one is a little late for an appointment with the manager, he or she will be rapped on his or her knuckles:

	1	2	3	4	5
immediately - never	○	○	○	○	○

If an employee goes to the dentist during working hours, there is a check on how long he or she stays away:

	1	2	3	4	5
always - never	○	○	○	○	○

Concerning the employees' expenses, the costs have to be specified in detail:

	1	2	3	4	5
yes - no	○	○	○	○	○

If an employee is 15 minutes late for work, but goes on for an extra 15 minutes at the end of the day:

	1	2	3	4	5
he or she is called to account - usually, one does not	○	○	○	○	○

bother too
much

The number of duration of breaks employees take:

	1	2	3	4	5
are always checked by the managers - are rarely checked by the managers	○	○	○	○	○

If an employee has to go to an important appointment:

	1	2	3	4	5
he or she has to convince the manager of the importance of the appointment - he or she simply has to report it to someone in the company	○	○	○	○	○

The fifth section:

As far as the environment or minority groups are concerned:

	1	2	3	4	5
certain governmental regulations are being evaded sometimes - progressive initiatives are being taken by	○	○	○	○	○

the
management

The terms and conditions for customers:

	1	2	3	4	5
are sometimes favorable for certain customers - are equal for all customers	○	○	○	○	○

Payments are:

	1	2	3	4	5
always returned to the treasury -not always returned to the treasury	○	○	○	○	○

Information that is of importance to customers:

	1	2	3	4	5
is sometimes withheld - is always given openly	○	○	○	○	○

Unfair trading is:

	1	2	3	4	5
sometimes overlooked - punished by the management	○	○	○	○	○

The sixth and final section:

The satisfaction of the customers is:

	1	2	3	4	5
measured systematically - hardly ever measured	○	○	○	○	○

Product promotions/actions by the competition are:

	1	2	3	4	5
reported meticulously by everyone - barely reported	○	○	○	○	○

The consumers' preferences are:

	1	2	3	4	5
systematically investigated - usually not investigated	○	○	○	○	○

The company provides products/services that:

	1	2	3	4	5
are adjusted to the various target-groups - scarcely take the needs of the various target-groups into consideration	○	○	○	○	○

The future needs of the customers are:

	1	2	3	4	5
discussed extensively in the company - hardly ever discussed at all	○	○	○	○	○

In talks with customers, people:

	1	2	3	4	5
try to find out about the future needs of the customers - hardly ever try to find out about the future needs of the customers	○	○	○	○	○