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Research Report

Corporate culture an underestimated intangible asset for the information society

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EIKV-Schriftenreihe zum
Wissens- und Wertemanagement

Corporate culture
an underestimated intangible asset
for the information society

Désirée Kaupp

IMPRESSUM

EIKV-Schriftenreihe zum Wissens- und Wertemanagement

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Table of contents

Table of contents	I
Table of figures	III
List of abbreviations	IV
1 Introduction and motivation	2
2 Causal relation between value and corporate culture	6
2.1 Characteristics of corporate culture	8
2.2 Levels and appearance	13
2.3 Functions of corporate culture	19
2.4 The four kinds of corporate culture following Deal/Kennedy	20
2.5 The bottom line	23
3 Corporate culture as essential and intangible asset in Luxembourg	24
3.1 Relevance in today's economy	24
3.1.1 Hofstede's cultural dimensions	28
3.1.2 Hall's theory on intercultural communication	30
3.2 Application of theories on cultures present in Luxembourg	32
3.2.1 Luxembourg	32
3.2.2 China	33
3.2.3 France	34
3.2.4 Germany	35
3.2.5 Italy	37
3.2.6 Poland	38
3.2.7 Portugal	38
3.2.8 Russia	40
3.2.9 United States	41
3.3 Corporate diversity and diversity management	42
4 Possibilities to measure the value of corporate culture	47
4.1 Human Synergistics Circumplex	47
4.2 Two-step approach and corporate culture index	51
4.3 7-S-Model by Peter and Waterman	53
4.4 KPI as parameter	55
4.5 Stock exchange value and book value as parameter	56
5 Corporate culture as intangible resource	59

5.1	Corporate culture and its impacts on employees' performance	59
5.2	Corporate culture as motivation driver	63
5.3	Perception of signs and initiation of countermeasures	66
6	Establishing and performing corporate culture	72
6.1	Practical and famous examples	72
6.2	Corporate culture's value from different perspectives	76
6.2.1	From a company's perspective	76
6.2.2	From an employee's perspective	78
6.2.3	From an external stakeholder's point of view	79
6.3	The bottom line	80
7	Empirical investigation of corporate culture in Luxembourg	82
7.1	Methodology, content and aim of the empirical study	82
7.2	Illustration of the obtained results	87
7.3	Critical reflection and interpretation of results	97
7.3.1	Luxembourg	98
7.3.2	Germany	103
7.3.3	Austria, Belgium, France, the Netherlands, United Kingdom	105
7.3.4	United States	107
8	Conclusion	110
	Bibliography	VII
	Internet sources	IX
	Appendices	XIII

Table of figures

Figure 1: Corporate culture characteristics.....	9
Figure 2: Approaches to characterise corporate culture	11
Figure 3: Corporate culture model	14
Figure 4: Iceberg model.....	18
Figure 5: Four kinds of corporate culture by Deal and Kennedy	22
Figure 6: GDP Luxembourg 2016.....	26
Figure 7: Hofstede's cultural dimension - Luxembourg	33
Figure 8: Hofstede's cultural dimension - China.....	34
Figure 9: Hofstede's cultural dimension - France	35
Figure 10: Hofstede's cultural dimension - Germany	36
Figure 11: Hofstede's cultural dimension - Italy.....	37
Figure 12: Hofstede's cultural dimension - Poland	38
Figure 13: Hofstede's cultural dimension - Portugal.....	39
Figure 14: Hofstede's cultural dimension - Russia	40
Figure 15: Hofstede's cultural dimension - United States.....	41
Figure 16: Four layers of diversity	43
Figure 17: Human Synergistics Circumplex	48
Figure 18: Two-step approach.....	51
Figure 19: 7-S-Model by Peter and Waterman.....	53
Figure 20: Influences on business performance	55
Figure 21: Health indicator in relation to corporate culture.....	60
Figure 22: Circle of satisfaction (own illustration)	80
Figure 23: Country of employment	87
Figure 24: Country of origin	88
Figure 25: Level of education	89
Figure 26: Internationalisation	90
Figure 27: Size of organisation.....	90
Figure 28: Nationalities.....	91
Figure 29: Employees' satisfaction on workplace culture.....	92
Figure 30: Satisfaction on job-related trainings	93
Figure 31: Corporate culture as motivation driver	96
Figure 32: Correlation with emotional and social intelligence	97
Figure 33: Corporate culture core elements (own illustration).....	110

List of abbreviations

ADEM	Agence pour le Développement de l'Emploi
AOK	Allgemeine Ortskrankenkasse
BBQ	Barbecue
BMW	Bayrische Motorenwerke
Cf.	Confer
CSSS	Customer Service Style Survey
Dr.	Doctor
E.g.	For example
Et al.	Et alii
Et seqq.	Et sequentes
Etc.	Et cetera
EU	European Union
GDP	Gross Domestic Product
HCC	High context culture
HR	Human Resources
I.e.	In other words
Ibid.	Ibidem
ICT	Information and Communication Technologies
IDV	Individualism versus Collectivism
IND	Indulgence versus Restraint
IP	Intellectual Property
IVR	Indulgence versus Restraint
KPI	Key performance Indicator
L/I	Leadership / Impact
LCC	Low Context Culture
LSI	Life Style Inventory
LTO	Long Term Orientation versus Short Term Normative Orientation
MAS	Masculinity versus Femininity
OCI	Organisational Culture Inventory
OEI	Organisational Effectiveness Inventory

P.	Page
P.a.	Per annum
PDI	Power Distance Index
PR	Public Relations
PRA	(short term) Normative versus (long term) Pragmatic
Prof.	Professor
Q	Question
RoI	Return on Investment
SME	Small and Medium-sized Enterprises
UAE	United Arab Emirates
UAI	Uncertainty Avoidance Index
US	United States of America
USD	US Dollar
VS	Versus

“Culture hides much more than it reveals, and strangely enough, what it hides, it hides most effectively from its own participants.”¹

Edward T. Hall

¹ Hall (1973, p. 53).

1 Introduction and motivation

Culture is ubiquitous. Although we do not recognise culture consciously, it is still there. The term explains characteristics and knowledge of particular groups and includes behaviour, expectations, language, norms, perceptions religion and values. Nowadays, culture seems to play an increasingly important role. It gives us an idea of why people act like they act, why they think what they think and how they feel what they feel. In business environments, the term corporate culture or organisational culture “refers to the shared beliefs and behaviours that determine how company's employees and management interact and behave in business transactions”². Often, corporate culture develops organically over time from the cumulative strengths of people the company hires. A company's culture can be reflected in its dress code, business hours, office setup, employee benefits, turnover, hiring decisions, treatment of clients, client satisfaction and every other aspect of operations. Within an organisation, we are able to encounter corporate cultures systematically, although the own culture often goes unnoticed. The power of culture is generally only recognised when it is directly related to the implementation of new strategies or missions. Human beings are creatures of habit, organisational changes at the workplace often lead to incomprehension, anger and, in the first phase of the change, to decreased motivation.

However, in the age of internationalisation and globalisation, businesses need to adapt their corporate culture to economic circumstances and especially to an international environment when they want to act as global player. Taking Luxembourg into consideration and taking a look at their different nationalities, it is no longer sufficient just to think that a company is international only based on their business relationships abroad. Especially with respect to the need of manpower, which cannot be covered by Luxembourg inhabitants, it is imperative that companies rethink their strategy and how they want to run their business in order to become or to remain a global player on the market and to attract and keep qualified staff. In addition, the transformation from a pragmatic and theoretical working-class society to a modern and flexible information and knowledge society requires new measures

² Cf. Investopedia (n.d.).

and more and more the need for intangible assets and emotional and social intelligence.

In order to be successful on the market, it is necessary for companies to have recourse to the available performance potentials and resources of the employees. Focusing on the topic of corporate culture, it needs to be scrutinised whether value can also be seen as a positive side effect of corporate culture as corporate culture tends to play an increasingly important role. Corresponding topics such as employee retention, performance, customer and quality orientation can have a positive and a negative impact on employees' health, and also on the value and performance of organisations, depending on how values and rules are lived throughout the organisation.

Based on personal experiences, it turned out that companies seem to be not aware of the importance of corporate culture. In addition, corporate culture is currently more seen as a "nice to have" rather than an intangible asset that should exist in every organisation. Although organisations tend to focus more and more on intangible assets, they also tend to ignore the fact that their corporate culture needs a refreshment or, and which is also still the case, they should consider to establish an own corporate culture. Employees should be seen as people that conduce to a company's success and as inevitable resource, rather than being treated as a random number in the organisation. Establishing and maintaining a corporate culture is not an easy undertaking, although this paper should give a guideline for companies what needs to be considered and how they can either implement or improve their corporate culture. In the end and although this procedure seems to be cost-intensive at the first sight, companies will be able to increase their performance and power on the market as well as the value of their company.

In my personal and professional environment, I was able to observe, on the one hand, that more and more colleagues complain about the bad atmosphere, the missing communication between the upper management and employees, the seeming carelessness towards employees and the lack of a work-life-balance or social interactions. On the other hand, I was also able to detect the dissatisfaction of employers with respect to high turnovers and unmotivated employees. It does not

seem to be clear to the employers why more and more qualified employees tend to leave the organisation. After having observed these situations, I asked myself whether this could not be linked to the existing (bad) corporate culture. I was able to identify some parts of corporate culture, although it seemed to me that employers only care about employees in higher positions and not about the entirety. In addition, it seemed to me that even though the organisations tend to implement a corporate culture and also use this for marketing purposes, it was more a one-way road they took. Employees were not asked about their opinion. The management decided about random measures without taking into consideration the behavioural patterns and cultural backgrounds of its employees. I asked myself whether corporate culture is not more than just a marketing tool and whether companies could not benefit from the implementation of corporate culture, which may cause an increase of performance. And this built, in the end, the foundation of this paper.

First of all, this paper focuses on different definitions and theories associated with corporate culture. As the term corporate culture is not clearly defined and definitions are rather vague, the most appropriate and proper definitions with respect to the research question will be presented in the first chapter. In addition, the first chapter also aims at identifying the correlation between value and corporate culture and lays the foundation for the second chapter.

Within the second part, I will look at the concept of corporate culture from a different perspective. Where the first chapter concentrated on the term corporate culture itself and the correlation between value and corporate culture, the second chapter considers corporate culture as an intangible asset. Due to personal experiences and relevance, all theories and applications will have its clear focus on the Luxembourg market, a small country with skilled worker shortage and an information economy that depends largely on banking, financial, steel and industrial activities and where intangible assets play an important role. As Luxembourg is a country with many different nationalities, it is important to understand each nationality for itself in order to build up a successful corporate culture that is convenient for the entirety. Therefore, the third chapter mainly focuses on the different nationalities, its similarities with the Luxembourg culture and its distinctions.

Going further, the subsequent chapters focus on corporate culture as value and therefore present several methods that have already been implemented in order to measure the impacts on and the value of corporate culture. At the end of the fourth chapter, another new approach will be presented, although this method should only work and be evaluated as a theoretical approach as it could not have been proven within this paper, mainly due to the lack of relevant data available. Continuing, the fifth chapter presents several famous examples of successful corporate cultures and subsequently considers corporate culture from different perspectives:

1. Company's perspective;
2. Employee's perspective;
3. External stakeholder's perspective.

The holistic view of the different perspectives should demonstrate advantages that all concerned parties might have from corporate culture. Due to limitations, this paper will not focus on the disadvantages.

The last chapter tries to falsify or verify different theories and applies the presented methods to a specific group of participants. In order to receive realistic and practical results on the theoretical aspects, an empirical study has been performed to analyse and identify employees' awareness and the value of corporate culture, the need for intangible assets and emotional and social intelligence. Results of this study will be illustrated, analysed and critically discussed at the end of this chapter.

A final conclusion reflecting all relevant and important aspects of this paper and presenting a recommendation to organisations that aim at establishing or implementing corporate culture complete this paper.

2 Causal relation between value and corporate culture

When reading about corporate culture, several literature put this concept in direct relation with value. However, before understanding the relation and the coherence of corporate culture and value, it needs to be understood what both concepts, value and corporate culture but also the combination of corporate and culture, really mean. Literally speaking, value refers to „the regard that something is held to deserve; the importance, worth, or usefulness of something, the material or monetary worth of something³“, according to the Oxford University Press. The business dictionary conversely defines value in a completely different way. According to this definition, value deals with “important and lasting beliefs or ideals shared by the members of a culture about what is good or bad and desirable or undesirable. Values have major influence on peoples' behaviour and attitude and serve as broad guidelines in all situations⁴.” Contrary to the first definition of the Oxford Dictionary, this definition puts value in a direct relation with culture. As value can be associated with benefit, it can be understood that a combination of both, value and culture, is seen as something positive that brings profit, not only in a professional, but also in a private context.

The term “culture” originally comes from social anthropology and was used in studies that tried to outline the differences in primitive societies, such as Eskimo, South Sea, and African and Native American civilisations. The initial concept of culture aimed thus at representing, “in a very broad and holistic sense, the qualities of any specific human group that are passed from one generation to the other”⁵. It included shared values, behavioural patterns and beliefs and could be found in specific groups that all belong to the same culture. Although this only explains the term culture itself, it can also be applied to the term corporate culture as the idea behind the theory seems to be the same.

Following the model of Edgar Schein and its amended version of Kotter and Heskett, organisational culture is classified into two levels⁶, as further outlined and applied in

³ Cf. Oxford University Press (2017).

⁴ Cf. Business Dictionary (2017).

⁵ Cf. Boas (2013, pp. 399-664).

⁶ Cf. Initio Organisationsberatung (n.d.).

chapter 4.2. The main differences between those two different levels can be found in their visibility and their resistance and/or openness to change. The first level refers to the values that are shared in a specific organisational culture. As always with values, this level is less visible and also called the evaluative level. Common values and sharing those give people a feeling of corporate solidarity, although changes in organisational culture can be very difficult at this level as people in a group tend to know they belong together without even knowing which common values they share and which values bind them together⁷. The second level, which mainly deals with cognitive aspects, is more visible than the first one as it relates to the behavioural patterns that build the organisational culture. Those patterns can easily be passed on to new employees in order to shape their behaviour until it fits to the company's standards. Although culture is always tough and hard to change, it seems to be less difficult at the second level as this level deals with individual patterns and behaviour that can easily be changed, compared with the level of basic and invisible shared values.

Corporate culture, which is also called the "informal structure", is rather the result of certain practices and routines within one organisation that has been developed and is often merged with specific practices. However, those different practices are usually not attempted. Corporate culture is also described as an implicit or emergent process and structure, which is reflected in action patterns outside the formal structure.

The terms "corporate culture", "organisational culture" or "culture in a business enterprise" should not be confused with the term "strategy" or "mission". A strategy is "a method or plan chosen to bring about a desired future, such as achievement of a goal or solution to a problem and the art and science of planning and marshalling resources for their most efficient and effective use⁸." Therefore, it can be concluded that a strategy is a logic plan of how to achieve a certain movement into a specified direction. However, the before-defined company's culture may fit into this strategy, but it is not a real and particular plan of the strategy. Although, companies may find it easier to implement a new structure when their employees already share common

⁷ Cf. Schein (2004, p. 6).

⁸ Cf. Business Dictionary (2017).

patterns, perhaps based on their corporate culture, as people that have a strong solidarity for each other and the company tend to actively encourage colleagues to follow those new practices.

Corporate culture is mostly used in singular. However, almost all companies with a well-established corporate culture tend to have multiple cultures, usually associated with different functional grouping or geographic locations. This may seem logic when considering that every culture has different perceptions and behaviour. Usually, value, orientation structures and behavioural patterns within organisations have grown historically and are rather implicitly and inadequately reflected and not at all related to a strategic positioning of the company. Having said this, companies may follow and live a corporate culture that has been established many years ago, depending on how long the company and its culture already exist. However, corporate culture may be adapted due to environmental changes or should keep up with the times. Corporate culture may change in the process of time, for instance due to the change of management, although this change should only be paired with the pursuit of innovation and perfection. Nonetheless, the principles of operation and the symbolism of indicators are left to chance, as soon as consciously reflected, homogenised and target-oriented optimised structures and patterns are not included in the consideration of effective corporate culture.

2.1 Characteristics of corporate culture

According to Richard Bachinger, corporate culture can be identified into ten different characteristics⁹, as illustrated in the figure below (figure 1).

⁹ Cf. Bachinger (1990, pp. 12-16).



Figure 1: Corporate culture characteristics¹⁰

Corporate culture is not only about shared values and common behaviour, but has also social characteristics. Norms and artefacts that are shared within one community are able to create a social feeling of togetherness and most members of this specific group, even though it is not every single member himself, are able to contribute to its success. Moreover, corporate culture influences many interpersonal relationships and behaviour within an organisation. Mostly, this happens completely unconsciously and is controlled by natural appearances in an everyday situation. It is not necessary for certain standards or laws to have this type of trade. Especially these liabilities in behaviour characterise the corporate culture and makes it unique and unmistakable. Furthermore, Bachinger identified corporate culture to be an intangible asset. Although industrial companies and especially stock market companies can be studied scientifically with business management methods, corporate culture describes a very different commodity, which is difficult to express in figures. Depending on the method, a certain aspect of corporate culture can be recorded, but the overall appearance and its influencing factors are only visible and measurable with the use of all the methods provided for this purpose. However, corporate culture remains an intangible asset, as it does not appear on the financial

¹⁰ Cf. Own illustration following Bachinger (1990, pp. 40-41).

assets. As already mentioned, corporate culture can be performed either consciously or unconsciously. Depending on the members of a group, values and rules of conduct are deeply rooted in his or hers behaviour. Specific behavioural patterns are lived without the conscious control. Obviously, this does not go for everyone, but based on Bachinger and the characteristics, he assumes that the majority of a group follows the rules of the corporate culture unconsciously and without thinking about it. Corporate culture can be modified although its norms and values are followed ever since. However, strong traditions and firmly entrenched standards of a group may need to be reconsidered in order to adapt to certain circumstances and to prevail on and keep up with the market. Therefore, it can be said that another characteristic of corporate culture is that it is adaptable and flexible. Cultures are first and foremost experienced and learned through the human ability to symbolise. Many companies use introduction seminars and company celebrations to explain and communicate the common symbols and behavioural patterns that are important to the company. Schoolings and advanced trainings of the employees are used for the development and anchoring of the pre-existing corporate culture. Within those special seminars, the shared norms and values are handed-on from one employee to another. This is the result of a historical process of behaviour and stories, which is constantly passed on through common conviction. Usually, every company has its own story and historical achievement that can be found in the company's culture, either apparent or unapparent. Each member of a group should be able to identify himself with the corporate culture of the company he or she is employed with. Values and norms need to be accepted by each member or employee, otherwise, it can be assumed that the opinions and the performance will sooner or later fall apart. Therefore, it can be concluded that corporate culture is and needs to be accepted by every member as these values and rules build the foundation for action and thinking within one organisation. Corporate culture is nothing produced or made by a machine. It is man-made and the result of human action, thinking and the common willingness of achievements within an organisation. Every company has a certain corporate culture, which is constantly adapted and re-created. Even if corporate culture can be seen as an old commodity, it is constantly undergoing a process. The result of this process is then reflected in the company's corporate culture.

Homburger's definition and characteristics of corporate culture distinguish between content-oriented and structure-oriented approaches. Both approaches follow a key question in order to characterise a company's culture. Whereas the content-oriented approach mainly focuses on the different kinds of corporate culture, the structure-oriented approach focuses more on the components¹¹. As illustrated in the below figure (figure 2)¹², both dimensions break down the characteristics into different levels. Whereas the content-oriented approach breaks down the key question to dimension-oriented approaches and typology, the structure-oriented approach analysis different levels. Dimension-oriented approaches aim, on the one hand, at the identification of content-related dimensions and are often based on comprehensive empirical analyses, where factor analysis uses a larger number of features in order to extract few underlying dimensions¹³. Typologies, on the other hand, use a combination of dimension in order to create an idealised concept of corporate culture.

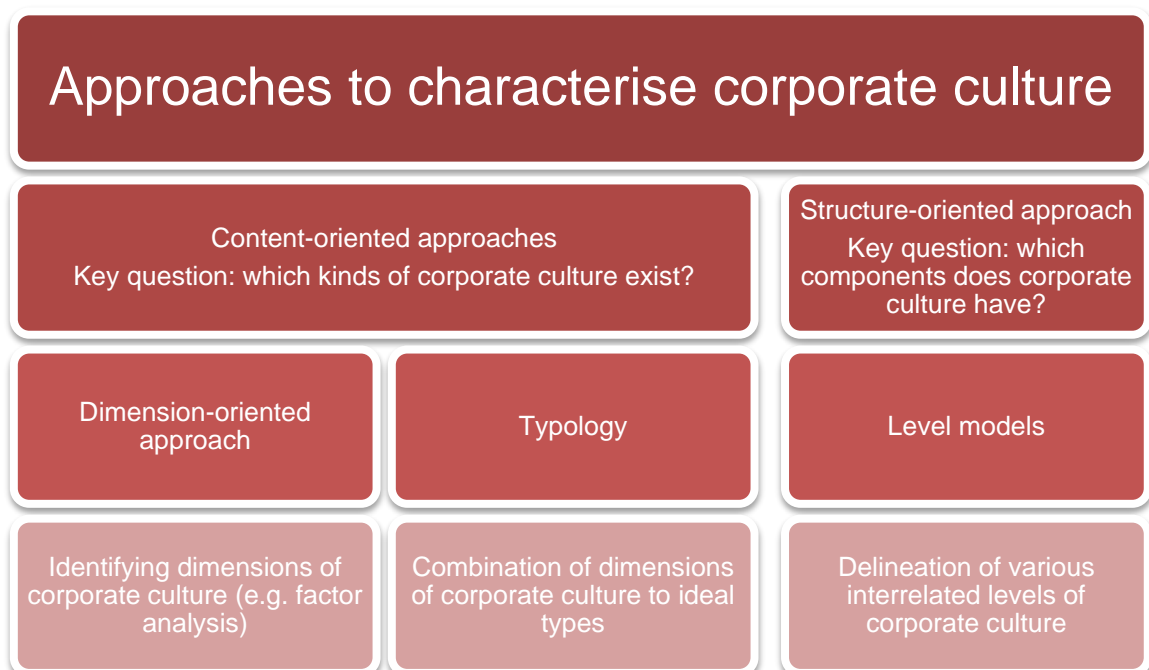


Figure 2: Approaches to characterise corporate culture¹⁴

¹¹ Cf. Homburger (2015, pp. 1279-1282).

¹² Cf. *ibid.*

¹³ Cf. *ibid.*

¹⁴ Cf. Own illustration following Homburger (2015, p. 1280).

Structure-oriented approaches are coined by another key question and focus more on the components of corporate culture. It does not deal with the clarification of the content of the cultural concept, but with the structure of the corporate culture through the identification of different levels.

Although content-oriented approaches also focus on levels, it breaks down the characteristics into dimensions and typologies. Corporate culture consists of the following dimensions:

- Performance orientation
- Customer Orientation
- Cost orientation
- Decentralised organisation
- Trust and information
- Identification
- Ethical orientation
- Strength and conformity
- Working atmosphere and employee satisfaction
- Cooperative leadership culture

These dimensions aim at systematically determining the characteristics and specifications of the corporate culture based on a dimension-oriented approach.

Based on these dimensions, the four ideal-typical corporate cultures can be identified as follows¹⁵:

1. Hierarchy culture, mostly represented in large companies
2. Market culture, mostly represented in consumer goods manufacturers
3. Adhocracy culture, popular in young high-tech companies
4. Clan-culture, mostly represented in SME or family businesses

¹⁵ Cf. Homburger (2015, p. 1281).

Another level model implemented by E. Schein¹⁶ in 1984 and 2010 encompasses three levels of corporate culture, which mainly differs with respect to their visibility.

1. Underlying assumptions
2. Espoused beliefs and values
3. Artefacts and symbols

The underlying assumptions build the main level of corporate culture. They relate to fundamental questions of human life, such as the personal attitude towards colleagues, thoughts and feelings and are the ultimate source of values and actions. The beliefs are taken for granted by members of the company and are largely unconscious and invisible.

The second level represents the espoused values of the company, which the employees are largely aware of, in contrast to the underlying assumptions. Examples of values are strategies, philosophies, innovation, environmental protection and employee orientation¹⁷.

Artefacts and symbols form the third level of appearance and are the perceptible surfaces of a culture¹⁸. Examples of artefacts and symbols are typical customs but also the internal company language, rituals, such as corporate celebrations, or architectural symbols such as the consistent design of the building or the workplaces.

2.2 Levels and appearance

Every organisation needs systems in order to perform business successfully, to create a certain degree of freedom and to adapt changing environments within the company. Organisational cultures that have not developed self-observation skills or self-cultivation tend to prioritise the striving for order instead of the striving for innovation. Therefore, reorientations and the establishment of a corporate culture in the company find their limits in the attitudes of the employees, not in markets or

¹⁶ Cf. Schein (2004, pp. 25-36).

¹⁷ Cf. *ibid.*

¹⁸ Cf. *ibid.*

strategies. Many companies fall into old patterns in the course of a change or adaptation of corporate culture and are therefore inflexible and persistent. As long as the functioning of the social being is blatantly neglected, a change seems to be doomed. Appropriate orientation structures are available on the basis of reflected and explicitly formulated guiding maxims, for example in the context of a linguistically firm corporate philosophy, which precisely outlines the company's identity and the image to be mediated, structures and the desired image. The leading maxima are measured according to current values and norms, which are determined by the framework culture of the respective reference groups¹⁹.

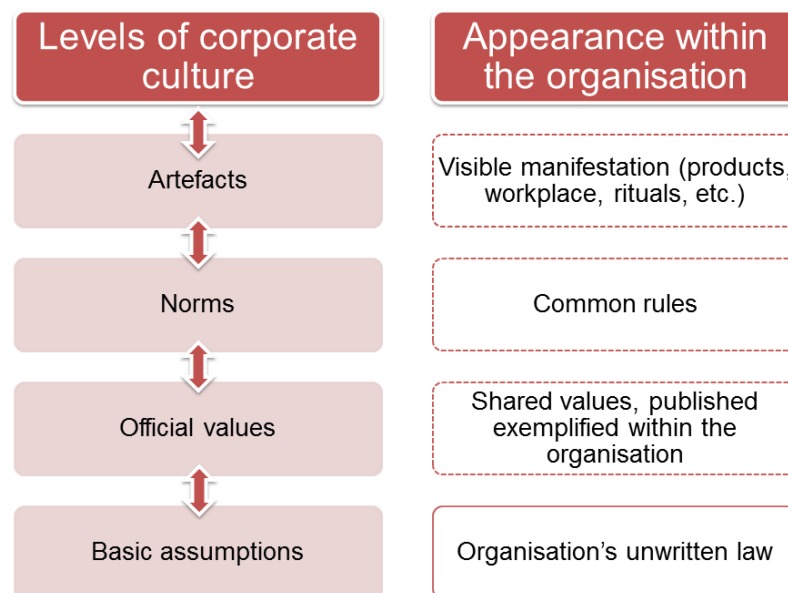


Figure 3: Corporate culture model^{20,21}

Following the above figure (figure 3), Schein and Sackmann identified different levels of corporate culture and its appearance within an organisation²². According to this, the first level of corporate culture from the bottom to the top relates to basic assumption, which reflects the organisation's unwritten law, such as general rules that every employee follows, even consciously or unconsciously. This level is deeper than the other levels. Basic assumptions form the core of a corporate culture and offer basic orientation to members of the organisation. They influence the ways of

¹⁹ Cf. Piwinger and Zerfaß (2014, p. 434 et seqq.).

²⁰ Cf. Schein (2004, pp. 6-19).

²¹ Cf. Sackmann (2006, pp. 9-11).

²² Cf. Homma and Bauschke (2010, p. 6 et seqq.).

thinking and behaviour. In addition, they provide guidance and influence the organisational members within an organisation, as well as their actions. Assumptions have a strong influence on the thinking and actions of the organisational members, since they have an impact on what is considered to be the rule. While norms and values can be seen in the sense of instruments and / or manuals, the basic assumptions are what ultimately make employees to feel right or wrong. This ultimately means that members belonging to a specific organisation consider themselves right or wrong.

The second step refers to the official value that represents the shared values that are published and exemplified within the organisation. Usually, those values are transparent, known and followed by each employee. They are the key elements of a company and represent the aspiration of how the management wants their employees to fulfil the tasks. Norms and values are, in the end, something that is perceived by others only to a limited extent. At the same time, the values in each organisation are regarded by the members of the organisation as essential characteristics of a company. These values can be delimited from the "not shown" values. Displayed values are postulated to the outside. However, this does not automatically mean that these values are also lived. Rather, these values will often exist as guiding values in a company, to which all members of the organisation admit themselves, even though they do not inevitably think about the values that are dictated externally.

Thirdly, corporate culture is formed by norms that are pursued in common rules that shall apply to any employee, agreement and contract. The level of norms and values includes the laws and rules that apply in a company or to the members of the organisation. It helps to distinguish what is right and wrong in the sense of corporate culture. Norms and values include the laws and rules that apply in a company and affect the actions of the members. This may also refer to values that are particularly important to a company or how these values are defined in the company. These standards and values are often guiding them: they give employees orientation for their own behaviour. Norms and values can be and lead the decision-making processes in a company. While some companies prefer hierarchical decision-making, other companies rather prefer a participatory approach, in which all levels

and stakeholders are involved. Regardless of the (relevant) question, which is the more effective approach, the norms tend to be mirrored in the decision. The decision for one of these types has mostly a functional background, the design and the process is at the same time an expression of corporate culture. The acceptance of decision-making processes will ultimately depend on whether they reflect the standards and values applicable in the company.

The last level is, contrary to the other levels, not an intangible, but rather a tangible characteristic of the corporate culture, although this characteristic is mainly humanly influenced. Artefacts are mainly products or phenomenon resulting from human or technical influence, in contrast to the uninfluenced or natural phenomenon. Therefore, the artefacts embedded in the corporate culture are visible manifestations and therefore visibly illustrated and reflected in the company's products, workplace and rituals. However, visible artefacts can be classified into different categories, such as symbols, architecture and buildings, language, history, rituals and ceremonies²³. Symbols are important characteristics of corporate culture, which have a high recognition value for employees as well as for outsiders, e.g. customers. Typical examples are the apple from Apple, the Mercedes star or the Bayer cross. These symbols are not just a graphical element, but able to connect employees and a whole series of ideas and innovation. Buildings, factories and their architectural design are often expressions of a specific corporate culture. The Autostadt in Wolfsburg or the headquarters of Apple is at first glance the work of an architect and expression of his ideas. At the same time, these buildings reflect the ideas about the company and its culture. Buildings also may influence the viewer himself: we perceive a concrete shed differently than a glass palace. At the first sight, one would rather think of the form in terms of stability and then in terms of transparency and worldliness. However, implementing architectural consistence can also be part of the corporate culture, but also of the corporate identity.

The language that is used in a company can also be a characteristic of the company. The frequent use of special terms or abbreviations and acronyms, which are completely incomprehensible for outsiders or newcomer, are a short form for internal

²³ Cf. Trice and Beyer (1993, p. 6).

communication. They create identity both internally and externally and create a feeling of local belonging. Stories, history, joint success or even setbacks are part of the company's self-image. They repeatedly form the point of reference for the explanation or justification of decisions and behaviour.

Rituals are also a visible expression of a growing corporate culture. For example, consultancy firms define a day on which (if possible) all consultants should be available in the house in order to simplify coordination processes, to maintain personal communication or to come to a decision in a specific decision-making process. Other companies modify the dress code. Every Friday is then called "casual Friday", where suits and ties are exchanged for jeans and sweaters, with the intention of encouraging more casualness and a relaxed relationship with each other. Rituals are important in an organisation in order to make everyone feel to be part of the group.

Ceremonies have their place in many corporate cultures and thus also in the self-understanding of the employees. Public honours for the purpose of identity and motivation create a different kind of recognition and can lead to considerable frustrations and bad mood in case of neglect or abolition. Ceremonies of this kind are easily sacrificed. Frequently the demotivating effect is underestimated, which is not in any reasonable relation to the financial savings. Although this is a viewable and perceptible level of corporate culture, it is also accessible to non-members, but these can only make the cultural reference of the artefacts to a very limited extent. In order to classify something as typical for a company, a more basic understanding of the organisation is crucial.

The explained levels cannot exist on its own, but are rather as a combination that requires a back-and-forth relationship and process. Although corporate culture is intangible and should in the first place act as guideline for the employees, it should also act as flagship for representative purposes.

The model of corporate culture can also be described as an iceberg that shows the visible and non-visible elements of corporate culture, as illustrated in figure 4.

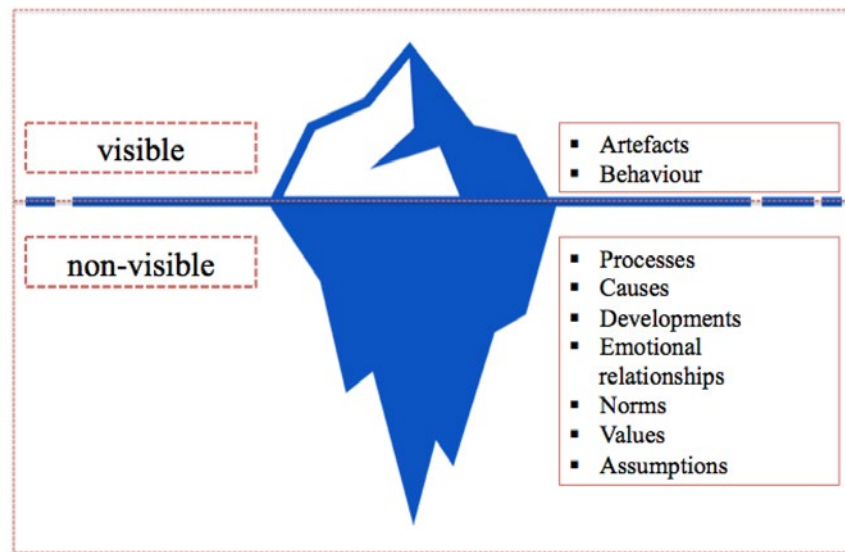


Figure 4: Iceberg model²⁴

Following this illustration, we see merely the artefacts of culture, their public values and norms, although the underlying assumptions, which ultimately influence peoples' behaviour in the long-term, are not known to many or not, as a rule, openly addressed.

The design of corporate culture always depends on the members of an organisation. The founders and the generation of founders, as well as strong leaders, play a particularly influential role in this process. Especially in the early stages of an organisation, there are still a few "tested" norms, values and assumptions. Members who are sufficiently free to convince other members of the company of the suitability of certain values are accordingly free. Culture is thus created by conviction, social interaction and the social validation of successful concepts and ideas. In principle, the socio-psychological dynamics that can be observed in group-building processes can be transferred to the development of organisations. However, as the corporate culture depends on specific members of an organisation, it is not unusual that corporate cultures may change over time when the management changes. Nonetheless, a corporate culture should be established on a life-long basis. Having said this, it can be concluded that even though some minor aspects or elements change within the corporate culture, the core elements that makes a specific

²⁴ Own illustration following Schein (2004, p. 42).

organisation or group unique, should remain unchanged. The specific functions of corporate culture will be further outlined in the next chapter.

2.3 Functions of corporate culture

Corporate culture does not only have the aim to differentiate one company from its competitors, it is much more. According to Baetge et al. and Homma and Bauschke, corporate culture has six fundamental functions^{25,26}:

1. Sensitisation ensures that the organisation is always up to date with respect to trends and changes in their environment and that the organisation is able to react quickly to those changes, always in the best interest of the company.
2. Distinction ensures that the employees that belong to a specific group share a feeling of togetherness although they differentiate themselves from others (e.g. competitors, stakeholders).
3. Identification: norms and values are accepted by all members of the group and promote motivation.
4. Orientation: corporate culture does not only work as a unit but also as an internal compass of an organisation for its members and employees, where they can base on their behaviour and their decisions.
5. Controlling supports the management by the fulfilment of tasks and reduces the potential for deviant behaviour in companies.
6. Stabilisation supports the internal cohesion of the organisation and conveys a certain degree of predictability and continuity.

While the first two functions sensitisation and distinction have its focus more on the task of external adaptation and seem to be more competitive, the other four functions primarily support the integration within one specific organisation. After having

²⁵ Cf. Baetge et al. (2007, p. 183 et seqq.).

²⁶ Cf. Homma and Bauschke (2010, p. 2).

explained this, it can be assumed that corporate culture is not about the good or bad, but whether the culture is essentially supporting the company's objectives and that it has sufficient flexibility both externally and internally in order to react to relevant changes. Finally, a corporate culture is functional when it is highly compatible with the values and goals of the employees. However, corporate culture needs to be distinguished from the term of corporate identity. The corporate identity relates more to the visible characteristics of an organisation and is dedicated to create an appropriate outward appearance.

Although corporate culture can also be used as marketing tool in order to create a picture to the outside and to attract new employees and customers, this is not its main goal and can more be seen as a side benefit.

Nevertheless, it can be concluded that corporate culture can be a part of the corporate identity and marketing tools.

2.4 The four kinds of corporate culture following Deal/Kennedy

In the early 1980, Terrance E. Deal, and Allan A. Kennedy developed a model or framework, which describes and outlines the different kinds of corporate culture. Both authors had a major impact on the field of organisational culture, especially when viewed from the managerial angle. This is also reflected in their model, which will be briefly described hereafter. According to their research, corporate culture can be classified into four groups. However, it needs to be said that in their original work, they state that "each company faces a different reality in the marketplace depending on its products, competitors, customers, technologies, government influences, and so on. In short, the environment in which a company operates determines what it must do to be a success"²⁷. The authors state that culture is shaped by outside influences rather than by the individuals inside the company, as most other authors suggest. This will become obvious when taking a closer look on the four different kinds of corporate culture.

1. Tough-guy / macho culture

²⁷ Cf. Deal and Kennedy (2000, p. 13).

The tough-guy / macho culture is mainly characterised by its individuals and their openness to take high risk. In addition, the macho culture is highly aggressive with respect to direct feedback on success or failure linked to their actions. Employees are classified by their performance, success, power and salary²⁸. This leads to a formation of groups that is highly characterised by strict hierarchies where employees such as support staff is less valued than managers.

Additionally, the tough-guy / macho culture can also be described as the all-or-nothing culture. Achievements and success is celebrated exaggerated, whereas failures lead to personal collapse. This culture can often be seen in investments banks or consulting, where fast-moving activities and ups and downs are daily fares.

2. Work-hard / play-hard culture

Members of a hard work / play hard culture coined culture are more likely to take small risks and receive quick feedback on the success of their decisions. One of the main characteristics of this culture is the distinctive team orientation, which manifests itself in uncomplicated teamwork and many joint activities and informal celebrations. Customer orientation, which is driven by the idea that the environment offers many opportunities that should be exploited, is another characteristic of this culture²⁹. Examples for this work-hard / play-hard culture are companies that were created as a result of or during the Internet boom in 2000.

3. Bet-your-company culture

Companies with a risk culture are characterised by employees that take decisions of great importance and great risk, but whose success or failure becomes apparent at a later stage. Typically, these decisions concern long-term projects with very high investment. Examples for those projects can be the construction of a new plant. The high risk associated with decisions is met by meticulousness and hierarchy³⁰. Thus, such cultures are characterised by a technician / inventor cult that reflects all options in the calm and in an analytical way of working. Typically, those culture tend to organise collective formal and informal brainstorming sessions and due diligence at all stages within the decision-making process.

²⁸ Cf. Deal and Kennedy (2000, p. 109).

²⁹ Cf. Deal and Kennedy (2000, p. 113).

³⁰ Cf. Deal and Kennedy (2000, p. 116).

4. Process culture

In process cultures, the risk of making decisions is low and, at the same time, the flow of information about the success of the decision made is very slow. In such cultures, the performance itself is more important than to question the correctness of the tasks themselves. Remaining unobserved without attracting attention is an important feature, and employees try to protect themselves at all times by clearly providing orientation on where they are currently standing. Strict hierarchies not only affect income but also manners, dress and language. Emotions are, as well as casual parties, not desired, whereas promotion parties on fixed dates are considered as important³¹. Following the characteristics, this culture can mainly be found in Germany where strict rules and achievements are more important than social interactions.

Following the above-mentioned characteristics and therefore their openness to risk, Deal and Kennedy presented the different cultures in a 2x2 matrix, as shown in figure 5.

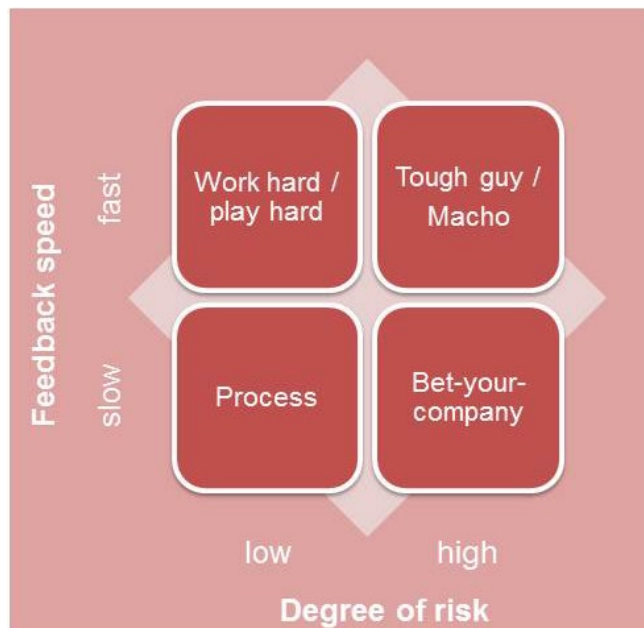


Figure 5: Four kinds of corporate culture by Deal and Kennedy³²

³¹ Cf. Deal and Kennedy (2000, p. 120).

³² Cf. Deal and Kennedy (2000, p. 120).

Based on the four kinds outlined above, it can be concluded that even though Deal and Kennedy have tried to characterise cultural typologies, the models do not consider the actual corporate culture. Therefore, the model can give an idea of how a company aims to deal with risk, however, none of the models give any identification on the actual culture behind.

2.5 The bottom line

As indicated in this chapter, corporate culture is not a condition that grows uninfluenced. Several studies tried to prove the correlation between corporate culture and a company's success. However, a company's culture should not be mixed up with a corporate strategy or mission. Those aspects are more treated in the model by Deal and Kennedy.

Even though several scientists, such as Bachinger and Homburger have already defined corporate culture from their viewpoint, it turns out that there are still some differences and many distinctive kinds in how corporate culture is defined. However, most definitions tend to have the same aims and objectives, although the different scientists concentrate on different levels of corporate culture. After having reviewed different definitions, corporate culture in view of this assignment can, in my opinion, be defined as follows:

Corporate culture is a bunch of common beliefs, shared rituals and values and joint attitudes that are lived by the company and every employee throughout an organisation. Employees act jointly and pursue the same goals not only for the company's benefit, but also in order to establish and maintain a work atmosphere where everyone is valued and supported, notwithstanding their origin, beliefs or education. Corporate culture gives employees the opportunity to feel unique but still as being part of the group. Corporate culture pervasive values, beliefs and attitudes that characterise a company and that make a company unique and valuable. If a corporate culture is implemented successfully and lived and followed throughout, it might be able to increase the company's performance and to bring value.

Following a German saying: an organisation is only as good as its employees.

3 Corporate culture as essential and intangible asset in Luxembourg

Luxembourg is nowadays considered as an important location for international business in Europe. This is not only caused by its geographic location in the middle of the European market, but also by the high quality of life, a stable political and a economic and social environment. “The financial sector is the main driving force behind the Grand Duchy's economy.³³” Nonetheless, other important activities within the Luxembourg market take place in ICT, logistic, biotechnological, eco-technological and industrial areas. Besides die industrial area, the Luxembourg economy heavily depends on areas that can be described as informative as no production of goods is concerned. In order to perform a certain job, a high level of education, knowledge and information is required. Therefore, Luxembourg can be described as an information society, “where the creation, distribution, and manipulation of information have become the most significant economic and cultural activity. An information society may be contrasted with societies in which the economic underpinning is primarily Industrial or Agrarian. The machine tools of the information society are computers and telecommunications, rather than lathes or ploughs³⁴”. Furthermore, an information society is characterised “by the ability to transmit, receive and exchange digital data rapidly between places irrespective of distance³⁵”.

This chapter focuses on the relevance of corporate culture being considered as intangible asset. Furthermore and as certain cultures should not be neglected, two cultural models and frameworks will be presented and applied to the different cultures available in Luxembourg. At the end of this section, the topic of corporate diversity will be presented due to the relevance of cultural differences.

3.1 Relevance in today's economy

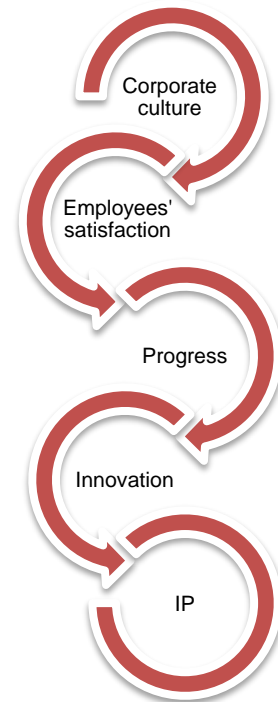
Intangible assets have become more and more important in today's economy. Although intangible assets are not physical in nature, no assets in a financial sense, and have no numerical or visible increase in value, companies tend to become more aware of the need in investing in intangible assets. The most common and known

³³ Cf. Le Gouvernement du Grand-Duché Luxembourg (2017).

³⁴ Cf. TechTarget (2017).

³⁵ Cf. *ibid.*

intangible assets are corporate IPs such as trademarks, patents, copyrights, but also brand recognition and corporate identity. However, corporate culture may increase employees' satisfaction, which may lead to progress, which, in addition, may lead to innovation and which might lead to a higher existence of IP.



In addition, as the corporate culture should be included in and build the foundation of the corporate identity, it is also classified as an intangible asset. In times of globalisation and the significant change from an industrial to an information and knowledge economy, intangible assets are playing an increasingly important role. They can create considerable competitive and differentiation advantages and thus make an important contribution to sustainable business success. Their determination and evaluation is often associated with great uncertainty. A distribution of returns from intangible assets that does not correspond to the value added contribution could lead to inappropriate profit shifts at the international level. However, especially in Luxembourg, where the economy depends largely on banking, financial, steel and industrial activity, intangible assets play an important role. Although Luxembourg is a small country, it counted a population of 582,972 inhabitants in 2016 with a GDP of 59,948 Billion USD³⁶. As shown in the figure below (figure 6), the economy of Luxembourg grew since the 1960s steadily, except from the years 2008, 2011 and 2014, where a fall has been reported.

³⁶ Cf. World Bank Group (2017).

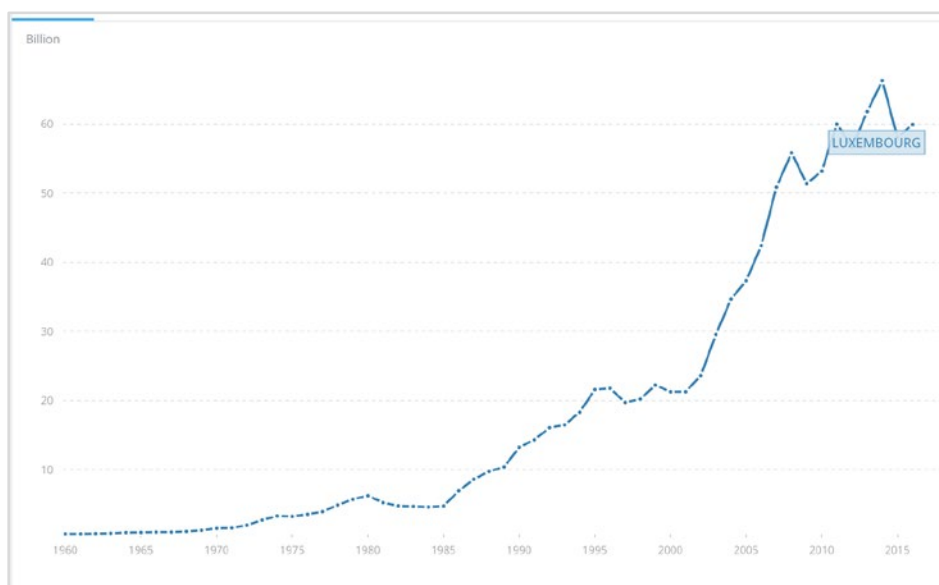


Figure 6: GDP Luxembourg 2016³⁷

Luxembourg had a *per capita* income of 94,000 USD in 2016, which made the country the 2nd richest country in the world after Qatar³⁸.

Within the last decades, Luxembourg has developed from an unknown country to an international environment and important financial market with a population of 582,972 people, whereas 46,7 % of its inhabitants represent other countries³⁹, such as Portugal (16,2 %), France (7,2 %), Belgium (3,4 %), Italy (3,5 %) and Germany (2,2 %). In total, 86 % from the foreigners come from European countries, whereas the rest of 14 % are foreigners from non-European countries. Thus, doing business in Luxembourg also means doing business in an international context and with different cultures. In addition, Luxembourg's economy depends on international affairs as most of the businesses are made with foreign countries and especially with customers from abroad. Therefore, not only Luxembourg inhabitants, but also and particularly employees are faced daily with different cultures. It is not only the culture, but also the presence of different nationalities that sometimes leads to problems. Working with different cultures is one of many hurdles in an international context and should not be underestimated. As outlined in a previous chapter, every culture has its own perception and manner when it comes to business and business relations.

³⁷ Cf. World Bank Group (2017).

³⁸ Cf. World's Top Most (2017).

³⁹ Cf. Le Gouvernement du Grand-Duché Luxembourg (2017).

Luxembourg's economy largely depends on sectors like banking and finance, steel and industry, whereas the banking and financing sector represents the largest sector. Over the last decades, Luxembourg has specialised in the cross-border fund administration business even though their own domestic market is relatively small. In terms of numbers, 152 banks with more than 27.000 employees dominated the economy of Luxembourg in 2009⁴⁰. The growth of the financial sector resulted in their political stability, good communication with an international communication background and skilled multilingual staff based on the internationality the country represents, easy access to and good relationships with European countries, as well as their tradition in bank secrecy and cross-border financial expertise.

In addition, Luxembourg's economy, whose major pillars is represented by immigration, has always relied on its foreign workforce to cover its growing manpower need due to steady economic development over the past few decades. The relatively small population in Luxembourg and the fact that Luxembourg does not have sufficient highly skilled employees to occupy vacant positions within the country could be one of the reasons for the growing need in manpower. Comparing the numbers of vacant positions in Luxembourg companies with the numbers of foreign companies that are operating in Luxembourg, this need can easily be explained and justified.

Based on the different nationalities and cultures and based on the fact that Luxembourg is an international business environment, this piece of work focuses on the existing culture in this country and whether a change regarding a cultural internationalisation and therefore a change of the existing corporate culture might be required in order to become more international and tolerant in terms of culture and business behaviour.

Luxembourg is home to more than 170 nationalities. As already investigated, the most present employees in Luxembourg come from the bordering countries Belgium, France, Germany, but also Italy, Poland, Portugal, The Netherlands, United Kingdom and other non-European countries such as China, Montenegro, Russia and United

⁴⁰ Cf. Le Gouvernement du Grand-Duché Luxembourg (2017).

States⁴¹. Luxembourg has a proportion of foreigners of 46 %, so nearly half of the country's inhabitants come from another country⁴². Even though the Luxembourg culture does not differ significantly from the culture of the bordering countries, Geert Hofstede, a Dutch social psychologist, still identified some differences by applying the model of cultural dimensions, which will be further explained in the following subchapter and applied in chapter 3.3.

3.1.1 Hofstede's cultural dimensions

Geert Hofstede has implemented a theory that deals with culture and cultural differences and where he distinguished between two different cultural contexts. Hofstede identified six different cultural dimensions and published those findings in his study named National Influences⁴³:

1. Power Distance Index (PDI)
2. Individualism versus Collectivism (IDV)
3. Masculinity versus Femininity (MAS)
2. Uncertainty Avoidance Index (UAI)
3. Long-Term Orientation (LTO)
2. Indulgence versus Restraint (IVR)

The power distance index expresses, according to Hofstede, the degree of accepted power. It separates high powerful from low powerful, whereas the high powerful describes the degree of hierarchy and how members of the society accept those. In powerful societies, each member has its place and knows how to behave in this position without any justification. Low powerful societies, on the other hand, the members "strive to equalise the distribution of power and demand justification for inequalities of power"⁴⁴.

The second dimension, called IDV, distinguishes between the high side of the dimension, which is defined as a preference for a loosely-knit social framework, and the low dimension, defined as a preference for rather tightly-knit framework in

⁴¹ Cf. L'essentiel (2012).

⁴² Cf. Le Gouvernement du Grand-Duché Luxembourg (2017).

⁴³ Cf. Hofstede, Hofstede, and Minkov (2010, p. 20).

⁴⁴ Cf. Hofstede Insights (2017).

society⁴⁵. The difference in those dimensions is the way in which individuals are expected to take care of other members of the society. Members from a low side of the dimension “expect their relatives or members of a particular in-group to look after them in exchange for unquestioning loyalty”⁴⁶, whereas high side members rather only take care of themselves and their nearest. The question whether an individual’s self-image is represented as “I” or “we” looms large.

Hofstede also differentiates between masculinity and femininity, not in a way of differencing the sexes, but in view of the preferences in achievement. Masculinity stands for members with a high demand of gratification, whereas femininity is more concentrated on cooperation, modesty and life quality.

The dimension of Uncertainty Avoidance Index measures the way a society deals with unknown situations, unexpected events and the stress of change. Cultures that are high in this index are less tolerant to change, and tend to minimise the fear of the unknown by implementing rigid rules, regulations, and / or laws. Companies that have a low value in this index are more open to change, have fewer rules and laws, and more vague guidelines.

This fifth dimension, Long Term Orientation versus Short Term Normative Orientation, describes the time horizon of a society. Short-term oriented cultures attach importance to traditional methods, require a considerable amount of time to build relationships, and consider time in general as circular. That is, past and present are interrelated; what cannot be done today, can be done tomorrow. The opposite is the long-term orientation, which sees time as linear and focuses more on the future than on the present or the past. It is goal-oriented and attaches importance to rewards. This dimension is also known as PRA, (short term) normative versus (long term) pragmatic.

The last dimension, called indulgence versus restraint, measures the ability of a culture to meet the immediate needs and personal desires of its members. Those

⁴⁵ Cf. *ibid.*

⁴⁶ Cf. *ibid.*

who emphasise restrictions have strict social rules and norms that regulate the satisfaction of needs.

It can be concluded that differences in culture exist and that misunderstandings in business communication and relations can be avoided once this model is taken into account. However, Edward T. Hall's theory on intercultural communication should not be left unmentioned as it has a high relevance for the topic investigated in this paper.

3.1.2 Hall's theory on intercultural communication

Even though the dimensions of Geert Hofstede already give an idea about cultural differences, the concept of high and low context cultures and therefore the theory on intercultural communication that explores social cohesion and how culture can influence communication developed by Edward T. Hall, an American anthropologist and cross-cultural researcher, should be considered within this topic of corporate culture.

Hall supposed that the act of thinking is guided by culture and that different ways of thinking exist. His concept of culture concentrated on the topics of the non-verbal and the unaware area of culture. Hall did not want to exclude other cultural aspects such as philosophy, religion, values and norms as he assumed that those aspects might have a huge impact of how people behave and communicate.

Hall distinguishes between LCC and HCC in order to describe the differences in communication and their styles. In order to classify a country in a specific framework, Hall places the communication style of each country on a scale from low-context to high-context.

In a LCC, the explicit coding in a direct manner in the linguistic message conveys the entire and meaning of information and the style of communication is strongly oriented towards the speaker. Messages are communicated clearly and simply. There is little room for interpretation for the message recipient as the spoken word counts and provides the orientation points as far as the content of the message is concerned. Communication in LCCs has an extreme focus on verbal communication

and no focus on body language. It tends to be straightforward without any room for interpretation. Furthermore, LCCs are characterised by its visible, external and outward expression of reaction. If someone from a LCC is unhappy with what has been said or done, there is no gainsaying. LCCs tend to have fragile bonds between people with a little sense of loyalty and a low commitment to relationships. In general, LCCs tend to see tasks as more important than relationships. In view of time, people from LCCs are highly organised, mainly on time and not flexible in view of unforeseen changes.

According to Hall's theory and the identification of cultures based on his framework, it can be summarised that mainly Scandinavian countries, but also Germany and Switzerland are classified as LCCs and tend to use principally LCC communication. HCCs do not usually name things directly by name, they generally prefer implicit messages using metaphors and reading between the lines. Mentioning too many details can be considered as negative. The bulk of the information is either in the physical context, so in the entire non-verbal and para-verbal behaviour, while the encoded part of the message contains implied information. Things that have not been said are also important or can be seen as even more important than things that have been said. Thus, non-verbal communication is particularly used and the interpretation of the message strongly depends on contextual references and non-verbal communication such as face expressions, allusions or the circumstances of the encounter seems to be as important as verbal communication. In particular, the nature of the relationship between sender and recipient as well as the age, gender and power ration play an important role within the communication with a HCC background. HCCs tend to have a strong distinction between groups and a strong sense of family and bonds between people. They focus more on high commitments to long-term relationship and on the importance of relationships than on specific tasks. The process of how something has been done plays an important role – the question of achieving a satisfactory result is rather subordinated. Based on Hall's theory, he identified predominantly Confucian cultures such as Japan, China, Korea but also countries in Latin America, Spain, France, Greece and Turkey as cultures that mainly use HCC communication.

Focusing on Hall's theory of communication in HCC and LCCs, it can be concluded that both dimensions of communication refer to the reliance people have on things other than words to convey meaning. For instance, low context communication explains a message direct and explicit, whereas HCC's messages tend to be more indirect and implicit. Furthermore, low context communication will pay more attention to the words, rather than the context surrounding them. Overall, every culture has its own vision that allows them to focus on what their society has deemed to be important. With respect to its relevance to this paper, the following chapter will apply both theories on representing cultures in Luxembourg.

3.2 Application of theories on cultures present in Luxembourg

In view of this thesis and the performed survey that will be further explained in chapter 7, the following aims at applying Hall's and Hofstede's theories on the cultures that are most common in Luxembourg. Moreover, identifying the culture behind and understanding their habits and behaviour might already give a direction with respect to their awareness and importance towards corporate culture.

3.2.1 Luxembourg

According to Hofstede, Luxembourg is scored as a country with high level of uncertainty avoidance and reluctant to test unknown territories. Thus, Luxembourg is rather unlikely to unknown situations, which is also proved by the characteristics of the country: security is a key word and is lived throughout the country. Mainly every activity is depending on security control.

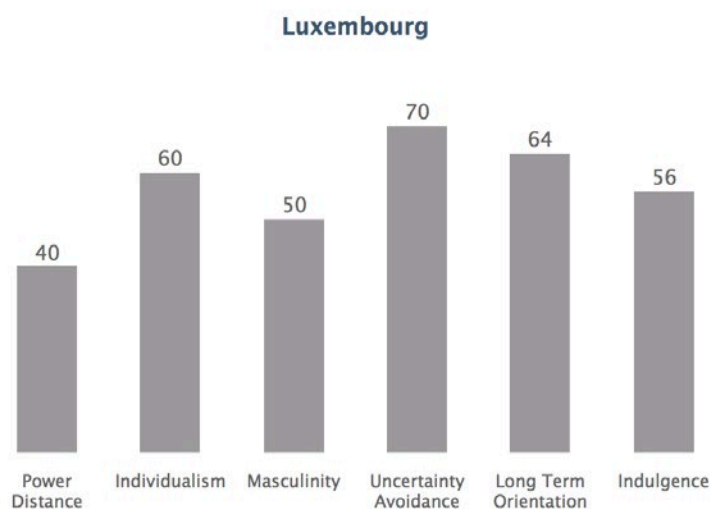


Figure 7: Hofstede's cultural dimension - Luxembourg⁴⁷

Luxembourg is neither a masculine, nor a feminine country. It is masculine for parts like business, where the best will win and feminine in social affairs as they care for others with a great sense of community⁴⁸. Furthermore, Luxembourg is clearly pragmatic, according to Hofstede's model. Luxembourgers "believe that truth depends very much on situation, context and time. They show an ability to adapt traditions easily to changed conditions, a strong propensity to save and invest, thriftiness, and perseverance in achieving results"⁴⁹.

Applying Hall's model, Luxembourg is classified as LCC although they have a strong sense of tradition and they are adamant that Luxembourg is an own country and does not belong to any other bordering country, as expected by many other non-European countries.

3.2.2 China

China tends to be on the march and is also a culture represented in Luxembourg, although fairly. Comparing the results obtained from China with all other countries, China scores not only the highest PDI, but Hofstede also identified a significant difference in the scores. With a PDI of 80 China, "believes that inequalities amongst people are acceptable. The subordinate-superior relationship tends to be polarised

⁴⁷ Cf. Hofstede (n.d.).

⁴⁸ Cf. *ibid.*

⁴⁹ Cf. *ibid.*

and there is no defence against power abuse by superiors. Formal authorities and sanctions influence individuals. Moreover, the Chinese culture is, in general, optimistic about people's capacity for leadership and initiative. People should not have aspirations beyond their rank"⁵⁰. However, in view of Luxembourg's PDI, this could already be a point where both cultures may collide when it comes to business, especially in terms of behaviour and expectations.

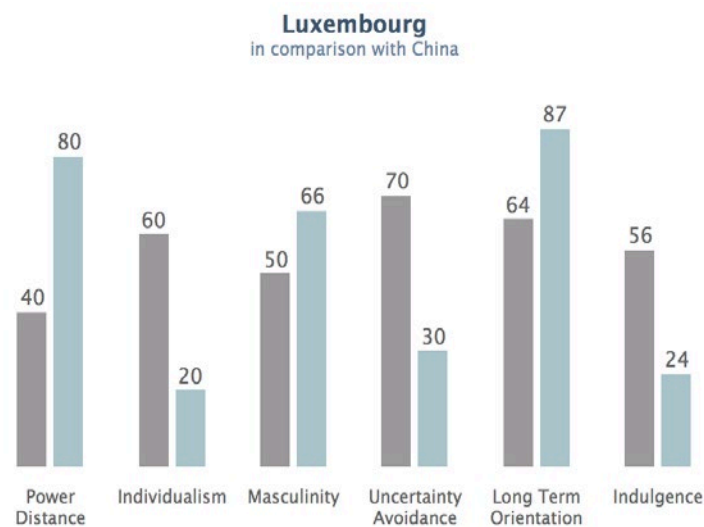


Figure 8: Hofstede's cultural dimension - China⁵¹

The highest commonality between Luxembourg in China can be found in the MAS dimension. Both Luxembourg and China are more defined as masculine societies, even though China scores a considerably higher score than Luxembourg.

Following China's high correlation with culture and traditions, the country is categorised as a HCC according to Hall.

3.2.3 France

According to the below-illustrated figure (figure 9), Luxembourg and France do not have significantly differences in their culture. The main difference may lay in the PDI, where Luxembourg scores 40 and France 68. Therefore, it can be concluded that France accepts inequality as it has a high in aristocracy and enrich in wealth. In

⁵⁰ Cf. Hofstede (n.d.).

⁵¹ Cf. *ibid.*

addition, France is a heavily controlled country with respect to laws and regulation processes. Organisations normally have one or even two hierarchical levels.

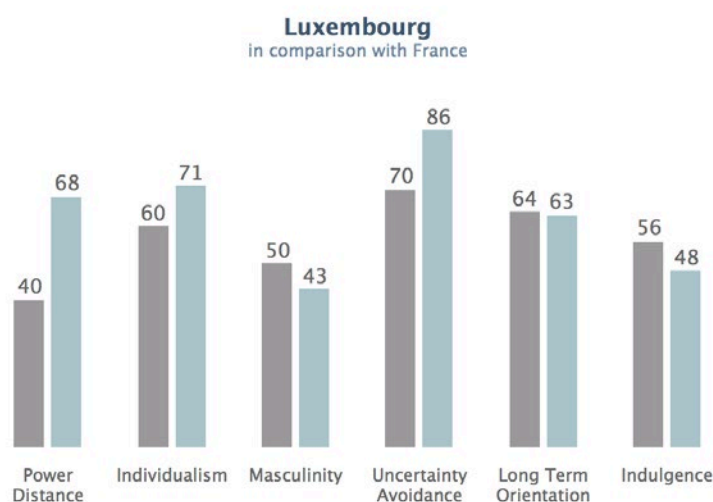


Figure 9: Hofstede's cultural dimension - France⁵²

Both Luxembourg and France score almost an equal index with respect to masculinity, long-term orientation and indulgence. Therefore, it can be concluded that the Luxembourgish and the French culture should theoretically not collide in view of cultural differences as they tend to share the same values.

In view of their cultural communication classification, France as a country of low racial diversity and high value on the individuals than on collectivism is rather classified as HCC.

3.2.4 Germany

Following the figure below (figure 10) and based on the theory of Hofstede, it can be seen that both countries, Germany and Luxembourg, score almost the same results in the different categories. However, a difference of cultures exists in the LTO dimension. According to those results, Germany can be identified as a rather pragmatic country believing in context and time. Germany “shows an ability to adapt traditions easily to changed conditions, a strong propensity to save and invest, thriftiness, and perseverance in achieving results”. Moreover, Germany’s culture is

⁵² Cf. Hofstede (n.d.).

rather masculine coined and therefore the culture believes that performance is highly valued and the country is driven by competition, achievement and success, whereas success is defined by the winner / best in his field – a value system that starts in school and continues throughout private and professional life. Germans tend to live in order to work, a strong characteristic that explains the culture pretty well.

Applying Hall's theory, the communication in Germany can be described as low-context and logic based. Communication takes mainly place in a very direct style that tends to be confrontational as well. Germans do not like vague statements; they tend to express their opinion and feeling openly in order to clarify a situation right from the start and in order to avoid any misunderstandings.

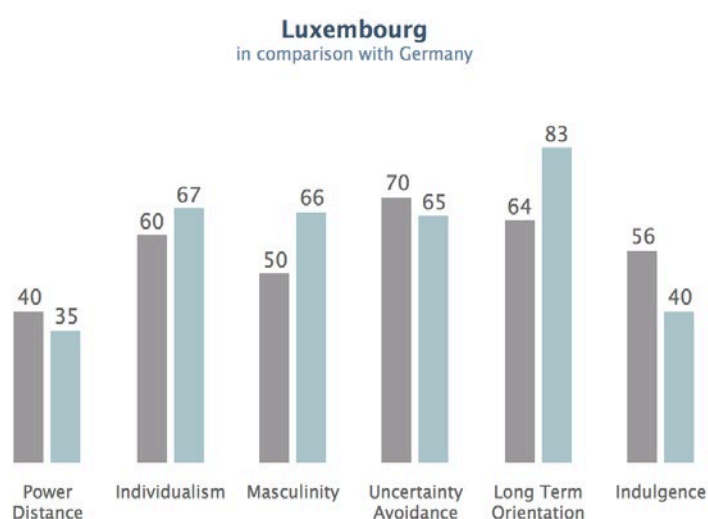


Figure 10: Hofstede's cultural dimension - Germany⁵³

Even though Germans like diplomacy, too much of it may lead to confusion and impressions of insincerity. Rather than whitewashing the situation, Germans tend to easily say “no” if they dislike a request or proposal. They tend to be unsusceptible for messages “between the lines”, since the communication is mostly straightforward. Germans appear overly blunt and confrontational. Discussions can be seen as heated or even combative. Germans wish to be reassured by the professionalism and seriousness of the speaker. Humour suggests casualness that might translate into an ill-considered undertaking.

⁵³ Cf. Hofstede (n.d.).

3.2.5 Italy

Comparing Luxembourg with Italy, the highest difference in their culture can be seen in the sixth dimension of Hofstede, indulgence versus restraint. As this dimension measures the ability of a culture to meet the immediate needs and personal desires of its members and taking into account the results of Hofstede (figure 11), it can be seen that Italy belongs to the restraint kind of culture.

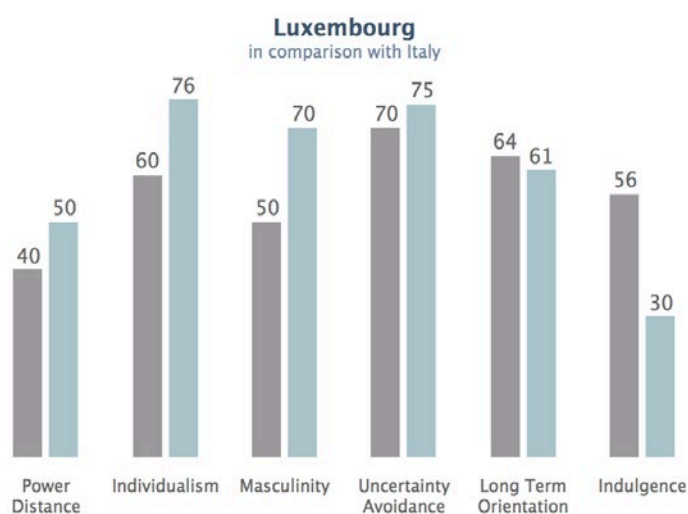


Figure 11: Hofstede's cultural dimension - Italy⁵⁴

Having said this, Italy tends to cynicism and pessimism and their perception that their actions are restrained by social norms. Furthermore and compared with Luxembourg, Italy has a higher PDI and thus tends to prefer “equality and a decentralisation of power and decision-making. Control and formal supervision is generally disliked among the younger generation, who demonstrate a preference for teamwork and an open management style”⁵⁵. Italy is described as a HCC having shared values and a strong commitment to family and country’s traditions.

⁵⁴ Cf. Hofstede (n.d.).

⁵⁵ Cf. *ibid.*

3.2.6 Poland

Comparing Luxembourg with the Polish culture, it can be seen in the figure below (figure 12) that they differ significantly in nearly every dimension, except from the individualism, where both got a score of 60. Poland is classified as being a hierarchical, masculine and individualistic society with a high preference for avoiding uncertainty. As Poland scores the same degree as Luxembourg with respect to the individualism, it can be said that both may share the same values in social life. Both seem to be very family-orientated, which may indicate their importance and value with respect to corporate culture. However, Poland seems to be a contradiction in himself. Although the country is classified as highly individualistic, the culture is also very hierarchy oriented. Therefore, the culture creates a specific tension, which makes relationships rather delicate, but fruitful once it has been created. Poland is rather a masculine than feminism society, characterised as being decisive and assertive. Applying the score of the long-term orientation, Poland is described as normative culture that beliefs in great respect for traditions. Thus, comparing Poland with Luxembourg, both countries seem to have different culture dimensions, although some similarities can be found when applying Hofstede's model.

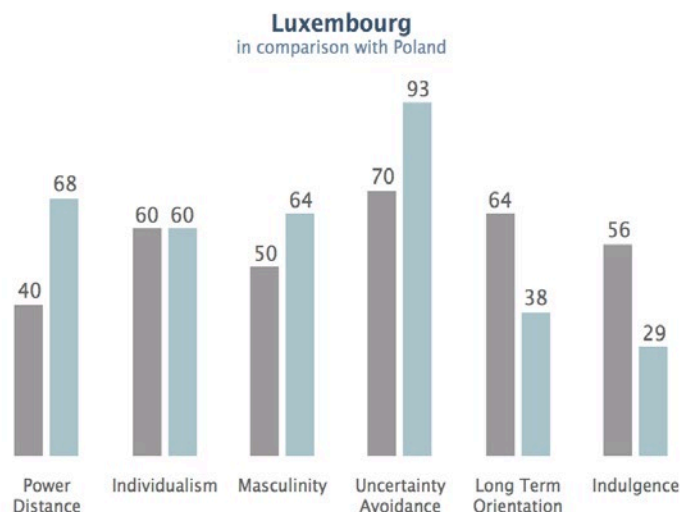


Figure 12: Hofstede's cultural dimension - Poland⁵⁶

According to Hall, Poland can rather be described as LCC.

3.2.7 Portugal

⁵⁶ Cf. Hofstede (n.d.).

Making up 16 % of total population, Portuguese people are the most predominant foreign nationality in Luxembourg. Following Hofstede's dimensions and comparing Luxembourg and Portugal, it can be seen that even though both countries are geographically close, their culture differs significantly. The closest agreement can be found in the third dimension, masculinity versus femininity, thus, both countries are "driven by competition, achievement and success, with success being defined by the winner / best in field – a value system that starts in school and continues throughout organisational life"⁵⁷.

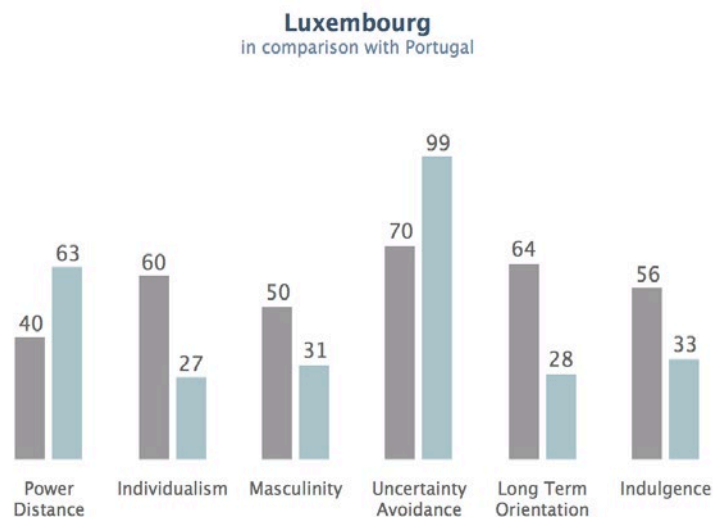


Figure 13: Hofstede's cultural dimension - Portugal⁵⁸

Except from the third dimension, Portugal and Luxembourg tend to have completely different cultures and perceptions. Portugal scores high uncertainty avoidance and thus has a very high preference for avoiding uncertainty. They "maintain rigid codes of belief and behaviour and are intolerant of unorthodox behaviour and ideas. In these cultures there is an emotional need for rules. Time is money, people have an inner urge to be busy and work hard, precision and punctuality are the norm, innovation may be resisted, security is an important element in individual motivation"⁵⁹. Furthermore, Portugal scores low in the individualistic category and can therefore be described as a collectivistic culture. In terms of LTO, Portugal scores a low index than Luxembourg. Summarising, Portugal prefers normative

⁵⁷ Cf. Hofstede (n.d.).

⁵⁸ Cf. *ibid.*

⁵⁹ Cf. *ibid.*

through pragmatic, hence, they “exhibit great respect for traditions, a relatively small propensity to save for the future, and a focus on achieving quick results”⁶⁰.

Following the culture dimensions of Edward Hall, Portugal is classified as a HCC with a strong sense of tradition and history.

3.2.8 Russia

Russia is a country of cultural contradictions with a huge intercultural gap between the young and old generation. Communication in Russia is mainly direct, characterised by extreme emotions and with a tendency to confrontation.

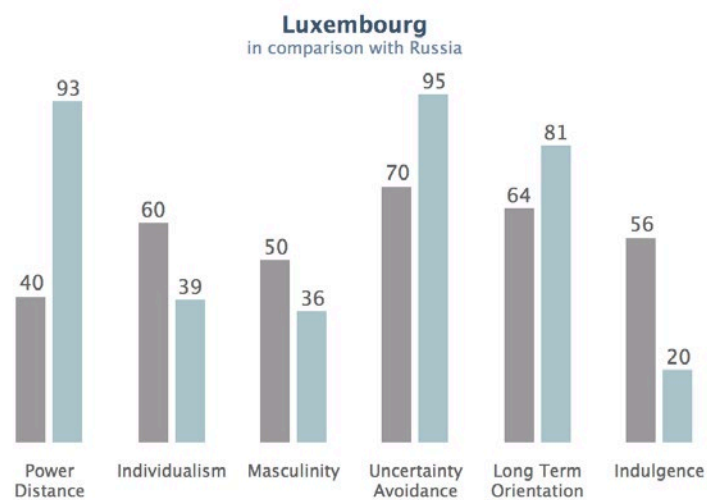


Figure 14: Hofstede's cultural dimension - Russia⁶¹

The Russians society can rather be described as rule-based and having a high uncertainty avoidance following Hofstede's six dimensions. Russians consider both relationship and tasks to be important. Their loyalty is rather geared to a person than to an organisation, hence, network is crucial⁶². Comparing Russia with Luxembourg and according to Hofstede's model, Russia has a significantly higher PDI.

⁶⁰ Cf. Hofstede (n.d.).

⁶¹ Cf. *ibid.*

⁶² Cf. Passport 2 Trade (2014).

As the Russian culture tends to be indirect in their communications and as their understanding of a situation is usually based on a whole host of factors, it is more a HCC following Hall's dimensions.

3.2.9 United States

Analysing Hofstede's six dimensions and the results of the United States, the American culture can be identified as a masculine culture having a significantly value on competition. However, Americans tend to use jokes at the beginning of business meetings in order to break the ice. This, in comparison with other countries, could be seen as inappropriate in a LCC coined country like Germany, for example.

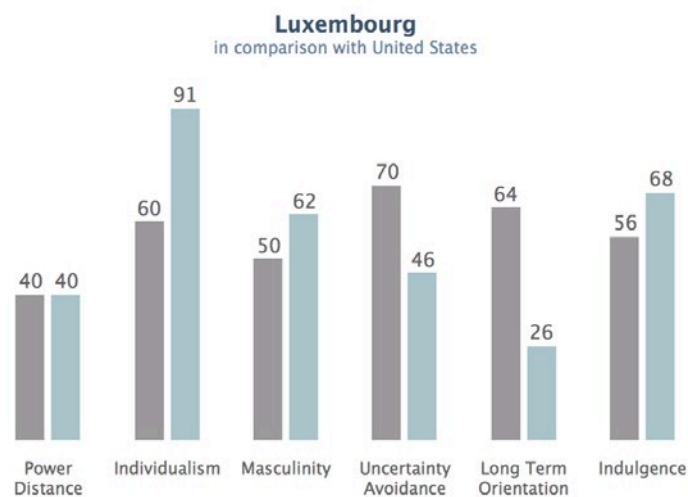


Figure 15: Hofstede's cultural dimension - United States⁶³

Comparing the American culture with Luxembourg, the US can be seen as a highly individualistic coined society, meaning that their main focus lays in themselves and their direct family. Americans are characterised as friendly and pleasant, but superficial. Their culture is described as being normative in view of the LTO index, and practical. American businesses measure their performance on a short-term basis, with profit and loss statements being issued on a quarterly basis. Therefore, it may be concluded that the American culture focuses mainly on the short-term goals than analysing a situation as a whole. Even though the American and the

⁶³ Cf. Hofstede (n.d.).

Luxembourg culture fairly differ in many of Hofstede's dimensions, they tend to have the same culture communication level.

The US is as well as Luxembourg categorised as a LCC that extremely stick to rules and that is mainly and task-centred.

3.3 Corporate diversity and diversity management

The topic of corporate diversity seems to become more and more important in the business world. It is no longer good enough to only perform business, companies need to adapt their business and their culture to environmental changes.

The term diversity is very complex and multi-faceted, and enables therefore the creation of different definitions. In general, it is translated as diversity or heterogeneity in the workforce. According to Stuber, diversity describes the phenomenon to create diverse workplaces, which is the result of numerous differences that make all human beings unique⁶⁴. This definition expresses the idea that diversity management should not be seen as a minority protection or quota question, but expressed by the positive connotation that individual characteristics should be recognised and used. Moreover, diversity also describes an attitude of mind in which tolerance, esteem and respect in the daily work should be at the foreground. Diversity in this context is seen as an attitude of openness⁶⁵. In addition to this definition, diversity is also transferred and applied to the organisational level and, in this context, described conscious recognition, consideration and consistent appreciation of diversity as well as active use and promotion of diversity to increase success⁶⁶.

Wagner and Sepehri define diversity and diversity management in a slightly different way⁶⁷. According to them, diversity includes every aspect in which humans can differ, as well as externally perceptible and subjective differences, which include age, gender, race or physical impairment. Subjective features thus reveal themselves later than the perceptible features that belong to this group, such as lifestyle, values

⁶⁴ Cf. Stuber (2004, p. 15).

⁶⁵ Cf. *ibid.*

⁶⁶ Cf. *ibid.*

⁶⁷ Cf. Sepheri and Wagner (2002, p. 18 et seqq.).

or religion⁶⁸. Loden and Rosener have already performed this kind of segmentation, where they distinguish between primary and the secondary dimension. The primary dimension is innate and obvious to others. In contrast, the secondary dimension is changeable and not directly apparent, which is the counterpart to the subjective differences⁶⁹. From this definition, it can be seen that diversity is associated with some degree of stereotyping.

Gardenswartz und Rowe define diversity by using their implemented model, called four layers of diversity, as illustrated below (figure 16).



Figure 16: Four layers of diversity⁷⁰

⁶⁸ Cf. Sepheri and Wagner (2002, p. 18 et seq.).

⁶⁹ Cf. *ibid.*

⁷⁰ Cf. Gardenswartz & Rowe (2016).

As it can be seen, the internal dimension age from the second level may influence the external dimensions on the third level, marital status, geographic location and income, whereas these elements from the third level may influence, for example, work content fields and management status from the fourth level. In a nutshell, all elements from the different levels result in the sum of a unique individual, although each characteristic of a certain level is able to influence another characteristic from a different level depending on their shape and emphasis.

Considering the different existing definition, whereas only a few are mentioned in this chapter due to limitations, diversity and diversity management can be understood as corporate governance that focuses on employee heterogeneity. The individuality of the employees should be used for overall benefit, especially for the company, and should therefore be attributed high priority. An important idea in diversity management is not only gender balance, but also the integration of minorities and the creation of equal opportunities. In addition, cultural diversity can be seen as enrichment, meaning the existence of different values, behaviours and beliefs. In fact, diversity is implemented through the Anti-Discrimination Law (General Equal Treatment Act), which seeks to "discriminate on grounds of race or ethnic origin, sex, religion or belief, disability, age or sexual identity Prevent or eliminate⁷¹", as covered in §1 of the General Act of Equal Treatment.

Corporate diversity and diversity management can also be seen as part of the corporate culture of an organisation. Differences in gender, education and experiences but also in culture create a wide range of knowledge and viewpoints and therefore a benefit for companies. Depending on where and with whom people grow up, we develop different views and talents. These tend to vary a lot and it can be a way to address and tackle problems and challenges in companies in different ways. It is important to understand backgrounds and behaviour, to walk a common path and to turn this into profit. Individuals with different language skills for example or other problem-solving skills contribute to the success of the company and may attract new customers. Diversity can therefore help organisations to broaden their

⁷¹ Cf. Bundesministerium der Justiz und für Verbraucherschutz (n.d.).

horizon and to use the experiences and different views within an organisation in order to understand their customers better and to increase their established clientele.

Diversity is not just about valuing characteristics like age, gender, origin, education and skills, religions and many others. In fact, they lead to entrepreneurial fields of action such as the need for development of corporate culture whose values include recognition of diversity, ensuring equal opportunities, harnessing the potential of diversity such as team building, creativity or knowledge, promoting innovation based on this potential and avoiding conflicts through early inclusion of diversity in management decisions. The debate extends to system-theoretical management, according to which systems, such as companies or departments, are differentiated from their environment by certain criteria, follow their own rules and are thus an expression of organised diversity in the company.

Corporate diversity enables, besides others, several opportunities to organisations, such as:

- Prevention of skills shortage due to the larger pool of applicants from which appropriate specialists and executives can be selected;
- Increase in creativity and social competences due to the different knowledge base and diversity of the heterogeneous teams, the creativity increases. Furthermore, this diversity provides more viable solutions to problems than is the case with homogeneous teams;
- Increase in flexibility on the one hand as monoculture organisations are often relatively cumbersome due to the homogeneity of the dispositive factor and are inflexible to change. On the other hand, a high degree of diversity in the company fosters a discussion of diverging opinions and thus ensures a faster adaptability to changing markets;
- Cost-cutting potential as individual personality development increases employees' motivation. As a result of this satisfaction, the fluctuation rate and the costs for recruitment processes can be reduced;

- Advantages on job market as a diverse workforce can respond to customer requests in a more differentiated way and may also be able to better occupy part of the market niches.

Due to limitations, this chapter will not focus on all risks that might threaten corporate diversity. However, the most important risk with respect to corporate culture can be seen in the management style. For a successful integration of diversity, the management styles must also be aligned with the concept and objectives of the diversity management. For instance, managers should allow open communication, promote cooperation and treat all employees equally. If the respective manager does not have the necessary social skills, a holistic implementation concept cannot be successful.

Corporate diversity and diversity management can be defined in very different ways. However, in terms of corporate culture, it can be concluded that diversity includes the differences of every employee and to use those for the companies' benefits. Corporate culture might be able to promote diversity and vice versa. The question organisations should pose themselves could be "How can we train diverse employees in order to succeed and thrive in our organisation culture?" and "What do we need to change in order to make our workplace to a place that actually embraces diversity in approach, in culture, and in opportunity?". Both questions tackle the current situation within an organisation and give managers the opportunity to reconsider their existing culture, if already existing, or to identify their call for action.

4 Possibilities to measure the value of corporate culture

Nowadays, motivated and loyal employees become more and more important in organisations in order to perform business successfully and to exercise market power. In addition, the shortage of skilled manpower the current economy is facing, leads not only to a lack of qualified people, but also to the importance of intangible assets, where corporate culture plays an important role. Well-established and purely lived corporate cultures encourage and motivate employees and become an significant parameter in a successful company. The defined behavioural patterns and norms within the corporate culture give employees a kind of lead how to perform at the highest and best possible level. Furthermore, it gives the employees a sense of togetherness, which can also act as motivation driver. Although the value of motivated employees can easily be measured, e.g. by performing the companies' micro-economic analysis before and after a corporate culture has been established and by comparing those results, the value of corporate culture is difficult to measure and to express in numbers and figures.

4.1 Human Synergistics Circumplex

The core idea of the measurability of corporate culture is the identification and the measurement of economical and especially cultural factors and its influences. This idea occupied Dr. J. Clayton Lafferty und Prof. Robert A. Cooke, creators of the so-called Human Synergistics, since the beginning of the 1970s. Within their study, the main goal aimed at the identification and measurability of how culture may influence companies' success⁷². "A central element of their used instruments was the so-called Human Synergistics Circumplex or Organisational Culture Inventory, where Lafferty and Cooke collected and summarised the results of their studies regarding different patterns of thinking and behaviour in one specific organisation"⁷³. Goal and task-orientated as well as intrinsic and extrinsic motivation played an important role within their studies. In order to express the collected data in figures, the scientist used both data of the goal and task-orientated motivation, based on the managerial grid of Blake / Mouton in the contribution Change Management, and intrinsic and extrinsic motivation, following the hierarchy of needs by Moslow, and

⁷² Cf. Business Wissen (2009).

⁷³ Cf. *ibid.*

transferred those into their own model. Once all data had been collected, they applied that information to and entered them into the model. In the end, the OCI model showed differences in behaviour. The more similar behaviours were, the closer they were to each other in the OCI. Generally, the obtained results summarised in the OCI include twelve different styles, which are classified into three different categories. As shown in the image below (figure 17), the OCI breaks down the factors underlying performance effectiveness (at individual, group, and organisational levels) according to 12 behaviours or styles, which are grouped into three different and general clusters, differentiated by colours.

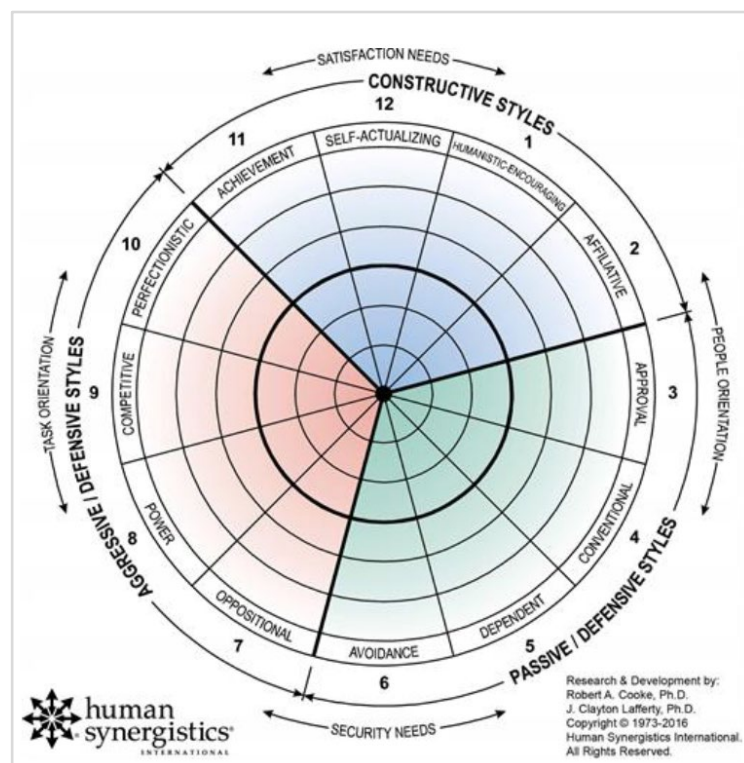


Figure 17: Human Synergistics Circumplex⁷⁴

The blue cluster refers to the “constructive style that encourages the attainment of organisational goals through people development. It promotes teamwork and synergy within one organisation and group and enhances individual, group and organisational adaptability and effectiveness”⁷⁵. Within this cluster, the style generally distinguishes between performance and performance-related behaviour,

⁷⁴ Cf. Human Synergistics International (n.d.).

⁷⁵ Cf. *ibid.*

self-realisation, inner motivation and fully exploits self-potential, as well as sociability and the interest in other people / colleagues. The red cluster is called aggressive / defensive style and mainly focuses on the attitude with respect to problem-solving, power regarding the aggressive degree of control, competition and the behaviour regarding win-lose-situation, as well as perfectionism and the pursuit of impeccable success. Furthermore, it reflects how people respond to stress, inconsistent performance and turnover. The green cluster, called passive / defensive style, mainly focuses on how people subordinate themselves according to the company. In addition, this style leads people to stifle creativity and initiative.

Blue, green, and red extensions on the OCI graphically depict statistical results and the styles' strength in terms of percentile scores. Those extensions illustrate the individual, group, or organisational results compared with those of thousands of other organisations that have already been researched.

Besides the OCI, the results gained in the study may also be visualised with the help of other models, such as LSI, L/I, OEI or the CSSS. The LSI is a coaching tool that helps to understand the behaviour and reaction of employees based on specific circumstances. "It identifies precisely personal factor of success and stumbling blocks of one specific employee. With this tool, the management is able to build up and increase performance, efficiency and leadership skills"⁷⁶. The L/I is a 360° feedback tool that has been created for employees in the management level. The questionnaire contains over 200 questions and covers topics regarding management behaviour, interpersonal skills, interpersonal communication as well as behaviour and sense of responsibility in line of the company. The questions are all answered by the persons self, although it is also required that at least 5 people from the company complete a different questionnaire about the manager. Within this questionnaire, the respondent needs to answer questions about how the manager operates, how he works under pressure, how he behaves regarding employees, how he responds to and deals with stress and how his decision-making process looks like. The evaluation of all answers and questionnaires give managers a targeted feedback on

⁷⁶ Cf. Business Wissen (2009).

the impact on their behaviour and performance of others and especially of how their behaviour contributes to the company's success.

The idea of the OEI model is quite similar to the OCI model, however, whereas the OCI mainly answers questions about the "what", the OEI model identifies the "how" in an organisational context and especially, it researches the cultural causes and identifies the discrepancy between the actual and target performance. "The questionnaire contains 31 questions regarding philosophy, internal structures, procedures, systems, tasks as well as questions regarding leadership"⁷⁷. Whereas all of the before-explained models mainly deal with internal behaviour, procedures and systems, the last model, the so-called CSSS model, amends the study with the customer perspective. More precisely, it evaluates of how the customer sees the employees' behaviour and how this may influence sale and therefore increase or decrease the company's success. "The results allow drawing conclusions about the quality of service with regard to satisfaction, customer loyalty and recommendation, as well as concrete change levers to effectively improve customer service"⁷⁸.

The analysis tools for organisational development developed by Laverty and Cooke were primarily designed to stimulate reflection on behavioural changes and, if appropriate, to support the development on a sustained basis. On the basis of OCI, the views of executives, customers and employees of the company are crucial indicators during each change process. In addition, the results gained from the above-mentioned models may support the management to identify the current actual state and the behavioural expectation to date, to define the target culture and in which direction the company should amend their cultural behaviour, as well as detecting the causes of a defensive culture that may be lived within one organisation. In this respect, the company is able to identify potential barriers, inconsistencies and cultural deficits and to work against the internal negative factors.

Having outlined the different models, it can be concluded that corporate culture is somehow measurable, although none of the models are able to express the influence of culture on a company's success in real numbers.

⁷⁷ Cf. Business Wissen (2009).

⁷⁸ Cf. *ibid.*

4.2 Two-step approach and corporate culture index

In 1992, John P. Kotter and James L. Heskett published a study of how corporate culture may influence the organisation's success. The existence of a positive association and direct connection between a corporate culture and the long-term corporate success and whether a corporate culture may increase company's success were the key questions of their study. In order to obtain relevant information, Kotter and Heskett distinguished corporate culture into two different levels: the shared values and the group behaviour norms. The first level describes values shared by the majority of employees, which already exist over a long period of time. According to the model, these values are rarely visible and explicit. They are more difficult to change and also remain active and are not influenced by a change of leadership of employees. The level of group behavioural norms manifests itself in visible behaviours or the style of leadership. According to Kotter and Heskett, these factors are easily visible to the outside and can be changed relatively quickly, e.g. through service instructions or updated process descriptions. Due to the high visibility of the behavioural norms, new employees can quickly adapt themselves to the so-called "community of values".

Following the theory and the differentiation between the level of group behavioural norms and the level of shared values, Kotter and Heskett implemented the so-called two-step approach that shows the coherence between the visibility of cultural corporate values and their variability.

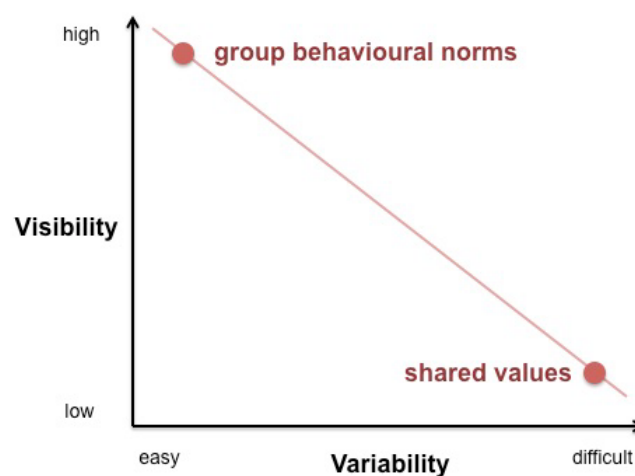


Figure 18: Two-step approach⁷⁹

⁷⁹ Cf. Initio Organisationsberatung (n.d.).

As it can be seen in the above figure (figure 18), Kotter and Heskett assumed that the level of group behavioural norms could easily change the corporate culture itself. However, the level of shared values is difficult to change as they are firmly anchored in the employees' minds.

Going further and in order to measure the value of corporate culture, Kotter and Heskett implemented the so-called culture strength index. Contrary to their two-step approach model, this tool used numbers of different measurements of economic and did not only concentrate on the shared values and behavioural norms. The culture strength index was derived from a questionnaire that was sent to the top six offices from pre-selected companies and that measured a range of important internal numbers, such as the RoI or the increase in share price over a twelve-year period⁸⁰. At the end of their studies, they verified their theory that a positive correlation between corporate culture and long-term economic performance exists. However, they had to admit that this correlation was not very strong, although they recognised the possibility that strong culture may be dysfunctional for an organisation⁸¹.

⁸⁰ Cf. Kotter and Heskett (2011, p. 78 et seqq.).

⁸¹ Cf. William (2001, p. 44).

4.3 7-S-Model by Peter and Waterman

In the 1970s, two former employees from McKenzie & Co, Tom Peter and Robert Waterman, implemented the 7-S-Model, which is also known as the McKenzie 7-S. Contrary to the other models that have been explained previously, this model does not concentrate on the corporate culture itself, but rather on the whole organisation, which makes this model extremely valuable in view of diagnosis and planning of interventions in the context of cultural change projects, as it provides a holistic and comprehensive view on organisations.

According to Peter and Waterman, an organisation is not comprised of one fix structure, but can be classified into seven different factors (figure 19), whereas they distinguish between soft and hard factors.

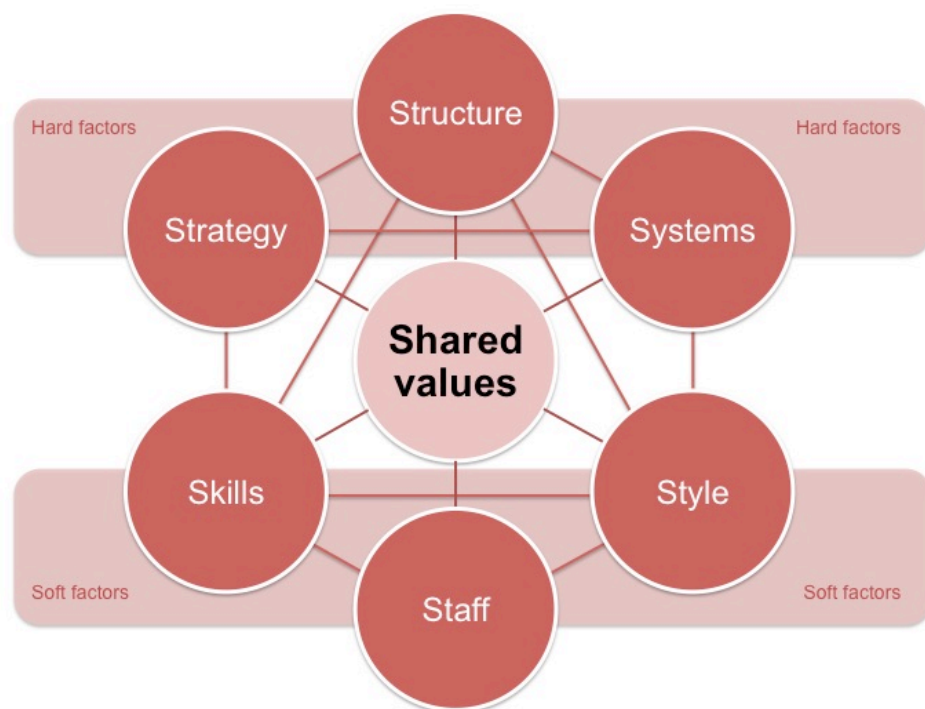


Figure 19: 7-S-Model by Peter and Waterman⁸²

The hard factors can easily be identified based on plans, strategy papers or documentation of the organisational structure and process organisation, and are thus accessible and comprehensible in this sense. The soft factors, however, are

⁸² Cf. Initio Organisationsberatung (n.d.).

intangible and describe the organisational culture, values, skills and are subject to a continuous adjustment process within an organisation. According to Peter and Waterman, strategy, structure and systems can be identified as hard factors. The strategy describes all measures that a company plans in anticipation of or in response to environmental changes. The structure is the basis for the specialisation, coordination and corporation of individual departments, divisions and offices. The structure itself is determined by the strategy, the size of the company and the products or services to be created. The last level of the hard factors concerns the systems that consider the informal and formal processes in a company to implement the strategy in the existing structures. Style, staff and skills are, according to Peter and Waterman, classified as soft factors, whereas the style of an organisation distinguishes between the corporate culture, including norms and values that have been developed over the time, and the style of leadership or the management culture that mainly summarises task delegation and the behaviour on the management level. The human element as soft factor plays an as important role as the other factors, and deals with the organisation of the processes in the HR department. HR development processes, socialisation processes, promotion of young talent, mentoring and feedback programs, etc. are the main focus of HR activities. The skills and abilities describe individual strengths, not of the employee itself, but rather of the company. Measures classified in this factor are aimed at expanding and developing abilities and competences within the company.

The core of the 7-S-Model and therefore the leading part of corporate culture concerns, according to Peter and Waterman, the shared values of an organisation. In addition, every single factor is linked to each other and held together by the shared values acting as centrepiece. However and although soft factors are not directly visible to the outsiders, these factors tend to have a more important and significant influence of the corporate culture. The actions of the employees have direct influence on the soft factors and these directly affect the hard factors. Thus, it can be concluded that the soft factors shape the hard factors. Since the hard and soft factors are mutually dependent, a successful company should have an even balance between the seven factors, since every slight change in a factor affects the whole system or any other factor, according to Peter and Waterman. Summarising, it can be said that all of the seven factors play an important role in the corporate

culture. Although it seems obvious that it is easy to only change the hard factors, the soft factors should not be forgotten as the model and therefore a whole organisation does only work if every factor is involved and taken into account.

4.4 KPI as parameter

Applying the above-mentioned models, the value of corporate culture can indeed be measured. However, none of those models are able to express the value in figures and numbers. John P. Kotter and James L. Heskett were working on this topic already in 1992 and argued that based on their findings, “strong corporate cultures that facilitate the adaptation to a changing world, are associated with strong financial results⁸³”. Within their study, they performed extensive research on the corporate cultures of 200 different companies located in the US and how each company’s culture affected its long-term economic performance. They found out that the “investigated companies and cultures highly value their employees, customers, and owners and that those cultures encourage leadership from everyone in the firm. So if customer needs change, a firm’s culture almost forces people to change their practices to meet the new needs. And anyone, not just a few people, is empowered to do so⁸⁴”. Figure 20 below shows the staggering results and the correlation between the average increase for twelve firms with performance-enhancing cultures and twelve firms without performance-enhancing cultures.

	Average Increase for Twelve Firms with Performance-Enhancing Cultures	Average Increase for Twenty Firms without Performance-Enhancing Cultures
Revenue Growth	682%	166%
Employment Growth	282%	36%
Stock Price Growth	901%	74%
Net Income Growth	756%	1%

Figure 20: Influences on business performance⁸⁵

The findings illustrated in the figure show the extreme difference on the revenue, employment, stock price growth and net income growth of companies with and

⁸³ Cf. Kotter International (2011).

⁸⁴ *ibid.*

⁸⁵ Cf. Forbes Media LLC (2011).

without a performance-enhancing culture. In order to come to these results, Kotter and Heskett compared several business parameters and KPIs such as net income growth, the average RoI capital and the average yearly increase in stock prices, all data compared over an eleven-year-period. In addition, high-level interviews have been performed anonymously, followed by face-to-face interviews with managers of the preselected companies. In the end, after having collected and evaluated the gained data, Kotter and Heskett were able to conclude that corporate culture boosts financial performance.

Although the study by Kotter and Heskett showed that corporate culture has an actual influence on companies' performances, the study only focused on companies in the US. After detailed research, it turned out that Luxembourg has never performed such study and that thus, those kinds of information are not available.

4.5 Stock exchange value and book value as parameter

Evaluating a company's corporate culture and expressing its financial influences and values in numbers seems to be a difficult task to undertake. Companies tend to hide the information that their current corporate culture is currently bad and not representative, therefore, it is not evident to identify those companies. Organisations with a good corporate culture certainly try to use their existing corporate culture as part of their marketing strategy, although the exact date and time when the organisation moved from an ordinary to a special company with a well-established corporate culture is difficult to identify. Several theoretic methods and approaches for scaling and measuring the value of corporate culture have already been presented and explained in previous chapters, although those are not able to clearly express the value corporate culture might bring to an organisation in real figures and numbers, except from the theory implemented by Kotter and Heskett. This chapter aims at giving an idea on the development of a new mathematic approach to value corporate culture and its effects by using stock exchange values and book values as parameter.

Although this piece of work mainly or should rather focus on companies established in Luxembourg, numbers on stock exchange and book values from example companies registered at the Börse Frankfurt should rather be considered as the

Luxembourg Stock Exchange is, due to its small numbers of big registered companies, not very representative. However, for the idea of this approach, it cannot be excluded that the Luxembourg Stock Exchange will further expand and might deliver relevant number in the near future.

The idea of using stock exchange values and book values as parameter approach is to identify a company with a bad corporate culture that aims to take the necessary measurements in order to establish a good and healthy corporate culture. In order to identify the value of corporate culture, one approach could be to identify the stock exchange value and book value per share at a certain day and to observe its development. As the establishment of a corporate culture is nothing that could be done in several months but rather on a long-term basis, the research should focus on those parameters and compare its development over a long period of time, e.g. regular comparisons every month and afterwards, comparing the numbers on a yearly basis. It can be assumed that once the corporate culture is established, the company's performance might increase. Going further, it could be interesting to see how the stock exchange value interrelates with the book value per share. It can be assumed that the implementation might have positive influence on the company's performance and KPIs. However, when concentrating on the above parameters, it would be necessary to deduct other development aspects, as those might tend to emphasise an incorrect result of the analysis. Once the relevant aspects have been deducted and the, let's call it, "true numbers" of corporate's culture impacts are identified, those numbers might be able to establish a matrix of values. This matrix could then be used to clearly identify the tendency and make a clear statement on the value of corporate culture.

At the time when this paper was written, the following organisation could have been identified as organisation with a good corporate culture in Germany: Bayer, Daimler and BMW. Organisations that faced negative headlines in the past few months are, Deutsche Bank, due to the scandal of US-mortgage securities that had massive influence on the trust of investors and customers, and Volkswagen, mainly caused by the scandal of exhaust emission which also had a huge negative impact on employees' and customers' loyalty and trust. It can be assumed that the stock exchange and book value per share of Deutsche Bank and Volkswagen might

increase in the future, either according to measurements that might be taken in order to escape the negative sloop, or by implementing and improving their existing corporate culture. However, at the time when this paper was written, this theory could not be proven.

However, this approach is rather focused on long-term numbers and can be a complex and tedious process. In addition, although this approach has some similarities to the approach by Kotter and Heskett, this should only illustrate an idea of an alternative method of how the value of corporate culture could be measured and expressed in figures. Due to limitations and restrictions and especially based on the fact that the information regarding the exact time from which organisations changed their awareness and behaviour towards corporate culture, this theory could not have been proven within this paper and should therefore only work and be evaluated as an theoretical approach.

5 Corporate culture as intangible resource

On the one hand, a resource is per definition “an economic factor required to accomplish an activity, or as means to undertake an enterprise and achieve desired outcome.⁸⁶” On the other hand, an intangible resource is defined as „assets such as open space, attractiveness, diversity, and satisfaction that are not material or physical.⁸⁷“ In view of the topic of corporate culture and the approach towards the underestimation of this intangible asset, an intangible resource is personally defined as follows: an intangible resource is an economic factor, created, influenced and monitored by humans, that is essential for organisations to achieve pre-set goals and the desired outcomes. The following chapter looks at corporate culture as a resource and considers this intangible resource from different angles. The holistic view of the different perspectives should demonstrate advantages led to the implementation of corporate culture and outlines counter measurements in order to maintain a good and healthy corporate culture.

5.1 Corporate culture and its impacts on employees' performance

Following a study performed by the German health insurer AOK regarding the increased absenteeism, the study found out that a bad corporate culture threatens the health of employees. Those who experience a bad atmosphere in their company are more dissatisfied with their own health and also more frequently ill.

The importance of a good corporate culture is always an issue in today's economy. In the meantime, it is no longer just a marketing slogan. In a company with a good culture, the company, i.e. the managers, is behind its workforce. Anyone who carries out a good job is also praised by the employer, which increases the motivation and therefore the performance of employees. In an organisation with a good and healthy corporate culture, the company offers other social services in addition to the salary, e.g. provides a fruit basket or pays the contribution to the gym.

However, practice, desire and reality often break apart in the real world. According to the above-mentioned study by AOK, 78.3 % of the insurers surveyed wish their

⁸⁶ Business Dictionary (n.d.).

⁸⁷ Oxford University Press (n.d.).

company to be more supportive, although only 54.8 % experience, in another question, that this support from the employer. In addition, only 45.7 % indicated that they receive good voluntary social benefits from the employer, compared to 62.3 % that wish to receive them according to an additional question⁸⁸. This discrepancy is similarly high when analysing other fields and answers of the survey.

The figure below (figure 21) illustrates health indicators in relation to corporate culture. As it can be seen, employees working for a company with a good corporate culture tend to score higher results than employees facing a bad corporate culture. Only within the last statement, the employees ranked almost the same score.

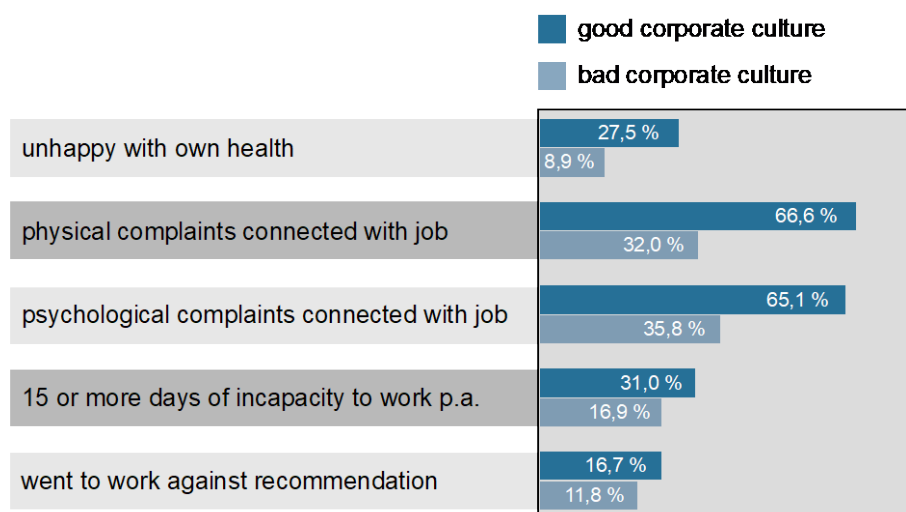


Figure 21: Health indicator in relation to corporate culture⁸⁹

Therefore, it can already be concluded that a good corporate culture may have a more positive influence, or rather healthier influence, on employees' health than bad corporate culture.

Going further, 27 % of those who described their corporate culture as bad are also dissatisfied with their own health. Among the respondents who saw their company and its culture positively, it was only one in ten.

As employees in companies with poor corporate cultures are dissatisfied with their own health, they call in sick more often compared to employees with a good

⁸⁸ Cf. Wirtschaftswoche (2016).

⁸⁹ Cf. AOK - Die Gesundheitskasse / CW Haarfeld GmbH (2016).

corporate culture. In those companies, work-related physical complaints are more than twice as frequent (66.6 % compared to 32 % in a good corporate culture). In the case of psychological complaints, the situation is also similar (65.1 % versus 35.8 % with a good corporate culture)⁹⁰.

However, there are also differences in the way employees deal with their illnesses: in the case of a poorly-rated corporate culture, nearly one in three (31 %) stayed away from work more than two weeks during the last year. In the comparison group with a positive corporate culture, this was only slightly more than one in six (16.9 %)⁹¹. Ultimately, the experienced corporate culture has also an influence on how often the employees still insist to go to work, even against medical advice. While only 11.8 % of employees who experience a good corporate culture tend to do so, employees working in a company with a bad corporate culture face frequently a risky behaviour (16.7 %). Therefore, the insurer concluded that there is a clear connection between the way in which employees experience their work and their health. Those who are satisfied with their workplace will be less likely to fall ill for shorter periods of time and will not unnecessarily infect colleagues.

Furthermore and based on the performed study, not only a poor corporate culture might have negative influence on the employees, but also other important factors, such as constant overtime, limited room for manoeuvre, high work intensity, mobbing, lack of social and professional support, job-strain-model, lack of acceptance and recognition, commuting, fixed-term contracts and job insecurity. Most of these factors have a significant negative influence on employees' health and might cause anxiety, depressions, sleep disorder but also more dangerous disease symptoms like cardiovascular disorders.

Thus, if the corporate culture is bad, the employees are more likely to suffer from negative working environment, thus they tend to be more likely to fall ill. Employees that drop out because of health problems cost the company a lot of money. As a result, company's success may decrease. Having said this, the employees' and thus

⁹⁰ Cf. *Wirtschaftswoche* (2016).

⁹¹ Cf. *ibid.*

the company's performance may not only be increased by a good and healthy corporate culture, but also by the following indicators⁹²:

- Acceptance and appreciation for diversity

Performing corporate culture and establishing certain diversity in an organisation is not just about fitting quotas. It is about the creation of an environment where employees are proud of working and of being part of the group. In order to attract diverse employees, companies should first create an open and appreciative environment with a diverse leadership team that trickles diversity down into the ranks.

- Respect and fair treatment of every employee

Seeing employees as numbers and not as individual human beings will not help to motivate them. In fact, companies with a healthy corporate culture do not treat some employees in a different manner than others. This might lead to a toxic workplace where employees tend to fall ill more often.

- Sense of pride and enthusiasm for the company and work done

Companies should invest time to create a workplace where employees are proud of being employed with and proud of the work they are performing. By being involved in the community, organisations can develop a sense of pride and give employees great perks for working there. This will increase employees' motivation and can also create a good image to the outside.

- Fair and equal opportunity for every employee to realise their full potential

Not being challenged is one of the biggest complaints in work environments. Monotonous and unvaried tasks may create frustration and demotivation. What makes it worse is when some employees seem to be favoured by the management – whether due to personal relationships or some other factor. Not giving all of your employees a fair chance to grow and develop skills is a sign of an unhealthy workplace and might be toxic for workplace cultures. In addition, offering individual trainings to employees in order to increase their potential can also help to increase

⁹² Cf. Protech IT Staffing (2017).

motivation. Although this requires further investments, the long-term gains of keeping talents up to date, is invaluable.

- Timely and honest communication with all employees regarding policies and company issues

Companies with good company cultures ensure employees to feel like they are part of the group. Open communication increases the trust the employees might have towards the management and creates a positive workplace. Announcements with respect to policies or rules should be formulated in simple words, clearly documented and available to all employees in order to provide company-related information and to increase the team spirit and sense of togetherness.

5.2 Corporate culture as motivation driver

The central importance of soft factors, which also includes corporate culture, does still not correspond to what organisations really realise. Soft factors cannot be implemented by activating a button and problems in this respect cannot be solved by fast solutions. In summary, changes in this category require a lot of time and sustained leadership, which represent the organisations' values and norms in their daily lives and towards the employees. Values are only as good as they are lived – here, the management level should act as a good example and not as a negative one. Leadership is therefore a key factor for corporate culture. An even more important role is played by the communication and motivation of employees. Therefore, the extrinsic and intrinsic motivation is an important factor of corporate culture.

The preceding chapters have also described approaches to motivation, such as job-related trainings or company-internal events. Motivation due to additional incentives from the outside is described as an extrinsic motivation in psychology. In contrast to this, motivation that comes from an activity itself is known as the intrinsic motivation.

If we consider human behaviour, it is often not rationally directed to any purpose: the motivation for certain behaviour must not lie outside the behaviour, but can lie inside the behaviour itself. Human behaviour is not only driven by economic aspects, but is regularly economically irrational, such as voluntary work, risky and expensive sports,

or elaborate and expensive cooking. On the one hand, this joy in an activity itself is described as an intrinsic motivation in psychology. Extrinsic motivation, on the other hand, comes from the results of behaviour, such as a high-quality result, and additional external consequences, typically incentives such as money or penalties. Moreover, praise and recognition of others are also classical extrinsic incentives. This includes everything from outside behaviour itself, to motivate the behaviour. Extrinsic motivation, if hardly formulated, is therefore an alternative if it is not possible to make work activities self-motivating enough, or, if one has selected the wrong employees who do not have their own drive.

For ease of reference and in order to illustrate relevant practical information on the topic of corporate culture acting as motivation driver, the results obtained from the survey that has been performed as part of this thesis will be anticipated in the following. The survey itself is further explained and presented in chapter 7.

The performed survey contained, beside others, several questions with respect to the motivation of employees and its instruments. Besides question 24, where the employees were asked to identify whether extrinsic or intrinsic may act as motivation driver for employees, the participants also faced questions with respect to the type of motivation their employer implemented in order to create motivation.

Analysing the results obtained from the Luxembourg employees, 74 indicated that corporate culture might act as motivation driver, both by extrinsic and intrinsic motivation. 12 participants indicated that only extrinsic motivation might act as motivation driver, whereas 8 stated the intrinsic motivation only. Interestingly, only 9 participants indicated that, in their opinion, neither extrinsic, nor intrinsic motivation might act as motivation driver and therefore do not see any link between corporate culture and motivation. Therefore, it may be concluded that even though employees seems to be consciously motivated by the effects and consequences of corporate culture, they do not recognise that social events, for example, are part of the corporate culture and has a deeper meaning. Furthermore, 82 participants stated that their organisation offers job-related trainings although those trainings are mostly not satisfying, as content and relevance do not have any relevance for their job. With respect to the motivation activated by internal rituals or events, such as Christmas

parties and happy Friday events, it can be concluded that companies in Luxembourg understand the topic of motivation by implementing social off-the-job events for employees. However, whether this is also seen as a motivation driver by the employees needs to be left open as the study did not aim to research on this topic.

Comparing these results with employees from Germany, almost half of the participants indicated that their employee does not offer any job-related training. In contrast to the results obtained from Luxembourg employees, this indicates a significant high amount of employees that are not further supported or do not have the possibility to improve themselves in their field of activity. However, companies tend to motivate people by organising internal events like Christmas parties and summer BBQs, as 47 of the 65 participants responded. In addition, the results have shown that employees are aware of the motivation a company should establish towards the employees. 58 employees indicated that corporate culture might act as motivation driver, either by extrinsic or intrinsic motivation. Only 7 participants do not see any correlation between corporate culture and motivation. Overall, it can be concluded that German employees are aware of the motivation that might be a part of the corporate culture, although the offers do not seem to be very attractive or motivating. Only 50 % of the participants are satisfied with their workplace culture although they suggest improvements in this field.

Results from Belgium, France, the Netherlands and the United Kingdom are significantly different from the results obtained from German participants. Companies in these countries consider joint activities as important and employees tend to be satisfied with their current workplace culture. In addition, employees offer employer the possibility to participate in training and development, although opinions tend to differ. Some of the participants are satisfied, some of them are not. Moreover, all participants indicate that extrinsic and intrinsic motivation is important in today's economy. As indicated in chapter 7.3.3 and 7.3.4, the number of participation was too small to draw a realistic conclusion. Therefore, the only conclusion that could already be drawn is that employers of the participants have already made an important step forward with respect to the implementation and maintenance of a corporate culture in their organisation and that, in addition, both intrinsic and extrinsic seem already play an important role.

Social media platforms like Facebook or Instagram but also movies like *The Internship* diffuse a positive image on the corporate culture in the United States. Apple and Google have made a big step forward in terms of intrinsic and extrinsic motivation. By implementing off-the-job events like huge summer BBQ, trips to theme parks or providing sleeping cabins or playrooms for the employees where they can relax in their break are only a few examples of how corporate culture looks like in the United States. 8 from 8 participants indicated in the survey that their organisation regularly organises special events for the employees and that specific rituals are lived throughout the company. In addition, almost all participants agreed that corporate culture might act as motivation driver for the employees. The organisations in the US seem to do something right: employees tend to be motivated and satisfied, not only with the current workplace culture, but also with further training opportunities offered by the employee. Nevertheless, the answers received were not enough and thus can neither be understood as representative for the whole population nor be generalised.

However, it can be concluded that most participants, notwithstanding their country of origin, age, position, educational background or the country they are currently employed, are already aware of intrinsic and extrinsic motivation and its correlation with corporate culture.

Summarising the findings and the theories outlined in this chapter, it can already be determined that corporate culture can be used as motivation driver having sustainable influence on organisations' performance.

5.3 Perception of signs and initiation of countermeasures

As outlined in the previous chapter, corporate culture tends to have a heavy impact on organisations' performance. However, the implementation of corporate culture is not a unique process, but rather an open-ended process of continuous development. Organisations that have implemented a healthy and good corporate culture might observe, after a certain time, that the existing corporate culture is subject to modifications and adjustments due to environmental or internal changes. The following chapter aims at identifying situations that require a change of thinking with respect to corporate culture and aims at giving ideas, from my point of view, of how

and when a corporate culture should be undertaken an investigation, adaption and customisation.

The internal communication is one of the main characteristics of corporate culture. If companies are facing a lack of communication or even no communication at all between the management level and staff, they should reconsider their strategy in this respect. A warning sign of poor communication can also be the realisation of employees to find out about decision only once they have already been implemented. In case indirect communication is more favoured than direct communication with employees, the corporate culture should be subject to changes. In order take necessary counter measurements, the management level should encourage direct communication and involve employees into or inform them about decision or ongoing decision processes. Another idea would be to originate a circular like "what's currently happening in our company", which could be dispatched to all employees on a regular basis and which increases transparency within the whole organisation. Also with respect to the internal communication between the management level and employees, organisation might be able to eliminate the fear some employees might have by creating an open work environment where managers are open to discuss with employees problems or improvements suggestions. This method might also increase the negative anonymous reviews on online review sites, like e.g. Google, that might have been written by employees on an anonymous basis. In order to promote internal communication notwithstanding the hierarchical level, the upper management could give employees other alternatives to express their concerns and provide input, e.g. by providing a letterbox in a quiet place where employees would be able to suggest ideas, express concerns and thoughts on an anonymous basis. Those letters could be included in the circular where the management level can directly respond to. This measurement increases internal communication, but additionally may also decrease intra-company gossip and passive aggressive communication among employees.

Besides the communication, the reaction and changing behaviour of employees could also give an indication that the current corporate culture does no longer fit into the organisation's values. Once employees do not have any confidence in their management, they tend to quit their jobs. Therefore, a high turnover could be a sign

of either bad communication or a bad corporate culture. In order to prevent massive turnovers, the company could organise regular interviews with its employees. This does not only give the impression that the organisation cares for their employees, but gives also the opportunity to employees to express their satisfaction or dissatisfaction and to increase the relationship between both, employee and employer. Furthermore, exit interviews with employees that leave the company give organisations the opportunity to identify current construction sites that may require their attention and action. People in exit interviews tend to be more honest than employees as they have nothing left to lose and their comments will not have any influence on their daily live. However and notwithstanding how the employees resigned from the organisation, exit interviews should always be considered as professional and constructive meeting in a disciplined and respectful manner where both, employee and employer, might be able to derive a benefit from.

Additionally, in case the organisation notice that there is no social interaction between the employees and that they follow an “it’s just a job”-attitude without any shared enthusiasm and if this can be identified consistently within the whole organisation, this might be the moment to initiate countermeasures and to rethink the current corporate culture. Usually, part of corporate culture is also to implement social interaction in order to motivate employees, to clear away from internal negative competition, grumbling and complaining attitudes where employees are more likely to blame others for their own mistakes. Moreover, countermeasures should be initiated when employees spend more time competing with other colleagues rather than with external forces, when the management is not able to detect openness to teamwork and when employees are excluded and groups are formed incomprehensively. Organisation should rethink their internal strategy and behavioural patterns by encouraging employees to interact socially. This could be in the context of “happy Friday” events or any other offers regarding collective activities within the organisation. With respect to aggressive competitive behaviour between employees, the organisation should focus on the unity of every employee by implementing distinctive development models, mutual further training in order to harmonise knowledge or by finding a way of how employees can complement each other to obtain a desired result and to promote teamwork out of the comfort zone, e.g. attributing projects to a completely new created group of competent employers

in order create pooling tasks and to break down deadlocked structures and strengthen internal cohesion.

In order to eliminate the blaming attitude, organisation should focus on transparent communication and observation. First symptoms could already be identified in mid-annual review interviews, where employees are able to express their point of view on the current work environment. In addition, organisation should focus on creating an open work environment where employees are able to express their concerns directly to the management or a representative. This increases the degree of dissatisfaction and gives the management level the opportunity to eventually change resource planning and project and task attribution.

With respect to policies and procedures to be followed as part of the corporate culture, e.g. clean desk, confidentiality etc., it tends to be advisable to have them written down, presented and available to the employees. If company's policies and procedures are not trailed, chaos, inconsistency and poor quality will follow. Customers, vendors and employees wind up hating having to deal with the company and its staff. Even though unannounced on-the-spot controls might decrease the trust of the employees, such controls should be performed form time to time. It is not only with respect to the company's own policies and procedures, but also from those imposed by the government. However, in order to eliminate dissatisfaction and the common feeling of suspicion when controls are performed, it is crucial that, once again, open communication makes the employees understand of how and why certain policies and procedures have been introduced and why it is important to follow them.

Although employees tend to have a significant influence on a company's corporate culture, it needs to be said that management and leadership may also act as negative factor that might lead to a required change of the corporate culture. Having said this, bad behaviour can also be caused by leadership, which might result in a work-hard, play-hard culture, as explained in chapter 2.3., where lack of transparency in upper management is not unusual and where leaders tend more to take quick decisions at a low risk without considering the possible outcome and where employees can be the victims of. Furthermore, leaders' behaviour may also

be a trigger of the change from a good to a bad corporate culture. Common respect and objectives and the feeling of togetherness and especially seeing everyone as a unique person is one of the main parts of a corporate culture. However, it is not unusual to have toxic leaders that relate to others in a condescending manner that take credit for others' successes and which manipulates others and information to ensure that they look good – because others does not seem to matter. It is crucial to eliminate such parts within the company in order to ensure harmony and the success of the company and its culture. Organisation should boost the open communication and environment and organise regular workshops for members of the upper management in order to clearly outline the company's goals with respect to common behaviour.

We are all creatures of habit that tend to refuse changes. However, changes can be good as long as those changes have been well conceived and sophisticated. Organisation that face a change but observe that employees tend to boycott those changes should create enthusiasm among the employees and outline the benefits of the envisaged changes. Direct, honest and open communication can be the key. As long as the employees feel valued in the organisation and think that the team and their contribution to the business' success is more important than the task, it can be assumed that employees promote those changes as long as it is in line with their expectation and the companies goals and objectives. Once the employees observe that only the upper management level may benefit from the envisaged changes, it can be assumed that this might result in high turnover, dissatisfied employees and a toxic work environment. Encouraging employees is not easy, but it is neither impossible. Spending money in a way where employees also see a benefit, e.g. organising of summer BBQ in a nice location, inviting colleagues for a after work drink, might be able to increase motivation and work efficiency.

Having identified the turn from a good corporate culture into a toxic environment is not evident, but crucial. A bad corporate culture can also have serious effects on health, physically, emotionally and relationally. Physical symptoms such as not being able to sleep, gaining or losing weight, and having increased medical problems can be an indicator. The creation of work-life balance within the organisation can help to decrease the number of sick days.

In conclusion, happy employees have a direct impact on the bottom line: they take one-tenth the sick days of their unhappy co-workers, are six times more energised, intend to stay twice as long in the company, and are twice as productive.

6 Establishing and performing corporate culture

The United States shows several examples of how companies can increase their productivity by motivated employees. The most successful companies who have implemented corporate cultures successfully are, according to the Forbes magazine and as published in August 2017, Great Little Box Company, Netflix, Meltwater, Warby Parker and SolarCity⁹³. However, also companies like Apple, Facebook and Google have become famous for their corporate culture and attractive workplace environment.

In order to understand how those companies have implemented their corporate culture, the main characteristics will be outlined in the following.

6.1 Practical and famous examples

- Great Little Box Company

A company based in Richmond, Victoria, Kelowna and Everett, that designs and manufactures custom cardboard corrugated boxes, displays, labels, folding cartons and protective packaging. Based on their website, they have received several awards not only for their successful business performance, but especially and more importantly for being a great employer. They have been ranked as Canada's Top 100 Employers from 2005 onwards and in the Financial Post's Top 10 Companies to Work for ranking in 2006 and 2010⁹⁴, to name a few. But what sets them apart from other organisations? According to Forbes, the main secret can be found in their rewarding programs, which idea follows the Kaizen principle, if employees come up with an idea how the family-run business could save money. Although money should not act as the only motivation driver, it seems to work. On one occasion, an employee thought the company could cut costs by readjusting the position of a cardboard-cutting machine. The suggestion paid off and earned the staffer a \$2,000 bonus⁹⁵.

⁹³ Cf. Forbes Media LLC (2017).

⁹⁴ Cf. Great Little Box Company (2017).

⁹⁵ Cf. Forbes Media LLC (2017).

- Netflix

Netflix is a US-based video-on-demand online platform founded in 1997, having its headquarters in California. Following the information published in the Forbes magazine, the main characteristic that is highly valued by employees is that they are not judged by their hours worked; they're evaluated according to their abilities and accomplishments⁹⁶. According to their culture decks communicated by Reed Hastings, CEO of Netflix, a document that has already been viewed more than 11 million times since it has been published, hard work is not relevant. "We don't measure people by how many hours they work or how much they are in the office. We do care about accomplishing great work." Netflix's intense culture of freedom and responsibility is a key factor of its success. The company only hires "fully formed adults", as they call it, which means bestowing on them great amounts of freedom so they can take risks and innovate without being bogged down by process⁹⁷. This concept seems to bear fruits, also in terms of diversity. In the third quarter of 2017, Netflix employed 41 % female and 59 % male employees, with a high diversity of ethnicity. Equally in leadership, Netflix counted 42 % female and 58 % male employees in the management level⁹⁸. In terms of culture, Netflix focuses on flexible working hours, offers parental leave programs and supports charitable organisations. All this seems to make Netflix one of the most popular companies to work for.

- Meltwater

Meltwater is a privately held company founded in 2001 in Oslo having its headquarters in Silicon Valley, San Francisco. The company is a software as a service company that is specialised in the development of media monitoring and business intelligence software and employs over 1500 people worldwide. Meltwater has deeply rooted values that form the core of their organisation, which are Moro (Norwegian word for "fun"), Enere (Norwegian word for "number"), Respekt (Norwegian word for "respect") and Mer (an acronym for Moro, Enere and Respekt that puts all values together and thus creates the Norwegian word for "more")⁹⁹. Meltware concentrates on establishing a workplace where employees are respected, happy and satisfied, but also motivated enough to be not only an average market

⁹⁶ Cf. Forbes Media LLC (2017).

⁹⁷ Cf. Huffington Post (2015).

⁹⁸ Cf. Netflix (2017).

⁹⁹ Cf. *ibid.*

player. Employees do not only focus on themselves, but also on their colleagues and on the achievement of the company. Employees value the workplace and the focus the company lies on the evaluation and training of people. Within the last years, the company has been able to create a work environment which is driven by success and empathy and which is highly valued by its employees.

- Warby Parker

The Canada and US-based company Warby Parker, focusing on designer eyewear for a reasonable price, has established a whole team that only works on corporate culture. It uses events to motivate people and therefore creates a pleasant and comfortable working environment. The main objective in organising events within the company is to give employees something to look forward to and promoting an environment where teamwork and employees are valued¹⁰⁰. In their four ground rules, Warby Parker clearly communicates its values to the outside. Warby Parker treats their customers as they would like to be treated by creating an easy and fun shopping atmosphere. Furthermore, they create an environment where employees “can think big, have fun, and do good”. They concentrate on fair work conditions focusing on only carbon-neutral products¹⁰¹. The company encourages new contacts by organising business lunches with random employees in order to excite greater collaboration amongst the staff. They also implemented a “buy a pair, give a pair” project, where they induce customers to give away their old pair of glasses when buying a new one. The old pair will then be renewed and sent to emerging countries. This tactic and the open communication seem to be highly valued by the employees, but also by customers.

- SolarCity

SolarCity is a company in the solar power industry, founded by two brothers, which are also the cousins of Elon Musk, in 2006 having its headquarters in San Mateo, California with 31 offices in 17 US states and around 9.100 employees¹⁰². The company is specialised in the conception, production, installation and commercialisation of solar power systems. As they also produce charging stations

¹⁰⁰ Cf. Forbes Media LLC (2017).

¹⁰¹ Cf. Warby Parker (n.d.).

¹⁰² Cf. Entrepreneur Media, Inc. (2015).

for electric cars, Tesla took over the company in 2016 in the course of a strategic acquisition. The company's website gives not any information on their corporate culture in detail. However, according to the Forbes magazine, SolarCity is characterised by "besides reinvesting its cash flow into growth and making solar energy more accessible and affordable than fossil fuel, having posted positions for both military veterans and college students who have a passion for reversing climate change."¹⁰³ Corporate culture plays an important role for market leader in solar energy. Following their website, the company believes in diversity and inclusion. They promote actively internal and unique career development and give employees the feeling to be an important part of the value chain¹⁰⁴. They value transparency, mutual respect, which is highly appreciated by its employees. To sum up, SolarCity invests in their employees and encourages individuals in order to develop themselves. This seems to make the company to a great company to work for.

Adobe, Facebook, Google and Twitter have all become famous for their corporate culture within the last decades. Although it needs to be outlined that, probably except from Adobe, each of the companies are using corporate culture as marketing tool, all of the companies have increased the interest in working for their companies. One thing they have all in common is that they seem to care for their employees. The companies have e.g. already put in place several sport activities, which are free of charge¹⁰⁵. This does not only aim to decrease health problems at work, it is also an instrument to motivate people and to encourage them to be part of a (sport) team. In addition, they offer free food, stock options, open office space to increase the sense of togetherness and to increase communication, on-site laundry, employee trips and so on. In a nutshell and no matter what exactly the companies offer their employees, it can be summarised that their corporate culture mainly consists of giving employees the feeling to be appreciated and valued, not only as a number, but as unique and special individual. And as proved by Adobe, Facebook, Google and Twitter, this concept is proving a significant success.

Establishing and maintaining a corporate culture is nowadays not only the creation of a good image, but also the foundation for being successful as companies are

¹⁰³ Cf. Forbes Media LLC (2017).

¹⁰⁴ Cf. SolarCity (2017).

¹⁰⁵ Cf. Forbes Media LLC (2017).

commonly only as good as its' employees. However, it needs to be considered that there is no general magical formula that can be applied to companies in order to establish a good corporate culture. As every organisation is unique, a culture that might be successful in one company does not necessarily mean that another company would perform successfully as well. A copy-paste approach would not work. Companies need to identify their needs and establish their own corporate culture based on their own values and perceptions.

6.2 Corporate culture's value from different perspectives

Previous chapters have already dealt with the general importance and how companies might benefit from healthy corporate cultures. However, this subchapter aims to have a deeper look on the different perspectives and a clear view on the value considered from different perspectives.

6.2.1 From a company's perspective

Although companies need to invest time and money in order to establish and maintain corporate culture, investing in corporate values can still be considered as worthwhile.

As everyone in the company knows where to go, the company is able to reduce the complexity of the decision-making options. Actions are based on the values of the corporate culture and information is processed quickly. Therefore and as it is not necessary to request the opinion from other departments or in-house bodies, the company is able to come to a swift decision without considering other opinions as the whole company shares the same values and pursues the same goal. This may also lead to a reduced level of monitoring, as the corporate culture practiced by the employees undertakes the function of control and monitoring. Information is passed on to those who massively violate the rules so that a response is swift and efficient. Thus, the leadership and decision-making structures are stable and do not always have to be reinvented. This considerably saves costs. Having an established and consequent corporate culture, companies are able to identify potential problems or obstacles and therefore are able to avoid real and serious problems. In addition, motivated employees are more willing to participate actively in the development of the organisation. Having said this, they are more likely to share ideas that might

improve organisational procedures and increase the company's reputation and might become more attractive for prospective employees, also according to the inclusive environment that might be created through a corporate culture. However, this also means lower turnover, less new hires to deal with, and therefore also decreasing costs in HR management, and a better chemistry among the existing employee pool.

Furthermore, corporate culture can boost the communication in an organisation, as the company's policies and procedures lead to a stronger communication and information dissemination among employees. Also, employees might feel more comfortable and endorsed to communicate their ideas and new concepts to the management level. In addition, this gives the organisation the opportunity to create a competitive advantage against and enables the organisation to compete with competitors. With respect to internal employees' training, the organisation may be able to increase efficiency and to encourage employees to surpass themselves and to develop their knowledge further in favour of the organisation.

Leading a company with shared visions and values enables the organisation to create a pool of dedicated employees and leaders that are highly motivated, conscious and fancy to follow and achieve the company's goals. They are more cautious and prudent in their work environment and decrease therefore the costs of safety incidents. In addition, employees who understand their workplace culture tend to have a better grasp of their own and the organisation's goals and are more in tune with the needs of their management level. Overall, corporate culture gives organisations the opportunity to have sustainable and consistent programs and employees that follow understandable and reasonable guidelines in order to participate in and pursue the company's objective.

Last but not least, organisation can use their corporate culture as being a part of their brand and corporate identity. Once employees are treated well and they have a fun-loving corporate atmosphere, the organisation is able to create an image of being a generous brand. Depending on the company's target demographics, this could be a major boom for sales and customer loyalty.

6.2.2 From an employee's perspective

Working in an environment with a healthy corporate culture has several benefits for employees. Sharing the same norms and values creates a foundation and strengthens the feeling of belonging together. Co-workers are more seen as members of a family and also treated like that. Overall, employees may face a pleasant working atmosphere, where they are happy and perhaps even proud to work and which increases employees' emotional bonds to co-workers and the company. Therefore, employees tend to benefit from this atmosphere by feeling comfortable and valued, which might increase their motivation and efficiency.

With the implementation of a corporate culture and the subsequent measures such as sport activities during lunchtime, home office programs or parental leave opportunities, employees are able to create a healthy work-life-balance within their work environment. Being treated as unique individuals in the organisation, employees have the opportunity to improve their knowledge, to develop themselves further by participating in job-related trainings (also for part-time employees) and to accomplish and achieve their full potential. Corporate culture also deals with reasonable treatment for employees that is granted due to an employee's contribution to the company. Having said this, employees are able to enlarge their monthly salary when they perform outstandingly. This raises motivation and prevents serious health problems, which may be caused by long-term dissatisfaction.

Following the study of the German health insurer AOK, corporate culture has positive impacts on employees' health. Satisfied employees tend to work even if they have a minor health issues. As reported by the AOK, employees with a bad corporate culture and those who do not feel valued or satisfied at work tend to call in sick even if their health situation is not even close to being risky. Even small malaises bring them to stay at home rather than going to work. To conclude, it has been scientifically proven that a good work environment has a positive influence on employees' health and work performance.

In addition, companies with a good corporate culture offer different working hours models, such as flexitime, part-time, annual working time etc., which gives employees more liberty in terms of private time management (e.g. employed woman who have to bring their kids to school in the morning / pick them up in the afternoon).

In addition, companies with a good corporate culture tend to offer family-friendly holiday planning, telework or home-office programs and tend to be more flexible and family-oriented than organisations with a bad or without any corporate culture. Organisations with a good corporate culture are also usually really interested in comeback plans, e.g. after parental leave, and promote such plans and programs for the integration into employment. Although it is not yet common, some organisations try to implement internal kindergarten or childcare programs. This decreases absenteeism or delays in the morning. As employers care for their employees and always concentrate on offering a steady and consistent environment where employees feel valued, understood and supported, those models aim to increase employees' motivation and loyalty towards the employer.

6.2.3 From an external stakeholder's point of view

The benefits that external stakeholder might have due to a well-established corporate culture mainly refer to the outcome corporate culture has on organisations. As already outlined in the previous chapter, corporate culture may lead to motivated employees. Those tend to communicate more openly with other departments, which, in return, might decrease internal misunderstandings and boost internal processes forward. Having said this, it can be supposed that good internal procedures might decrease reclamations, as orders are possessed unequivocally. Going further, motivated employees who are satisfied with their work environment tend to perform more successfully and in accordance with the wishes and objectives of the organisation. In addition, they tend to radiate sympathy, confidence and friendliness. Employees act as mirrors that reflect an organisations norms and values to the outside and they produce a picture to customers of how the organisation is managed. Therefore, even employees might act as a kind of marketing tool, summarised by the following:

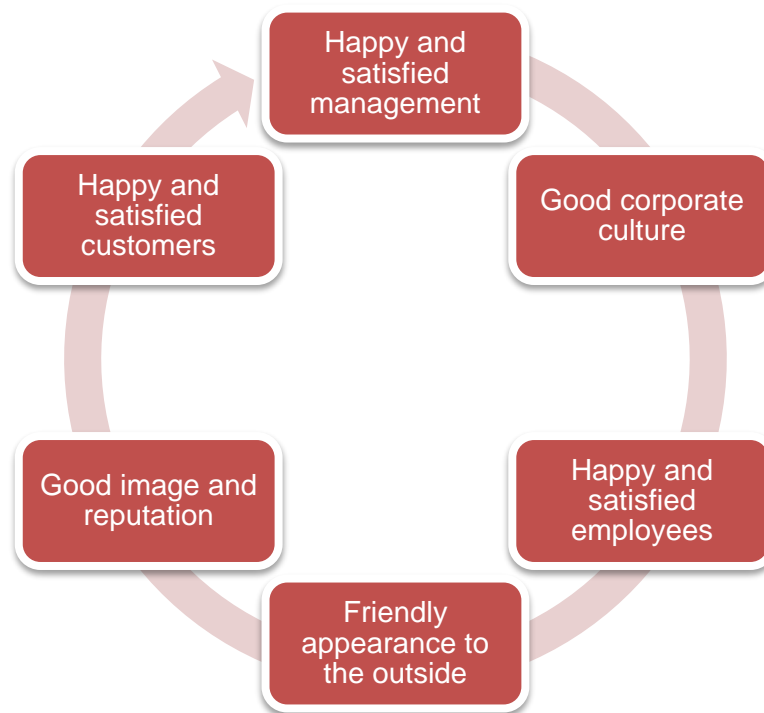


Figure 22: Circle of satisfaction (own illustration)

As illustrated in the figure above (figure 22), satisfaction is a circle, which can be initiated and boosted by corporate culture.

Motivated employees tend to be more concentrated in their work life, therefore, corporate culture as motivation driver can also lead to less complaints and reclamation due to less mistakes. Employees are the key reference for the customers as they handle their requests and complaints and they not only carry out the service, but also the organisation's image and philosophy to the outside. Overall, it can be said that external stakeholders also benefit from corporate culture as the service that is provided to them is more efficient and customer-oriented in an attractive and friendly environment, which is represented by motivated and satisfied employees.

6.3 The bottom line

Overall and after having outlined the values of corporate culture on different target groups, such as the organisation itself, employees and external stakeholders like customers and suppliers, it can be concluded that corporate culture has not only atmospheric but also business consequences. Customers, wherever they have a choice, tend to prefer professional, friendly and cooperative suppliers. The same

applies to the suppliers – especially those who are not dependent on every order due to their strong market position. First-class employees, if they have enough insight, will either opt for a constructive, courageous and performance-oriented culture from the outset, or they will sooner or later move away looking for an environment in which they are able to develop their talents better. And finally, the "output" of a cooperative-performance-oriented culture will clearly differ both quantitatively and qualitatively from those of a company in which hedging and risk avoidance are the top priority.

To sum up, a "good" culture has its benefits for companies, employees and external stakeholders and is a competitive advantage that is defensible because competitors cannot copy it easily.

7 Empirical investigation of corporate culture in Luxembourg

Luxembourg has become an important location for international businesses in Europe based on its geographic location in the middle of the European market, the availability, even in times of skill shortage, of highly qualified multilingual staff, the versatility of existing research facilities, a high quality of life, a stable political, economic and social environment, a competitive tax and social system, a modern legal and regulatory framework and a variety of double taxation agreements. Therefore, Luxembourg is an attractive and stable workplace not only for qualified employees, but also for businesses in an international context. Between 2010 and 2014, the employment rate increased by 50 %, based on the Luxembourg job centre. The job market in Luxembourg is dynamic, in comparison, during the same period, employment in the EU average increased by 6 %, in Belgium by 11 %, in France by 6 % and in Germany by 7 %¹⁰⁶. Even during the economic crisis, Luxembourg recorded employment growth, although in a slow form. However, Luxembourg is rather an information society based on its activities in banking, financial, steel and industrial sectors and highly relies on intangible assets.

Considering the diversity of nationalities and the change of time, companies need to establish and to maintain their corporate culture in order to remain attractive and an important player on the global market. A well-established corporate culture and therefore extrinsic and intrinsic motivation towards employees should not be left out. However, it seems that Luxembourg does not dispose a real empirical investigation about the existing corporate culture within their economy. Therefore, the following chapter deals with the identification, the awareness and the value of corporate culture in Luxembourg. Furthermore, the empirical research will try to figure out how aware the country is towards corporate culture and whether a change may be required in order to become even more attractive on the market.

7.1 Methodology, content and aim of the empirical study

In order to collect relevant and as much data as possible, the most appropriate tool of data collection seems to be the creation of an online questionnaire, containing open and closed questions, therefore a mix of qualitative and quantitative research.

¹⁰⁶ Cf. ADEM (2016).

This mix tends to be the most suitable as the research topic concentrates not only on pre-set answers but more importantly on personal experiences from the participants, obtained by medium of online questionnaires. Furthermore, mixed methods enable to combine elements of qualitative and quantitative research approaches, such as making use of qualitative and quantitative viewpoints, data collection and analysis for the broad purpose of breadth and depth of understanding¹⁰⁷. In addition, quantitative data involves analysis of data such as written words in questionnaires, wherefore it is more efficient to remain objective, rather than contributing own opinions.

In times of digitalisation, with the Internet and especially with the help of social networks, an online survey provides the highest opportunity to get as much information as possible from a wide range of people with a low degree of time exposure. For obtaining the results on the relevant topic, an appropriate research method as a mixed method of qualitative and quantitative research has been chosen.

Responses to quantitative and highly structured data collection instruments like questionnaires are often kept simple. These limited questions do not allow the respondents to express their feelings or to add personal experiences. Solving these restrictions, qualitative data has been gained with the creation of an online questionnaire containing not only closed questions, but also open questions in order to leave space for personal liberty regarding experiences and opinions. This research tool was used to help the researcher to understand how people feel, why they feel like they do and what needs to be changed in their opinion. Therefore, the respondent was able to add personal opinions and viewpoints in nearly every question. The quantitative method was also chosen because it was perceived as important to survey as many people as possible in order to get results from a broad range of people.

It can be assumed that not every participant would be familiar with the topic of the survey. In order to avoid any misunderstanding or any false answer due to a lack of

¹⁰⁷ Cf. Johnson and Christensen (2004, p. 118).

knowledge, every section started with an introduction into the topic in order to give the interviewee an idea of what will be expected in the following section and to provide as much background information as possible. Thereby, the researcher tries to keep the bias to a minimum and increases the possibility to obtain useful and reliable responses.

As a deductive reasoning is narrower in nature and is concerned with testing or confirming hypotheses, a top-down approach was chosen. The survey was divided into three different sections.

The first section contains, after a short introduction of the researcher himself and the envisaged project, general questions with respect to the interviewee's current employment. It covers questions like their country of origin, the country they are currently employed in, the size of their organisation, the number of represented nationalities in their organisation as well as the number of branch offices, if any. Those questions pursue several objectives: Firstly, they aim to identify right at the start whether the interviewee works in a SMEs or a big company. This differentiation seems to become interesting when the existing corporate culture is identified in the subsequent section of the survey. Secondly, the researcher is able to distinguish the corporate culture classified by country as the survey was circulated not only in Luxembourg or bordering countries, but also in the United States of America, although only a few results could have been obtained. Thirdly, the sector the interviewee is working in also gives a tendency and may distinguishes whether some sectors might be more aware of corporate culture than others.

After having completed the first section, the interviewee is passed on to the second section of the survey. As the completion of this section requires some essential background information, the interviewee is able gain useful information about corporate culture and some characteristics in the introduction of the second part. Although corporate culture is not a new topic and should be in everybody's, but especially in employers' minds, the interviewer makes sure that the interviewee really understands the topic before moving forward to the next section. After the introduction, the second part of the survey covers questions regarding the corporate culture in the interviewee's current work environment, but also focuses on personal

opinions. This part of the questionnaire contains a total of eleven questions concerning the current work environment and the present corporate culture, if present. For those interviewees that were unemployed or already retired at the time of the survey, the introduction highlights that even though they were currently not in an employment contract, the interviewees should answer the questions based on their previous employment and experiences. The aim of this section is to receive one-hand but general information regarding the existence of corporate culture, but also to proof the existence of a corporate identity in the organisation. Furthermore, it also investigates how corporate culture is communicated in an organisation and how the employees may be involved. In addition, this part also identifies how corporate culture is implemented and which measures, steps and actions the management might have taken in order to establish and maintain a corporate culture in an organisation. Not only obvious questions on corporate culture such as its importance or presence are discussed in this part, but also the existence of rituals, visible artefacts or job-related trainings. Although job-related trainings do not seem to be an obvious part of corporate culture, they are still important in view of further development and especially the motivation of employees. Encouraging and involving employees plays an important role with respect to extrinsic and intrinsic motivation. Furthermore, motivated employees seem to stand for the organisation, they are more willing to accept changes in management and they also tend to support the corporate culture. The aim of this part is to identify the awareness but also the importance of corporate culture in employees' minds but also to lay the foundation for the third part of the survey and to already verify or falsify the hypothesis whether corporate culture may act as motivation driver for employees. Except from one question, which was the last one where the interviewee is asked to explain in their own words how they would define corporate culture, all questions are multiple-choice questions with pre-set answers but with the possibility to add comments or personal experiences, if needed and if necessary.

The third part has a closer look on the topic and sees corporate culture more as an intangible asset. As this topic does not seem to be a well-known issue and in order to give the interviewee necessary background information, the third part starts, like the second part, with an introduction into the topic in order to understand corporate culture as intangible assets. During the following six questions to be answered, the

interviewee is able to express his personal opinion and viewpoint. Aim of this section is to investigate the correlation between corporate culture, extrinsic and intrinsic motivation as well as social and emotional intelligence. The style of the survey is maintained throughout. Therefore, the interviewee is able to choose pre-set answers by multiple-choice but has also the possibility to add personal comments. This part is one of the most important as it goes deeper into the topic and also covers non-obvious parts of corporate culture and identifies further correlation.

After having completed the three parts of the survey, the last section contains personal questions like age, gender, educational level, current employment and classification. It can be assumed that answers may differ based on these specific parameters. At the very end of the survey, the interviewer thanks once again for the time and gives the interviewees the possibility to contact her anytime in case they have any further question on the survey or are interested in the study.

The challenge of this survey is surely to keep the bias to a minimum and to include as few questions as possible but still to pursue the aim of the research.

Approaching mixed methods of data collection and for the purpose of obtaining individual responses on the relevant topic, the survey contains 33 questions, whereas not only specific questions regarding their current work environment must be answered, but also and especially questions regarding their opinion in view of their current awareness of corporate culture in within their current employment.

The survey is created in English and German and online from 23rd August 2017 until 29th September 2017. Within this time, 182 completed questionnaires have been obtained. In order to gain wide-ranging and distinctive answers involving different age groups with different social status, the survey was circulated by e-mail and posted on platforms of social networks, namely Facebook and LinkedIn. The researcher focused on employees from Luxembourg but also from bordering countries such as Germany, France and Belgium. However, the researcher also circulated the questionnaire to the United States of America in order to get one-hand information, as this country seems to have a well-known corporate culture, as outlined in chapter 6.

It is not possible to investigate the research problem on all affected objects and to obtain relevant data from all employees in Luxembourg. For this reason, the researcher drew back on a sample, which is representative for the population as a whole. Based on this, methods of the inductive statistics determine whether observations in the sample can be transferred to the theoretically defined total population, except from the results received from the United States, as the researcher only obtained eight completed questionnaires.

7.2 Illustration of the obtained results

The survey was online for five weeks. During this time, the researcher obtained 217 results, whereas 35 questionnaires were incomplete and therefore useless. The most answers have been received within the first 10 days. After this time, the participation stagnated significantly. After having analysed the obtained data, it turned out that 182 questionnaires have been received, 108 completed by male and 74 by female participants, which was more than the initially envisaged 150. The most questionnaires have been completed by employees from Luxembourg, followed by Germany, the United States of America and some other European countries such as France, Austria, Belgium, Netherlands and the United Kingdom (see figure 23).

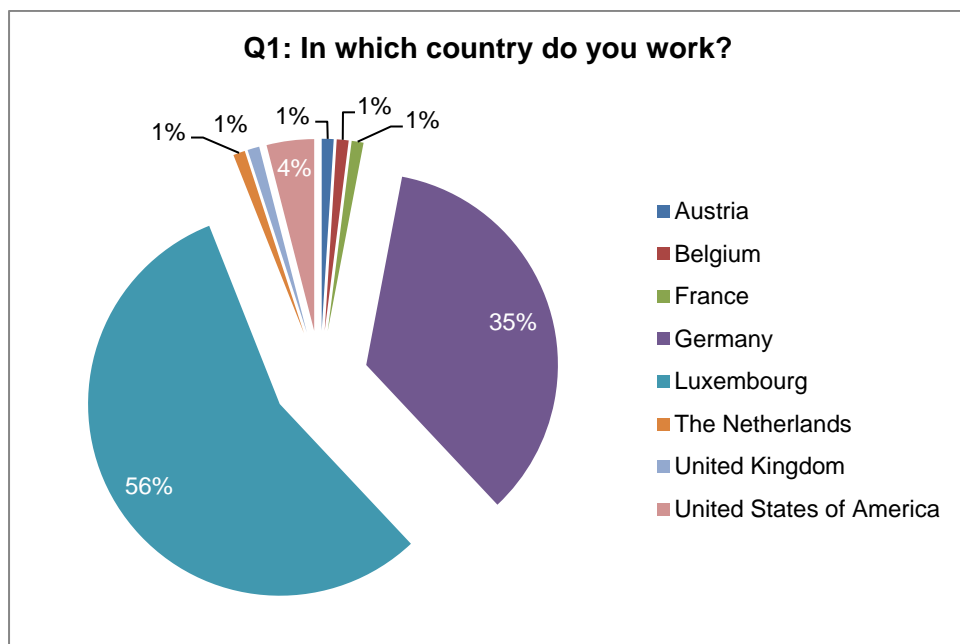


Figure 23: Country of employment

Luxembourg heavily relies on cross-border commuters, which is also reflected in the survey (see figure 24), as from the 103 Luxembourg employees, the majority of participants comes from bordering countries like Belgium, France and Germany and only 20 participants are Luxembourg citizen.

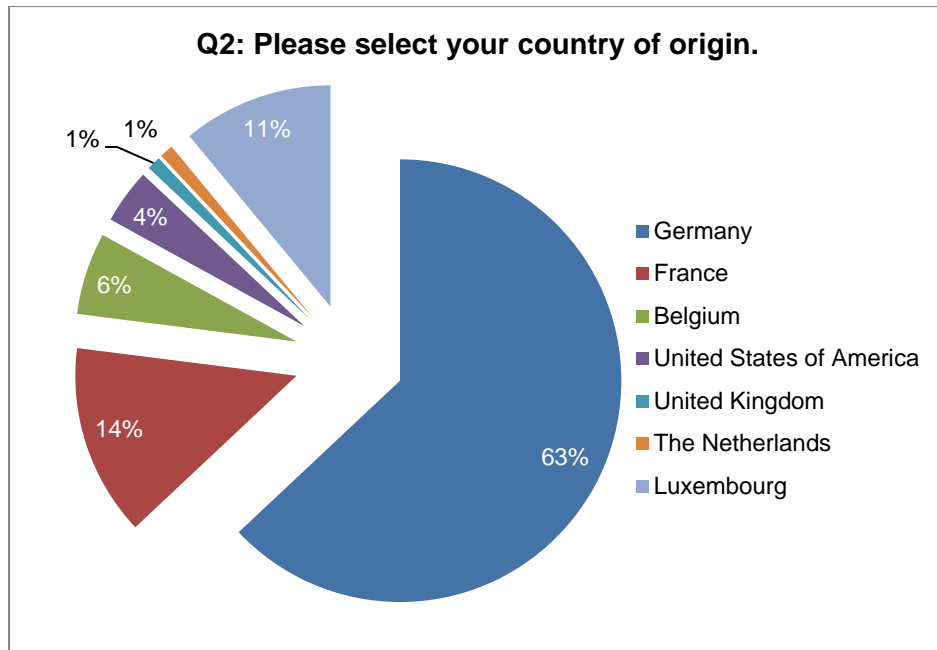


Figure 24: Country of origin

The classification of age group started at the age of 21 and ended at the age of 60+. The most represented age group was between 31 and 40 years old (almost 40 %), followed by participants between 21 and 30 years (almost 32 %). However, the researcher also received responses from participants between 51 and 60 years old and even 6 participants were older than 60 at the time of the survey. Obtaining results from employees older than 30 is important for this survey as those people tend to have the relevant experience to answer the questionnaires from a critical viewpoint. Only 19 % between the age of 41 and 50 participated in the survey. With respect to the current employment, 93 % of the participants were employed, whereas 6 % were officials and 1 % already retired. The below figure (figure 25) illustrates the level of education of the participants.

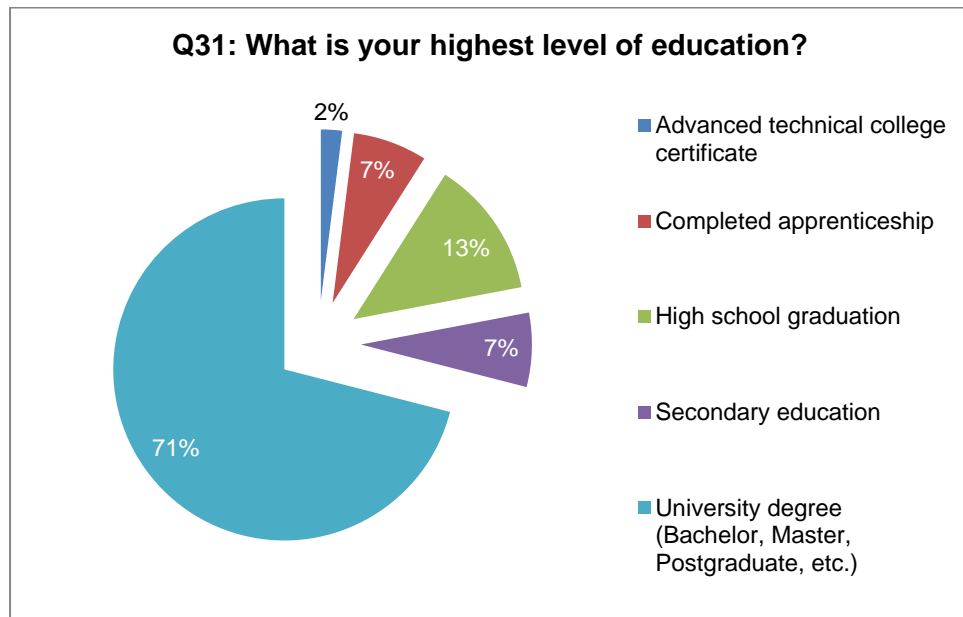


Figure 25: Level of education

As illustrated, the majority has obtained a university degree, such as Bachelor, Master or Postgraduate studies, 13 % hold a high school diploma, 7 % have completed an apprenticeship or have finished secondary education and 2 % hold an advanced technical college certificate. Furthermore, the majority of participants (58 %) belong to the staff of an organisation, 16 % have positions in the upper management and 26 % are managers.

The survey was circulated to a wide range of people working in different organisation and sectors in order to receive as many different results from a variety of companies as possible. However, after having analysed question 3 where the participant was asked to indicate the sector of his employer, it turned out that 50 % of the participants work in the service provider sector. Legal services, financial institutions, transport and logistics as well as public services, crafts enterprise and telecommunication and media sector were named by 67 participants, which correspond to 34 % of the overall responses. The other 16 % represent employees from the E-Commerce and IT sector, hotel industry or educational establishments, among a few others.

The first section also aimed to identify the size and the international aspect of the participants' organisation. Based on the obtained results and the figure below (figure

26), it can be concluded that the majority of the participants, in numbers, this corresponds to 65 %, work in an international organisation with branch offices in foreign countries.

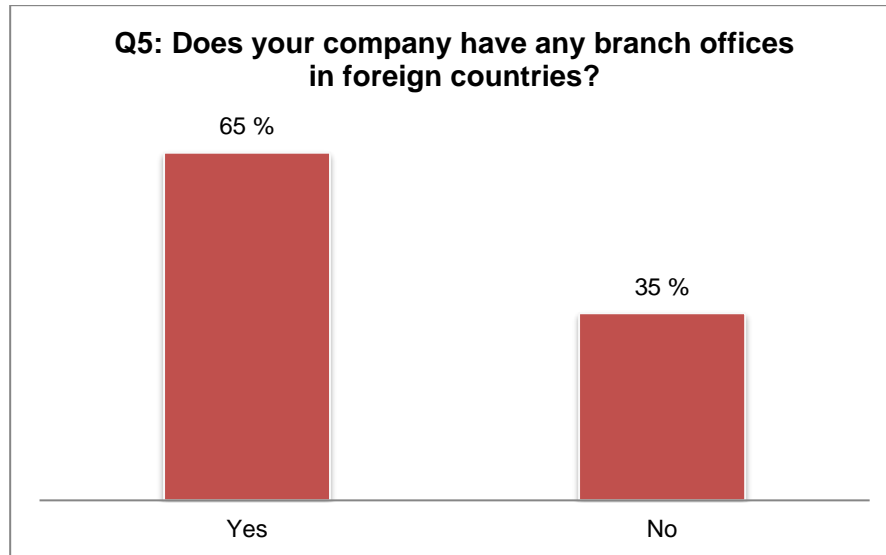


Figure 26: Internationalisation

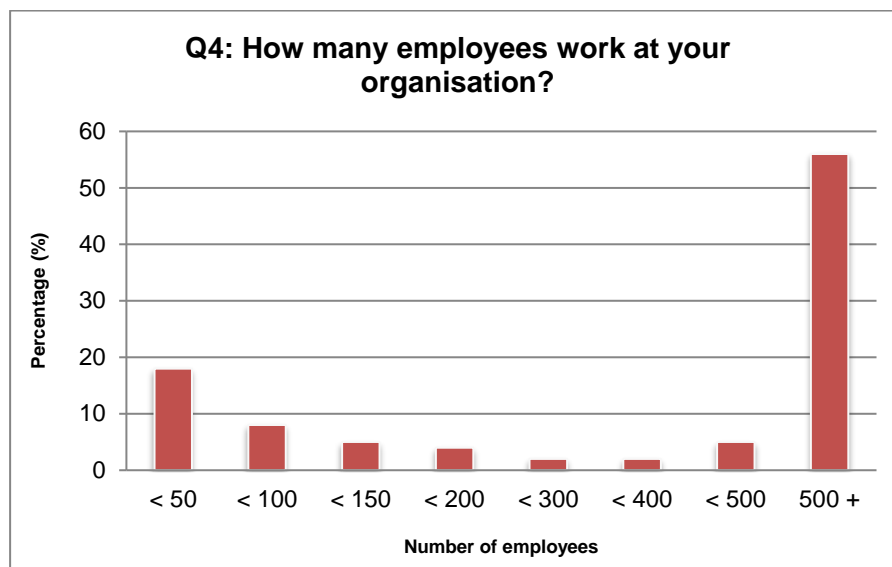


Figure 27: Size of organisation

Furthermore, more than 55 % work in big organisations with more than 500 employees (see figure 27) with more than 21 nationalities (figure 28).

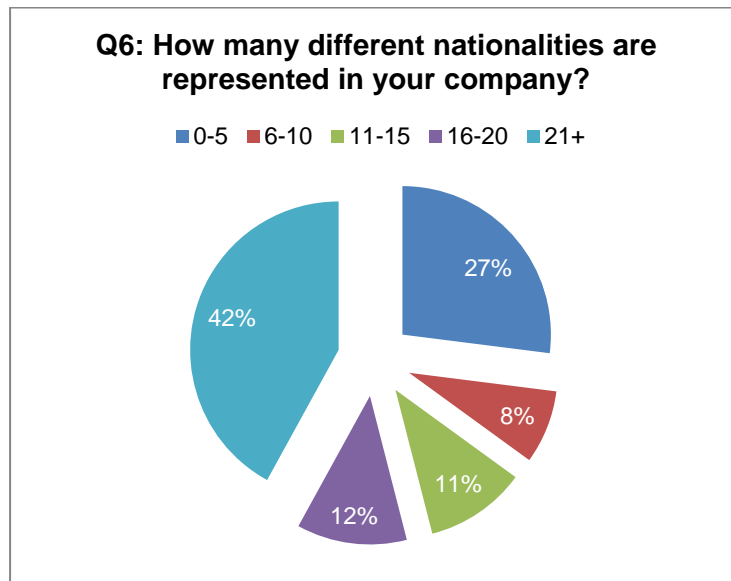


Figure 28: Nationalities

With respect to the second section, which relates to more precise questions in relation to corporate culture, 75 % of the respondents indicated that the company they are currently employed with or where they were employed before has a code of conduct. However, 12 % indicated that their employer does not have any code of conduct, whereas 13 % could not answer this question with a clear yes or no. For those participants who have affirmed the question before, 64 % indicated that the code of conduct of their organisation is clearly communicated to the employees, although 21 % were either not sure, or denied the question. This question does not apply to 15 % of the participants.

The figure below (figure 29) illustrates the results obtained from question 9, where the interviewees were asked to indicate how satisfied they were with the current workplace culture in the organisation they are currently employed.

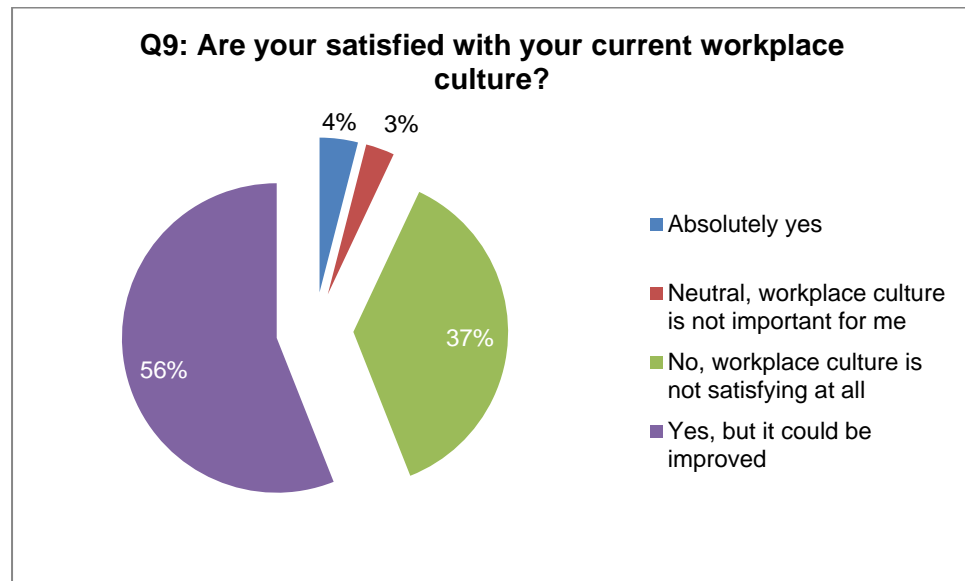


Figure 29: Employees' satisfaction on workplace culture

As indicated in this figure, only 4 % of the participants stated that they are absolutely satisfied with their workplace culture, whereas 3 % do not see workplace culture as important. However, 56 % indicated that they are satisfied although the workplace culture could be improved, while 37 % of the overall participants indicated that the workplace culture in their organisation is not satisfying at all. As the workplace culture may also be linked to the management, the participants were asked in question 10 to which extent they trust and believe in their management. From 182 participants, a total of 94 stated that they have a high level of trust amongst their management and believe what they say. However, 55 participants do not trust their management at all whereas 33 participants trust them in a limited scope.

The further part of the second section of the survey concerned the visible corporate culture that the participants recognise in their organisation. With respect to question 11, where the participants were asked to explain whether their organisation has any visible norms and value that are clearly communicated by the management, the majority of the 182 participants affirmed the hypothesis. Only 25 % stated that they do not recognise any visible norms and values such as corporate slogans or colours in their organisation. However, even though 25 % do not recognise any visible norms, 85 % indicated that their organisation has specific rituals. The most stated rituals and events were Christmas parties, casual Friday events, summer BBQs or

other kinds of staff parties. Furthermore and with respect to question 13, which concerns the visible artefacts, 61 % indicated that their employee uses common symbols, architecture or have a shared language, history, rituals and ceremony in their cross-national organisations.

Most of the organisations seem to motivate their people with extrinsic and intrinsic motivation and support their employees by offering job-related trainings. Expressed in figures, 73 % of the participants indicated that their employer offers such trainings. However, this is where opinions differ as shown in figure 30.

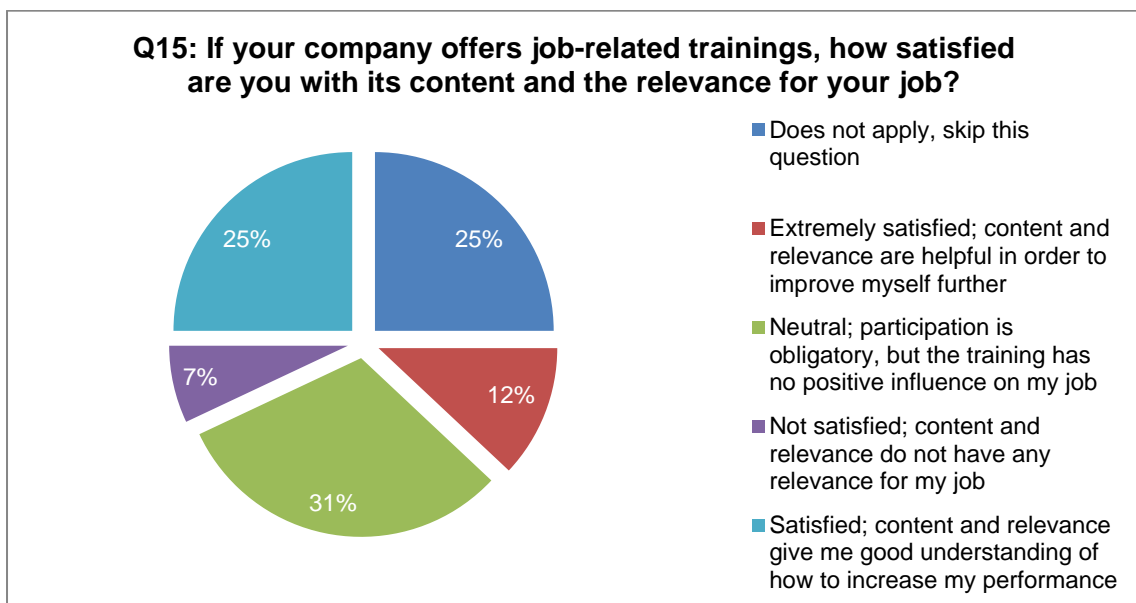


Figure 30: Satisfaction on job-related trainings

Only 12 % of the participants stated that they are extremely satisfied with the job-related trainings and its content, 25 % are satisfied and gain a good understanding of how to increase their everyday performance. However, 31 % indicated that they only participate in trainings as they are obliged to. The trainings do not have any positive influence on their job, whereas 7 % are not satisfied at all and indicate that the training has no relevance at all for their job.

The further questions mainly related to the participant's personal opinion on corporate culture. In order to identify the importance of corporate culture for the participants, they were asked in question 16 to value the importance from crucial to

unimportant. At the end of the question, 59 % of the participants valued corporate culture as important, whereas 30 % said that corporate culture is crucial for them and indispensable. Still, 2 % do not see corporate culture as important and 9 % have no opinion and answered neutrally to this question. However, almost 93 % of the participants affirmed the hypothesis that a well-established corporate culture can be a factor of success, no one disagreed, and 83 % agreed that companies' value might benefit from a corporate culture. In addition and according to the answers received in question 19, a cross-border corporate culture seems to be important for almost 84 % of the participants. Interestingly, most of those responses were obtained from employees working for international and big companies. Only participants from smaller organisation without any branch-offices in foreign countries indicated that cross-border corporate cultures are either less or not important at all. Furthermore, 83 % of the participants indicated in question 20 that they think that their organisation's corporate culture might be influenced by their own behaviour. Only 9 % stated that their own behaviour would not have any influence on the corporate culture of their organisation.

In order to identify the importance of corporate culture and to verify the responses obtained in question 16, participants faced the following scenario in question 21.

*Imagine you would have received two similar job offers from two different companies and you would have to choose between a company with a well-established corporate culture (company A) and a company without a corporate culture and therefore, without any shared values, norms and code of conduct (company B).
Which company would you prefer?*

The answers indicated that the majority and therefore almost 79 % of the participants would accept the job offer from company A. Therefore, this verifies the responses and clearly proves that corporate culture is important to the majority. However, 17 % indicated that the corporate culture would not have any influence on their decision and still 4 % would have chosen company B and therefore an organisation without any corporate culture.

At the end of the second part of the survey, the participants were asked to define corporate culture in their own words. As the researcher aimed to identify the awareness and understanding of corporate culture, this question was designed as an open question where participants were allowed to add key words and characteristics. 80 participants did not answer this question and left this field blank. After having reviewed the remaining 102 answers, it can be concluded that most of the participants already have a clear view and good understanding of what corporate culture means and how it is implemented. However, some responses were rather negative, which may lead to the conclusion that although those participants understand the topic, the corporate culture in their organisation is not satisfying. Indeed, after having extracted those responses, it turned out that especially those participants have indicated in question 9 that they are either not satisfied at all or have answered this question neutrally.

As already explained in the previous chapter, the third part of the survey had a closer look on the topic and saw corporate culture more as an intangible asset. Therefore, the first question asked whether the participant thinks that corporate culture may be seen as intangible asset that should be developed and adjusted permanently due to environmental influences. 62 % of the participants agreed, whereas 25 % agreed partly and 13 % disagreed. As corporate culture may act as motivation driver, question 24 aimed to identify its essential basis, origin and objective. As shown in figure 31 below, the majority and therefore 70 % of the respondents indicated that, in their opinion, corporate culture might act intrinsically and extrinsically as motivation driver. In addition, 10 % of the participants indicated that corporate culture does neither act as motivation driver nor does it have any influence on the employees' motivation.

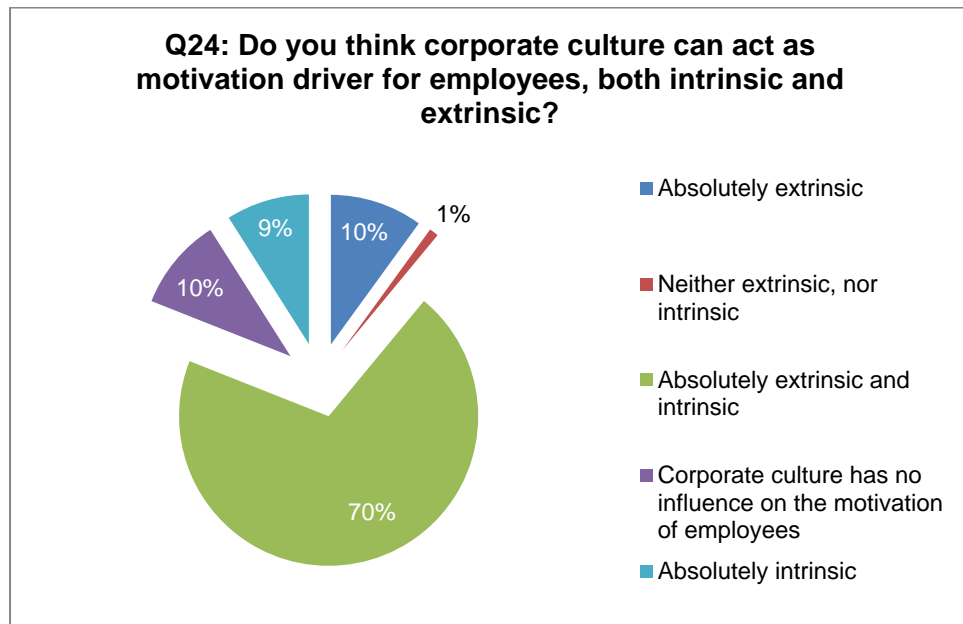


Figure 31: Corporate culture as motivation driver

Companies with a well-established corporate culture seem to have a higher existence of intellectual property and may be more innovative than other. Responses differed in relation to this hypothesis. With respect to the higher existence of intellectual property, only 30 % of the participants fully agreed, whereas 57 % partly agreed and 2 % partly disagreed. 11 % of the participants do not see any relation between intellectual property and corporate culture, either by answering clearly “absolutely not” or by indicated that this question is irrelevant. Furthermore, 93 % of the participants affirmed the hypothesis fully or partly with respect to the question whether companies with a corporate culture may be more innovative than others. The other remaining 4 % disagreed fully or partly, whereas 3 % find this question irrelevant, which might lead to the conclusion that they do not believe in an existing correlation between corporate culture and innovation.

The style of how companies establish corporate culture also seems to be an important aspect. According to the answers received in question 28, where the participants were asked whether companies with a well-integrated corporate culture might be more successful than companies with a laissez-faire attitude, it turned out that almost 92 % agreed fully or partly. The other remaining 5 % either disagreed fully or partly, whereas 3 % did not see any correlation. However, it needs to be mentioned that the management styles and the behaviour with respect to corporate

culture may differ with respect to different sectors, like e.g. start-ups cannot be compared with international organisations as their attitudes, goals and objectives may differ.

The last question of the third part of the survey, question 28, concerned the need and the level of emotional and social intelligence when establishing and maintaining a corporate culture.

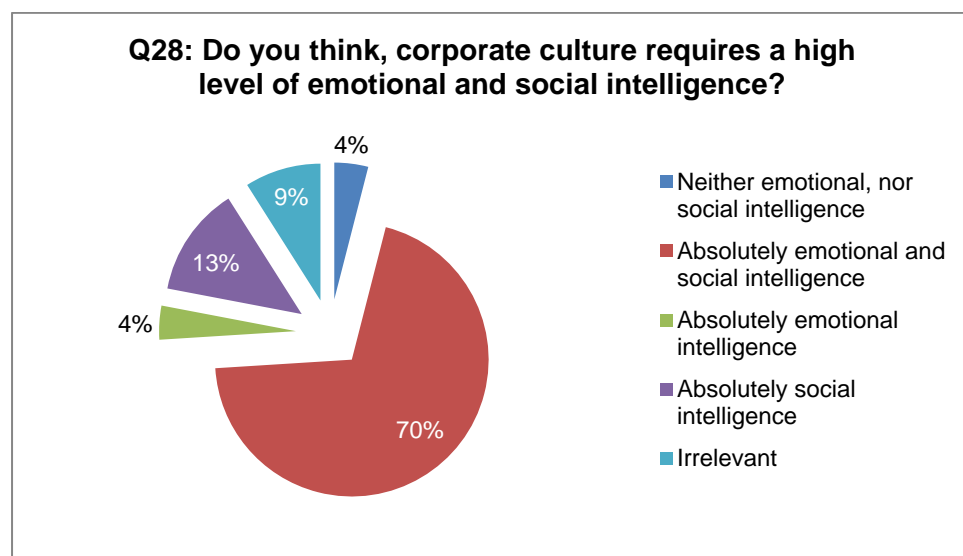


Figure 32: Correlation with emotional and social intelligence

As illustrated in figure 32, the majority of the participants indicated that a high level of both emotional and social intelligence might be required in order to establish and maintain a successful and fruitful corporate culture. In the opinion of 14 % of the participants, only a high level of social intelligence is important, whereas 4 % see the emotional intelligence as important. However, 13 % of the respondents indicated that either emotional or social intelligence do not have any correlation to corporate culture or that neither emotional nor social intelligence might be required.

7.3 Critical reflection and interpretation of results

After having illustrated the answers obtained in the survey, the following chapter aims to critically reflect and interpret those results. For the sake of clarity and in order to have a deeper insight on corporate culture in different sectors, the results are segmented, where appropriate. Furthermore, the results are grouped by country

in order to have a deeper view on the awareness in different countries. This aims not only to identify which country, based on the answers received from the participants, seems to be more aware of corporate culture, but also how companies in different countries perform in order to establish and maintain a corporate culture. Thus, the results may give the researcher an indication on how motivated employees are due to a corporate culture in their organisation and, in addition, how valuable a well-established corporate culture might be for both, employees and employers.

However and as the answers received from participants working in bordering countries such as Belgium, France, the Netherlands and the United Kingdom were too small, those countries have been grouped and results are analysed as a whole.

7.3.1 Luxembourg

Based on the results, 103 participants work in Luxembourg and come from bordering countries such as Belgium, France, Germany, but also from the United Kingdom. Furthermore, of the 103 participants, 75 work in organisation with more than 500 employees, 9 in organisation with more than 400 but less than 500 employees, 10 in companies with more than 100 but less than 400 employees and only 9 in small organisations with less than 50 employees. According to the answers obtained in question 7 where participants were asked to identify whether their organisation has a code of conduct, 76 % of the Luxembourg employees agreed and therefore identified the existence of corporate culture in their organisation. However, 16 % answered that they were not sure, which may lead to the conclusion, as referred to in question 8 to identify the way of communication of corporate culture to the employees, that the code of conduct and therefore the content of corporate culture is not openly communicated to the employees. Having a closer look on the results obtained in question 8, the results clearly prove this hypothesis as almost 27 % of the participants stated that the code of conduct is either partly or not at all communicated to the participants. Based on this, one may already draw the conclusion that even though corporate culture exists in organisations in Luxembourg, companies might change the way of communication and have to make their corporate culture and their code of conduct more visible to the employees.

In addition, 80 participants confirmed that their organisation has visible norms and values that are, in addition, clearly communicated and visible to employees and customers. Breaking down this result, 60 out of 80 respondents work in organisation with more than 500 employees. Therefore, it can be concluded that organisations with many employees and, according to the answers, with a high variety of different cultures, are more likely to have a corporate culture than others.

The existence of corporate culture in Luxembourg seems to become more and more important for employees and seems to be an important criterion in favour of the decision for or against a company. Indeed, 89 out of 103 participants indicated that corporate culture is either important, or even crucial to them. Only two participants indicated that corporate culture is not important for them, whereas 12 participants answered neutrally to this question. Proving this hypothesis on the Luxembourg market, participants were asked to indicate how satisfied they were with their current workplace culture. 55 participants indicated that they are satisfied, although the corporate culture could be improved. 5 participants indicated that they are absolutely satisfied, 5 answered neutrally and surprisingly, 38 participants answered the workplace culture in their organisation is not satisfying at all. Going further, the researcher tried to prove in question number 20 whether corporate culture might really be an important criterion. Within this question, the participants faced a hypothetical situation where they should imagine that they would receive two similar job offers, one from company A with a well-established and maintained corporate culture and one from company B, an organisation without corporate culture and therefore without any shared values, norms and code of conduct. 89 of 103 Luxembourg participants clearly indicated that they would choose company A, only 4 participants would choose the job offer received from company B. However, 10 participants indicated that corporate culture would not be a decision criterion and that the existence or non-existence of corporate culture would not have any influence on their decision.

Taking a closer look at those particular participants, it turns out that most of them work for service providers, in the public services or in the transport and logistics sector with more than 500 employees. However, those participants also indicated that their company has a code of conduct and visible norms and values, which are,

in most cases, communicated to the employees. Following the particular results from the participants who are not satisfied with the corporate culture they face in their organisation, it can already be concluded that even though companies tend to invest in corporate culture, a change of thinking might be required, also with respect to the communication towards employees.

Going further on the interpretation of the results, participants are aware of the importance of corporate culture. They seem to agree to the hypothesis that a well-established corporate culture can be a factor of success, as 100 participants answered this question with yes. The remaining 3 participants did not agree. Surprisingly, not one manager disagreed with this hypothesis. In addition, 88 participants are aware of the influence their behaviour has on the companies' corporate culture.

As intangible assets have become an important aspect in today's economy, but especially in an information society like Luxembourg, the third chapter mainly treated corporate culture as an intangible asset and aimed to identify the awareness of Luxembourg employees towards this subject. Based on the responses received in the third part of the survey, it can be concluded that corporate culture is already in the mind of and seen as intangible asset by some participants. However, a change of thinking and a behavioural change of employers towards this particular topic seem to be important and required. Moreover, companies might benefit from its employees in order to increase their value of intellectual property. 91 from the 103 participants indicated that corporate culture leads automatically to a higher existence of intellectual property and it can be assumed that they might be willing to be a part of that. Interestingly, all managers or employees from the upper management agreed and indicated that corporate culture and intellectual property are connected to each other. Furthermore, every participant from the management level stated that companies with an open corporate culture are more innovative than others, equal results have been obtained with respect to the management style: none of the managers think that companies with a *laissez-faire* attitude are more successful than companies with a well-established corporate culture. However, it can be concluded that even though the management level is aware of the importance of intangible assets, which includes corporate culture, a further approach may be required.

Taking a closer look at the answers given by the managers or employees from the management level, the survey has shown that even though it might have been expected that they would be satisfied with their organisation and the corporate culture, the majority of them still sees potential for improvement. Especially the managers that work for an organisation with more than 500 employees, branch offices around the world and with more than 21 different cultures represented in their organisation tended to express their dissatisfaction on topics like code of conduct and its communication towards employees, the workplace culture and, more importantly, the quality and quantity of job-related trainings. In addition, the majority of the managers agreed that corporate culture could also act as motivation driver for employees; surprisingly, most of them chose both options, extrinsic and intrinsic motivational factors. With respect to the level of social or emotional intelligence that might be required in order to establish and maintain a good corporate culture, 64 of the Luxembourg employees indicated that in their opinion, both social and emotional intelligence are important. 21 participants indicated that only social intelligence might be relevant, whereas 5 chose emotional intelligence. 6 participants did not see any relation between the degrees of emotional and or social intelligence whereas 7 saw this question as irrelevant. The distribution of responses was rather vague, both manager and employees were represented in all available categories.

Considering the obtained answers classified by age, it turned out that employees 51 years up, either already retired or still working tend to be the happiest employees. They trust their management, are satisfied with their workplace culture and with job-related trainings. In addition, this age group was the one with the most and most interesting answers with respect to question 22, where they were asked to state their own definition of corporate culture. This might be the result of their experience. They might have probably worked for several employers in their lifetime and are able to compare the different organisations, their structure, offers for employees and their engagement towards employees. However, this hypothesis cannot be proved as the survey was completely anonymous and the researcher is not able to identify any employment histories.

The age group 21 to 30 years old can be described as satisfied, but still expecting. Participants indicated that workplace culture is important or even crucial and that

they are gratified with the current corporate culture, although they still tend to expect more recognition, respect and clear norms and values. Especially the job-related trainings seem to be an important aspect that should run through a process of adaption and modification.

Participants between the age of 31 and 50 can be classified as experienced, but also still expecting improvements. All participants understand the importance of corporate culture, but not everyone was satisfied with their current workplace culture. At least, participants mainly trust their management (at least half of them). However, this specific age group had mainly the same allocation of responses with respect to the job-related trainings. Overall, the answers from this age group covered almost the same answers as received from participants between 21 and 31 years old. The significant difference was found in their satisfaction towards corporate culture that they face in their daily life.

Summarising the results from Luxembourg employees, it can be concluded that the country has already made some major steps towards the establishment and maintenance of corporate culture in their economy. However, a further approach with respect to a more open communication towards the employees may be required. In addition, especially small companies would need to adapt their corporate culture to economic circumstances and environmental changes and, more importantly, build a foundation of shared values that are lived throughout the companies in order to motivate their employees, to increase their loyalty to the company and, as a result, to reduce staff turnover and to keep good employees that know the company, its procedures and who also value the employer. Furthermore, companies should put more focus on job-related trainings in order to support employees and to convey the feeling that the organisation cares for its employees and supports them in further development.

Applying these changes, companies might be able to increase the value of their business and to become more attractive on the job market.

7.3.2 Germany

Taking a closer look on the results obtained from German participants, 70 % of the responses indicate that German organisations have already established a code of conduct and therefore are already working on its establishment and maintenance. In addition, 60 % of the German participants also indicated that the code of conduct is openly communicated to the employees, 40 % indicate that either their company has no code of conduct or that they were not aware of its existence. However, none of the German participants is completely satisfied with their current workplace culture although 37 indicated that they are satisfied but still expect some improvements. Surprisingly, 27 of 65 participants are not satisfied and one single participant, female and between the age of 21 and 30, indicates that workplace culture is not important for her. In conclusion and compared to Luxembourg, Germany tends to have not yet evaluated the additional value that corporate culture could bring to a company.

Analysing the before-mentioned 37 responses, it can be concluded that most of the participants work in organisations with more than 300 employees, with several branches in foreign offices and a high diversification of represented cultures. Furthermore, the majority of them does not trust the management and is therefore sceptical towards any changes or measures. This might already be an indicator for their dissatisfaction.

Although the company has both a code of conduct and special rituals and events for the employees, it is surprising that still 27 participants are not satisfied at all with what their employer offers to them. This could be linked to the job-related trainings as the majority of the unsatisfied employees also indicated that their employer does either not offer any training at all, or they only participate because of the compulsory attendance although the trainings don't have any relevance to their jobs. This might be one of the reasons for their dissatisfaction. Participants are aware of the importance of corporate culture and the influence their behaviour may have, not only for the companies and their success, but also for their own and their work environment. The age span of this particular group is wide. In fact, every age group was represented and both managers and staff belong to the here-called "group of dissatisfaction". Interestingly, the managers tend to answer the questions more critically. Even though they tend to be aware of corporate culture and which

measures need to be taken in order to establish a good corporate culture, it seems that their own action towards this subject is rather limited and inefficient. However, this conclusion is rather speculative and should not be understood as final conclusion.

Participants indicated to be satisfied with their current workplace culture cluster German citizens (only one German employee is an US citizen) with a high expectation on and importance of corporate culture. The distribution of age and size of organisation varies although mainly employees from local organisations without any branch offices participated in the survey (for this classification). Even though it seems that only employees from local companies participated, a diversification of cultures can still be identified. Based on the responses, it can already be concluded that most employees, namely 16 out of 22, have already established a “good” corporate culture although participants suggest and expect improvements. Participants trust their management and value the present culture. Most of the participants recognise visible artefacts and symbols in their organisation although 28 % of the participants do not recognise any identifying artefacts. This might mean, for instance, that local companies do not invest too much in the distinguishing features, probably due to the limited business they seem to perform locally.

Focusing on corporate culture as in tangible asset, almost all participants believe that companies with a well-established corporate culture tend to be more successful than others. Having said this and taken into consideration the level of importance of corporate culture for the employees, it can be concluded that employees believe that highly motivated employees facing a healthy workplace culture could have a significant impact on the businesses’ performance. In addition, the majority of the participants believe that companies with a well-established corporate culture are more innovative than others. In conclusion, it can be expected that German organisations could perform even better if they worked on their corporate culture. In terms of motivation, opinions differ in the German group. Although almost 48 participants indicate that corporate culture may act as motivation driver, both extrinsic and intrinsic, 17 participants still believe that there is no existing correlation between motivation and corporate culture. Taking a deeper look on those 17 participants, it turned out that this special group also belongs to the before-

defined group of dissatisfaction. Thus, one may conclude that if organisations concentrate more on their employees and on the establishment of shared values, norms but also on teambuilding and employees' motivation, they might be able to increase employees' enthusiasm and could use also increase their business performance. In addition and with respect to the rituals and events already established in German organisations, it turned out that even though they already invest in social events, it mainly includes only Christmas dinners. Organising an off-the-job event once a year may not be sufficient in order to perform corporate culture. Thus, it may be suggested to German employers to focus more on its employees by including them in decision-making processes, offer more job-related trainings and communicate more openly the firm's values, but also to make them feel to be part of the group and not only a number in the company. Also, employers should give employees the feeling to be part of the team and treat them as people, rather than just seeing them as someone that might bring profit to the organisation.

7.3.3 Austria, Belgium, France, the Netherlands, United Kingdom

With respect to the existence of corporate culture in bordering countries, only 6 participants of the survey work in Austria, Belgium, France, The Netherlands and the United Kingdom in organisations with either less than 50 or more than 500 employees (the distribution was 50/50). Therefore, drawing a realistic conclusion on the existence of corporate culture in their countries is not possible and the results cannot be interpreted as representative for the whole population based on the small number. This chapter will however critically discuss the obtained result and a final conclusion with respect to the participants from Austria, Belgium, France, the Netherlands and the United Kingdom will be drawn at the end of this section. According to the obtained results, it can be said that the majority, namely 5 of 6 employers, have already established a corporate culture in their organisation and openly communicate it to their employees. This is also reflected in the employers' satisfaction. Indeed, 6 out of 6 participants and therefore 100 % indicated that they are satisfied with their current workplace culture, whereas 5 of them admit that corporate culture is either important or even crucial to them. Only one participant answered neutrally with respect to his personal attitude towards corporate culture. According to the results, one may assume that the participants from the above-mentioned countries seem to be the happiest and luckiest with respect to their

current workplace environment. In order to verify or falsify this presumption, the other remaining answers will be examined carefully.

The participating employees all work in organisations with a present corporate diversity with more than 5 different nationalities. Norms (either visible or non-visible), shared values and rituals are lived throughout the company and employees have frequently the opportunity to participate in any off-the-job events, such as summer BBQ, Halloween or Christmas parties, promotion parties or casual Fridays and after work drinks. The job-related trainings offered by the employers are either satisfying or even extremely satisfying (50/50). Therefore, it can already be concluded that the employers of the participants have already laid their focus on employee development, which they successfully seem to perform. Going further, participants tend to value their corporate culture, to understand its deeper meaning and how they might benefit from a well-established corporate culture. Expressed in figures, 80 % of the participants assume that they might be able to influence organisations' success with their own behaviour. They have a clear understanding of what corporate culture really is and how it is implemented and lived within their organisation. For the majority, corporate culture is understood as an intangible asset that should be subject to a continuous improvement process and adapted due to environmental changes. Furthermore, participants indicate that in their opinion, companies with a well-integrated corporate culture are more successful than companies with a laissez-faire attitude. Moreover, they believe that companies with an open corporate culture are more innovative than others and that corporate culture may lead automatically to a higher existence of intellectual property. In the participants' opinion, motivation is an important aspect of corporate culture and driven by both extrinsic and intrinsic motivation.

In order to prove the weightiness on corporate culture, participants were asked to ponder job offers received from two different kinds of companies, as already explained in an earlier chapter. Surprisingly, almost 85 % of the participants would choose the job offer from company A, a company with a well-established corporate culture. Only one participant indicated that corporate culture would not influence his or her decision as corporate culture is not a criterion for exclusion. Therefore, the hypothesis and the importance indicated in question 16 are true and verified.

Participants from the above-indicated countries have all already gained several years of work experience. The median age of the study participants is between 31 and 50 years. Except for one participant, all of them work in higher managing positions and have an academic background. Overall, it can be assumed that, compared to the results obtained from participants in the younger age range, some views come with age and experience as “older” participants tend to see cultural aspects as more important and value those more than younger employers.

The obtained results and their almost overall conformity may lay in the perception of cultures. Comparing the different cultures and their characteristics and applying different models on cultural dimensions, it can be concluded that the obtained answers may also result in their resemblance of culture. Indeed, Austria, Belgium, France, The Netherlands and the United Kingdom share similar cultural characteristics according to Hofstede’s model on cultural dimensions, as explained in chapter 3.3.

In conclusion, it can be said that the employers of the participants have done everything right – in view of communication, trainings and employee motivation. However and as indicated in the beginning of this sub-chapter, this conclusion should rather be understood as highly hypothetical as the number of participants is too small for drawing a realistic conclusion and to be interpreted as representative for the whole population.

7.3.4 United States

As already indicated in a previous chapter, the United States seem to have a relatively healthy and good corporate culture. According to the results obtained from the survey, this thesis may be proved as 6 out of 8 participants confirmed the existence of corporate culture, its continuous improvements and open communication towards employees. Taking a closer look on the results, these 6 participants work in an organisation with more than 500 employees. Therefore, it can be concluded that mostly big organisations may be aware of corporate culture and endeavour to its maintenance. However, these results cannot be understood as representative for the whole population neither as the number is too small to be generalised.

US participants seem to be aware of the importance of corporate culture and its influences on employees. In fact, 75 % of the participants indicated that a well-established corporate culture can be a factor of success and 87.5 % indicated that organisations with a well-established and healthy corporate culture are more successful than others. Employees' motivation tends to play an important role in view of US participants. The use of extrinsic and intrinsic motivation and a high degree of emotional and social intelligence may help to increase employees' motivation. In addition, US participants tend to agree that companies with a healthy corporate culture are more innovative than competitors with either a bad corporate culture or without any kind of organisational culture.

US companies frequently offer job-related trainings, although only 2 of 8 participants indicated that they are extremely satisfied with its content and relevance to their jobs. 3 participants are satisfied and both content and relevance give them a good understanding of how to increase their performance. The other remaining participants indicated that they only participate as they are obliged to. Therefore, it can be concluded that even though US organisations invest time and resources in order to train their employees, they should rather focus on quality than on quantity.

In addition, US companies heavily focus on their reputation, although it seems to be limited to social reputation to attract future employers. The organisation of off-the-job events is important and maintained throughout the year. According to the comments received in the survey, the most popular and common events are summer BBQs, Thanksgiving parties, casual Fridays, Halloween parties, family days and promotion celebrations, but also weekend-trips to theme parks where not only the employees, but also their families are invited. One interesting event that has been stated in the survey was an in-house communication lunch every quarter where employees were informed about updates on the company's performance. However and focusing back on the reputation, only about one in four participants indicated that their organisation uses visible artefacts, although this is limited to the companies' slogans and corporate logos. In view of brand recognition and its improvement, this result seems to be quite surprising as the respondents all work in organisations with more than 500 employees and branch offices worldwide, e.g. Brazil, Canada, France, Germany, India, Mexico, Russia, and the UAE.

US participants highly value corporate culture and what their employers offer them. They are aware of the influence their behaviour might have on the business' performance and they all have a clear view of what corporate culture is, what it includes and how it should be performed. According to the obtained results, it can be concluded that the expectations and experiences do not differ with respect to age or educational level. Indeed, the age range, educational background and employment in the survey were rather balanced. Therefore, it cannot be concluded that e.g. younger employees in the US have a different view on corporate culture than older employees. However and as already indicated in the introduction, the results obtained in the survey can neither be understood as representative for nor applied to the whole population.

8 Conclusion

Corporate culture creates the organisational atmosphere that pervades the way people work and is the consolidation of values, vision, mission, and the day-to-day aspects of communication, interaction, and operation. Corporate culture is hard to define, as it can be seen by the many different existing definitions on the topic, and even harder to get right. However, taking the existing definitions into consideration, the core elements that form the heart of corporate culture can be summarised and illustrated as follows:



Figure 33: Corporate culture core elements (own illustration)

Measuring a company's culture is vital and tends to be one of the easiest things to overlook. It can neither be easily expressed in figures, nor can it be seen on a balance sheet, and it certainly tends not to be evident in any marketing or PR activity a company may undertake. When analysing investments, organisations tend to consider exclusively the hard business results and the fiscal capabilities of the business rather than its behaviours. However, as employees and employers are part of shaping corporate culture, the answers of how to measure its value lies in this particular group. Talking to and including the appropriate stakeholders will attain the

big picture. It is the only way organisations can ensure that they have applied appropriate due diligence and measures with regards to investigating a company's culture. If employers only talk to one group, they are likely to skew the information and present a bias when looking at their investment opportunities. The management will only present one side of the argument, and if there is a potential upside to them in the investment, then they are likely to only reflect on the positive aspects of the culture, or what they believe is there. However, this does not give them all the information they would need and it would be rather inefficient. As outlined in this assignment, several approaches and models have already been implemented in order to calculate the value of corporate culture and to express this value in figures and numbers. However, the existing models seem to include parameters that might emphasise an incorrect result of the analysis. Therefore, another approach of measuring a company's culture value would be to use the stock exchange value and book value as parameter, deduct other development aspects and to compare those numbers on a regular basis in order to create a matrix that would be able to clearly identify the tendency and make a clear statement on the value of corporate culture. However and as outlined in this thesis, this should rather be understood as a possible way of measuring the value of corporate culture. Due to limitations, this theory could not have been proven within the timeline of this paper and should therefore only work and be evaluated as a theoretical approach.

As examined, corporate culture can contribute meaningfully to financial results and can lead to cost reduction, flexibility, creativity, marketing and image improvement. The better integration of different employees and cultures in the companies should create a more pleasant working atmosphere and increase satisfaction. Associated with this, companies can expect fewer illnesses, more loyalty and motivation and therefore a higher productivity. In times of globalisation and internationalisation, companies should also consider the diversity of nationalities in their organisation when establishing, maintaining or adjusting their corporate culture. As researched by Hall and Hofstede, cultures differ significantly in views, expectation and behaviour and this detail should not be left apart. However, many people seem to not give this fact enough attention, which has been proven in the performed research. Although Luxembourg has already implemented some important measures towards corporate culture, it turned out that a change of thinking with respect to internal and employee-

friendly communication, individual training and promotion of employees and a behavioural change towards intangible assets and IP would still be required. Especially with respect to job-related trainings, companies need to improve their offers and programs to an individual fit in order to increase the participation, motivation, satisfaction and relevance to the daily work. It remains to be hoped that once organisations have understood the importance of corporate culture and that it can bring huge benefit to the company, the awareness will change in the future.

As explored in the performed study, bordering countries like Austria, Belgium, France, Germany Netherlands but also the UK and US have already made some major steps towards corporate culture. However, it can be advised that those countries should also re-think their strategy and include some other important aspects in their corporate culture in order to become more attractive and competitive on the market. Employees are aware of the influence their behaviour might have on the business' performance and they have all a clear view of what corporate culture is, what it includes and how it should be performed. It is therefore highly valued and has become a deal breaker in the decision-making process with respect to jobs.

In conclusion, it can be said that corporate culture is an on-going process of checks and adjustments that needs to be reinforced at all levels of the organisation and the employees' life circle. It needs to be lived throughout the whole organisation and may also be used to attract new hires and motivate existing employees. Thus, corporate culture should act as motivation driver for existing and future employees in order to make the organisation more valuable. Unmotivated employees breed a negative culture with those around them and all that work can quickly disintegrate, so realising what drives all employees from a motivational standpoint and matching that with work and thinking and behavioural preferences is a better, more holistic approach to hiring, training, and retaining the employees who make up an organisation but more importantly, who make up the culture of an organisation.

As the Harvard Business Review concludes, "great culture is not easy to build - it's why high performing cultures are such a powerful competitive advantage. Yet organisations that build great cultures are able to meet the demands of the fast-paced, customer-centric, digital world we live in. More and more organisations are

beginning to realise that culture cannot be left to chance. Leaders have to treat culture building as an engineering discipline, not a magical one¹⁰⁸.

With respect to the results obtained in the study, it can be concluded that corporate culture is still an underestimated intangible asset, especially for information societies like Luxembourg, which should become more famous and an inevitable aspect in organisation in order to remain or become more competitive and attractive and to become a workplace where employees are satisfied and are able to increase business performance by their behaviour – not because they have to, but because they want to as they live for the company and feel to be an essential and important part of it.

In conclusion, it can be said that “the key to effective communication between countries is an understanding of each other's culture, especially a working knowledge of how each society conveys meaning.”¹⁰⁹ Ignoring cultural differences, norms, and local habits may cause some communication problems or the lack of willingness to cooperate. Therefore, not only organisations in Luxembourg but also in other countries should consider corporate culture and intangible assets as inevitable and crucial.

¹⁰⁸ Cf. McGregor and Doshi (2015)

¹⁰⁹ Cf. ToughNickel (2016)

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Appendices

Appendix 1: Survey (English version)

Dear All,

I am a MBA student in my final year and currently writing my master thesis on the topic of corporate culture. The aim of this survey is to identify the general awareness of corporate culture and to analyse how valuable a corporate culture can be for companies.

I would be grateful if you could participate in my online survey. Completing this survey will take approximately 5 - 10 minutes of your time and I ensure that all answers are completely anonymous. In case you are currently not employed, please answer the questions based on your experience during your previous employment.

If you have any question, please do not hesitate to contact me (desiree.kaupp@gmx.de).

I really appreciate your help!

Kind regards,
Désirée Kaupp

General questions regarding your current employment

1. In what country do you work?
 - a. Belgium
 - b. Germany
 - c. Luxembourg
 - d. France
 - e. Switzerland
 - f. United Kingdom
 - g. United States
 - h. Other (please specify): _____

2. Please choose your country of origin:
 - a. Austria
 - b. Belgium
 - c. France
 - d. Germany
 - e. Luxembourg
 - f. Switzerland
 - g. The Netherlands
 - h. United States of America

- i. United Kingdom
- j. Others: _____

3. Please choose the sector of your company:

- a. Service provider
- b. Financial institution / bank
- c. Public services
- d. Crafts enterprise
- e. Educational establishment
- f. Other (please specify: _____)

4. How many employees work at your organisation?

- a. <50
- b. <100
- c. <150
- d. <200
- e. <300
- f. <400
- g. <500
- h. 500+

5. Does your company have any branch offices in foreign countries?

- a. Yes
- b. No
- c. If so, please list countries

6. How many different nationalities are represented in your company?

- a. 0-5
- b. 6-10
- c. 11-15
- d. 16-20
- e. <21

Corporate culture in your current work environment

A corporate culture consists of the values, beliefs, attitudes and behaviours that employees share and use on a daily basis in their work environment. Culture is how employees describe where they work, understand the business and see themselves as part of the organisation.

Corporate culture does not only include the shared values and beliefs within an organisation, but also specific ceremonies, events and rituals, such as casual Friday, summer BBQs, public honouring events (for promotions or successful performance), Christmas staff parties etc. Such rituals are important in an organisation in order to make everyone feel to be part of the club.

Culture is important because it drives decisions, actions, and ultimately the overall performance of the organisation. Understanding an organisation's culture helps us to understand why organisations do what they do and achieve what they achieve.

7. Does your company have a code of conduct?
 - a. Yes
 - b. No
 - c. Not sure

8. If your company has a code of conduct, it is openly communicated to the employees?
 - a. Yes
 - b. No
 - c. Not sure
 - d. Does not apply, skip question

9. Are you satisfied with your current workplace culture?
 - a. Absolutely yes
 - b. Yes, but it could be improved
 - c. Neutral, workplace culture is not important for me
 - d. No, workplace culture is not satisfying at all

10. Do you think you can trust your management and do you believe what it says?
 - a. Yes
 - b. No
 - c. If limited, please specify

11. Does your company involve employees in the decision-making process?
 - a. Yes
 - b. No
 - c. If limited, how?

12. Does your company have any visible norms and values that are clearly communication to the employees, such as corporate colours, slogans etc.?
 - a. Yes
 - b. No
 - c. If yes, please specify

13. Are there any specific rituals or events in your company, e.g. casual Friday, company outing, summer BBQs, Christmas staff party, etc.?
 - a. Yes
 - b. No
 - c. If yes, please specify

14. Are there any visible artefacts in your company such as symbols, architecture and buildings, language, history, rituals and ceremonies?
 - a. Yes
 - b. No
 - c. If yes, please specify

15. Does your company offer any job-related trainings for employees?
 - a. Yes

b. No

16. If your company offers job-related trainings, how satisfied are you with its content and the relevance for your job?

- a. Extremely satisfied; content and relevance are helpful in order to improve myself further
- b. Satisfied; content and relevance give me good understanding of how to increase my performance
- c. Neutral; participation is obligatory, but the training has no positive influence on my job
- d. Not satisfied; content and relevance do not have any relevance for my job
- e. Does not apply, skip this question

Corporate culture and its importance from your point of view

17. How important is corporate culture for you?

- a. Crucial
- b. Important
- c. Neutral
- d. Less important
- e. Unimportant

18. Do you think a well-established corporate culture can be a factor of success?

- a. Yes
- b. No
- c. Neutral

19. Do you think a well-established corporate culture has any influence on the value of a company?

- a. Yes
- b. No
- c. Partly
- d. If partly, please specify

20. In your opinion, how important is a cross-border corporate culture in an international organisation?

- a. Crucial
- b. Important
- c. Neutral
- d. Less important
- e. Unimportant
- f. Irrelevant

21. Imagine you would have received two similar job offers from two different companies and you would have to choose between a company with a well-established corporate culture (company A) and a company without a corporate culture and therefore, without any shared values, norms and code

of conduct (company B). Which company would you prefer?

- a. Company A
- b. Company B
- c. This wouldn't have any influence on my decision

22. Do you think your own behaviour has any influence on your company's corporate culture?

- a. Absolutely
- b. Partly yes
- c. Partly no
- d. Absolutely not

23. At the end of this section, how would you define corporate culture?

Corporate culture as intangible assets

Intangible assets have become more and more important in today's economy. Although intangible assets are not physical in nature and have no visible increase in value, companies tend to become more aware of the need in investing in intangible assets.

The most common and known intangible assets are corporate IPs such as trademarks, patents, copyrights, but also brand recognition and corporate identity. As the corporate culture should be included and the foundation of the corporate identity, it is also classified as an intangible asset.

In times of globalisation and the significant change from an industrial to an information and knowledge economy, intangible assets are playing an increasingly important role.

24. Do you think corporate culture is an intangible asset that should be developed and adjusted permanently due to environmental influences?

- a. Yes
- b. No
- c. Partly

25. Do you think corporate culture can act as motivation driver for employees, both intrinsic and extrinsic?

- a. Absolutely extrinsic and intrinsic
- b. Absolutely extrinsic
- c. Absolutely intrinsic
- d. Neither extrinsic, nor intrinsic
- e. Corporate culture has no influence on the motivation of employees

26. Do you think a certain corporate culture leads automatically to a higher existence of intellectual property?

- a. Absolutely
- b. Partly yes
- c. Partly no

- d. Absolutely not
- e. Irrelevant

27. Do you think companies with an open corporate culture are more innovative than others?

- a. Absolutely
- b. Partly yes
- c. Partly no
- d. Absolutely not
- e. Irrelevant

28. Do you think companies with a well-integrated corporate culture are more successful than companies with a laissez-faire attitude?

- a. Absolutely
- b. Partly yes
- c. Partly no
- d. Absolutely not
- e. Irrelevant

29. Do you think corporate culture requires a high level of emotional and social intelligence?

- a. Absolutely emotional and social intelligence
- b. Absolutely emotional intelligence
- c. Absolutely social intelligence
- d. Neither emotional, nor social intelligence
- e. irrelevant

Personal questions

30. Please choose your age:

- a. > 20
- b. 21-30
- c. 31-40
- d. 41-50
- e. 51-60
- f. 60 +

31. What is your gender?

- a. Male
- b. Female

32. Please choose your highest educational degree?

- a. Secondary education
- b. Advanced technical college certificate
- c. Completed apprenticeship
- d. High school graduation
- e. University degree (Bachelor, Master, Postgraduate, etc.)

33. What is your current employment?

- a. Employed

- b. Official
- c. Self-employed
- d. Unemployed
- e. Retired

34. Please indicate your current classification

- a. Manager
- b. Staff
- c. Other

Dear Participant,

thank you very much for your time and for having participated in my survey.

I appreciate your help and remain at your disposal for any question you may have.

Kind regards,
Désirée Kaupp

Appendix 2: Survey (German version)

Willkommen - Hallo,

Zum Ende meines MBA Studiums schreibe ich gerade meine Abschlussarbeit über das Thema der Unternehmenskultur. Ziel dieser Umfrage ist es, das generelle Bewusstsein von Arbeitnehmern zur Unternehmenskultur zu identifizieren und den Wert einer Unternehmenskultur im Unternehmen zu analysieren.

Ich wäre Ihnen dankbar, wenn Sie sich an meiner Umfrage beteiligen würden. Die Teilnahme wird ungefähr zwischen 5 und 10 Minuten Ihrer Zeit in Anspruch nehmen. Sollten Sie sich momentan in keinem Arbeitsverhältnis befinden, so beantworten Sie die Fragen bitte basierend auf den Erfahrungen Ihrer letzten Anstellung. Ich versichere Ihnen, dass keinerlei Daten an Dritte weitergeben und dass alle Antworten anonym und vertraulich behandelt werden.

Sollten Sie Fragen zu dieser Umfrage haben, zögern Sie bitte nicht mich zu kontaktieren (desiree.kaupp@gmx.de).

Ich danke Ihnen im Voraus für Ihre Zeit.

Freundliche Grüße,
Désirée Kaupp

Generelle Fragen über das momentane Arbeitsverhältnis

1. In welchem Land arbeiten Sie momentan?
 - a) Belgien

- b) Deutschland
 - c) Frankreich
 - d) Luxembourg
 - e) Schweiz
 - f) Vereinigtes Königreich
 - g) Vereinigte Staaten von Amerika
 - h) Andere (bitte präzisieren)
2. Aus welchem Land stammen Sie?
- a. Österreich
 - b. Belgien
 - c. Frankreich
 - d. Deutschland
 - e. Luxembourg
 - f. Niederlande
 - g. Schweiz
 - h. Vereinigtes Königreich
 - i. Vereinigte Staaten von Amerika
 - j. Andere (bitte präzisieren)
3. In welcher Branche sind Sie zur Zeit tätig?
- a. Dienstleistung
 - b. Finanzen / Bank
 - c. Öffentlicher Dienst
 - d. Handwerk
 - e. Bildungssektor
 - f. Andere (bitte präzisieren)
4. Wie viele Arbeitnehmer arbeiten zur Zeit in Ihrem Unternehmen?
- a. < 50
 - b. < 100
 - c. < 150
 - d. < 200
 - e. < 300
 - f. < 400
 - g. < 500
 - h. 500 +
5. Hat Ihr Unternehmen Niederlassungen / Zweigstellen in anderen Ländern?
- a. Ja
 - b. Nein
 - c. Falls ja, listen Sie bitte die Länder auf
6. Wie viele verschiedene Nationalitäten und Kulturen sind in Ihrem Unternehmen zu finden?
- a. 0-5
 - b. 6-10
 - c. 11-15
 - d. 16-20
 - e. <21

Die Unternehmenskultur in Ihrem momentanen Arbeitsumfeld

Eine Unternehmenskultur besteht aus gemeinsamen Werten, Überzeugungen, Vorstellungen, Einstellungen und Verhalten, welche Arbeitnehmer innerhalb einer Organisation teilen und leben. Eine Unternehmenskultur beschreibt wie Arbeitnehmer arbeiten und wie sie sich selbst als Teil des Unternehmens sehen und fühlen.

Eine Unternehmenskultur besteht nicht nur aus den gemeinsamen Werten und Überzeugungen innerhalb eines Unternehmens, sondern beinhaltet auch bestimmte Zeremonien, Veranstaltungen oder Rituale, wie zum Beispiel Casual Friday, Sommer-BBQ, öffentliche Ehrungen der Mitarbeiter, Weihnachtsfeiern, etc. Solche Rituale sind wichtig und geben den Arbeitnehmern das Gefühl, Teil der Organisation zu sein und stärken somit das Gefühl für Gemeinschaft und das Zusammengehörigkeitsgefühl.

Kultur ist wichtig und beeinflusst Entscheidungen, Handlungen und die Leistung innerhalb einer Organisation. Die Kultur des eigenen Unternehmens zu verstehen gibt einem Arbeitnehmer die Möglichkeit zu verstehen, warum ein Unternehmen tut was es tut und warum es gewisse Ziele verfolgt und erreicht.

7. Gibt es in Ihrem Unternehmen einen bestimmten Verhaltenskodex, bestimmte Normen oder Verhaltensregeln?
 - a) Ja
 - b) Nein
 - c) Unsicher

8. Falls es in Ihrem Unternehmen bestimmte Verhaltenskodexe, -normen oder -regeln gibt, werden diese offen im Unternehmen kommuniziert?
 - a) Ja
 - b) Nein
 - c) Unsicher
 - d) Nicht anwendbar, diese Frage überspringen

9. Sind Sie mit der Unternehmenskultur in Ihrem momentanen Unternehmen zufrieden?
 - a) Definitiv
 - b) Ja, könnte aber verbessert werden
 - c) Neutral, Unternehmenskultur spielt für mich keine Rolle
 - d) Nein, die Unternehmenskultur ist nicht zufriedenstellend

10. Sind Sie der Meinung, dass Sie Ihrem Management vertrauen können und dass diese Anregungen und Verbesserungsvorschläge annehmen, die von ihren Mitarbeitern kommuniziert und weitergegeben werden?
 - a) Ja
 - b) Nein
 - c) Bedingt, bitte präzisieren

11. Werden in Ihrem Unternehmen die Mitarbeiter in Entscheidungsprozesse eingebunden?
- a) Ja
 - b) Nein
 - c) Bedingt, bitte präzisieren
12. Gibt es in Ihrem Unternehmen sichtbare, feste Normen und Werte (Slogans, Unternehmensfarben), die den Angestellten vorgelebt und offen kommuniziert werden?
- a) Ja
 - b) Nein
 - c) Falls ja, bitte präzisieren
13. Gibt es in Ihrem Unternehmen bestimmte Rituale oder Events, wie z.B. Casual Friday, jährlicher Firmenausflug, Summer BBQ etc.
- a) Ja
 - b) Nein
 - c) Falls ja, bitte präzisieren
14. Gibt es in Ihrem Unternehmen sichtbare Artefakte wie z.B. Symbole, wiederkehrende Architektur und Gebäude, Sprache, Geschichte, Rituale, Zeremonien?
- a) Ja
 - b) Nein
 - c) Falls ja, bitte präzisieren
15. Gibt es in Ihrem Unternehmen jobbezogene Weiterbildungsmöglichkeiten für Arbeitnehmer?
- a) Ja
 - b) Nein
16. Falls Ihr Unternehmen jobbezogene Weiterbildungsmöglichkeiten anbietet, wie zufriedenstellend sind diese in der Regel und welche Relevanz haben sie zu Ihrem Job?
- a) Sehr zufriedenstellend; der Inhalt und die Weiterbildung haben eine hohe Relevanz für meine täglichen Aufgaben und meinen Beruf und helfen mir, mich weiterzuentwickeln
 - b) Zufriedenstellend; Inhalt und die Weiterbildung geben mir ein gutes Verständnis darüber, was von mir erwartet wird und wodurch ich meine Produktivität steigern kann
 - a) Neutral; Weiterbildungsmöglichkeiten sind obligatorisch, haben aber keinen weiteren Einfluss auf meine Arbeit
 - b) Nicht zufriedenstellend; Inhalt hat nichts mit meinen täglichen Aufgaben zu tun
 - c) Nicht zutreffend, Frage überspringen

Unternehmenskultur und dessen Stellenwert aus Ihrer Sicht

17. Für wie wichtig halten Sie eine Unternehmenskultur?
- a) Sehr wichtig
 - b) Wichtig
 - c) Neutral
 - d) Weniger wichtig
 - e) Unwichtig
18. Denken Sie, eine festetablierte Unternehmenskultur kann für ein Unternehmen ein Erfolgsfaktor sein?
- a) Ja
 - b) Nein
 - c) Neutral
19. Denken Sie, eine festetablierte Unternehmenskultur hat einen Einfluss auf den Wert eines Unternehmens?
- a) Ja
 - b) Nein
 - c) Bedingt
 - d) Falls bedingt, bitte präzisieren
20. Für wie wichtig halten Sie eine länderübergreifende Unternehmenskultur in einem international operierenden Unternehmen?
- a) Sehr wichtig
 - b) Wichtig
 - c) Neutral
 - d) Weniger wichtig
 - e) Unwichtig
 - f) Keine Relevanz
21. Stellen Sie sich vor, Sie erhalten zwei identische Jobangebote von einem Unternehmen mit einer festetablierten Unternehmenskultur (Unternehmen A) und von einem Unternehmen ohne einheitliche Werte, Normen und Verhaltenskodexe (Unternehmen B). Welches Unternehmen würden Sie bevorzugen?
- a) Unternehmen A
 - b) Unternehmen B
 - c) Die Unternehmenskultur würde keinen Einfluss auf meine Entscheidung haben
22. Denken Sie, Ihr eigenes Handeln beeinflusst die Kultur Ihres Unternehmens?
- a) Auf jeden Fall
 - b) Teilweise ja
 - c) Teilweise nein
 - d) Auf keinen Fall
23. Nachdem Sie diesen Teil beantwortet haben, wie definieren Sie eine Unternehmenskultur? (Stichworte und Charakteristiken)

Unternehmenskultur als immaterielles Wirtschaftsgut

Immaterielle Wirtschaftsgüter genießen in den letzten Jahren immer mehr Ansehen in der Wirtschaft. Auch wenn immaterielle Wirtschaftsgüter nicht materieller Natur sind und keinen sichtbaren Einfluss auf den Wert eines Unternehmens haben, so tendieren Unternehmen immer häufiger dazu, genau in diesem Bereich zu investieren und das Unternehmen in Richtung der immateriellen Wirtschaftsgüter auszubauen.

Die bekanntesten immateriellen Wirtschaftsgüter sind geistiges Eigentum, wie Patente, Marken und Copyrights, aber auch die Wiedererkennung einer Marke oder die Corporate Identity. Da die Unternehmenskultur Teil der Corporate Identity und der Marke eines Unternehmens ist, sollte diese auch als immaterielles Wirtschaftsgut betrachtet werden.

In Zeiten der Globalisierung und dem signifikanten Wandel von einer Industrie- zu einer Informationsgesellschaft, sollten immaterielle Wirtschaftsgüter nicht außer Acht gelassen werden, da sie eine immer wichtigere Rolle für Unternehmen spielen.

24. Sehen Sie die Unternehmenskultur als immaterielles Wirtschaftsgut, welches aufgrund von Umwelteinflüssen einem andauernden Entwicklungsprozess unterliegt?
 - a) Ja
 - b) Nein
 - c) Bedingt

25. Denken Sie, die Unternehmenskultur kann als eine Art Motivationstreiber für die Mitarbeiter gesehen werden, sowohl extrinsisch, als auch intrinsisch?
 - a) Auf jeden Fall sowohl extrinsisch als auch intrinsisch
 - b) Auf jeden Fall extrinsisch
 - c) Auf jeden Fall intrinsisch
 - d) Weder extrinsisch noch intrinsisch
 - e) Die Unternehmenskultur hat keinerlei Auswirkungen auf die Motivation der Mitarbeiter

26. Denken Sie, eine bestimmte Unternehmenskultur führt automatisch zu einem höheren Bestand an geistigem Eigentum?
 - a) Auf jeden Fall
 - b) Teilweise ja
 - c) Teilweise nein
 - d) Auf keinen Fall
 - e) Irrelevant

27. Denken Sie, offenere Unternehmenskulturen führen zur mehr Innovation in einem Unternehmen?
 - a) Auf jeden Fall
 - b) Teilweise ja
 - c) Teilweise nein
 - d) Auf keinen Fall

e) Irrelevant

28. Denken Sie, Unternehmen mit einer festetablierten Unternehmenskultur sind erfolgreicher als jene mit einer Laissez-faire Attitude?

- a) Auf jeden Fall
- b) Teilweise ja
- c) Teilweise nein
- d) Auf keinen Fall
- e) Irrelevant

29. Denken Sie, eine Unternehmenskultur erfordert ein hohes Maß an emotionaler und sozialer Intelligenz?

- a) Auf jeden Fall emotionale und soziale Intelligenz
- b) Auf jeden Fall emotionale Intelligenz
- c) Auf jeden Fall soziale Intelligenz
- d) Weder emotionale noch soziale Intelligenz
- e) Nicht relevant

Persönliche Fragen

30. Wie alt sind Sie?

- a) > 20
- b) 21-30
- c) 31-40
- d) 41-50
- e) 51-60
- f) 60 +

31. Zu welcher Geschlechtsgruppe gehören Sie?

- a) Männlich
- b) Weiblich

32. Was ist ihr höchster Bildungsabschluss?

- a) Hauptschulabschluss
- b) Realschulabschluss
- c) Abgeschlossene Berufsausbildung
- d) Abitur / Fachabitur
- e) Fachhochschul- / Universitätsabschluss (Bachelor, Master, PhD...)

33. Was ist Ihre momentane Arbeitsanstellung?

- a) Angestellter
- b) Beamter
- c) Selbstständig
- d) Arbeitslos
- e) Pensioniert

34. In welcher Position arbeiten Sie momentan?

- a) Management
- b) Belegschaft
- c) Andere (bitte präzisieren)

Vielen Dank, dass Sie sich die Zeit genommen haben, an dieser Umfrage teilzunehmen.

Ich bin dankbar für Ihre Unterstützung und stehe Ihnen für weitere Fragen gerne zur Verfügung.

Freundliche Grüße,
Désirée Kaupp

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