Resolution of Paradoxical Tensions: Linking Founder/CEO Values to the Viability of their Company

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Abstract

This research study looked at the relationship between a founder/Chief Executive Officer's (CEO) values and the long-term viability of the company. Six founder/Chief Executive Officers (CEOs) who have high performing companies that are entrepreneurial, privately held, and small to midsized and that have been in business more than 14 years were studied. The study used a qualitative research methodology with a grounded theory approach to explore the relationship.

Findings from this study show that these leaders have created positive cultures that, as a reflection of their values, have inherent paradoxical tensions. By consistently and predictably managing these tensions, they have created synergies that contribute to growth and stability, resulting in the long term viability of their companies. Tensions managed by the founder/CEOs include openness to change and conformity, learning and tradition, fun and discipline, present and future focus, and caring and achievement.

Dedication

The two most influential and valued leaders in my life are the ones that gave me life, my father and my mother. They were clear about their values and beliefs, and they instilled in our family the importance of adhering to values that contribute to success, stability, and growth, not failure. Although at times I wavered, those values and beliefs always bubbled to the surface and influenced how I made decisions and lived my life. These are the true leaders of our society—the parents who care enough to teach us how to live life as a reflection of values that build futures. My parents also taught us the value of curiosity, encouraging us to explore the what, why, and how. They valued education and were lifetime learners, role models for all their children.

My family—siblings, sisters- and brothers-in-law, nieces and nephews, and cousins—and wonderful friends are extraordinary and have been there to support me through many different journeys. All teach me the value of relationship, caring, loving, forgiving and living. I truly believe that the acceptance in these relationships makes a difference in how happy we are and how long we live.

Those at Northern Tradition Farm have shown me the joy of being on a horse. My teachers Stacy and Tom have persevered with me through rocky starts and stops; it is through them that I have learned “I really can do it!” and that perseverance and patience leads to joy and success. These are lessons that helped me on this doctoral quest.

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Chapter 1: Introduction

Background

Entrepreneurs are leaders and key contributors to a society's economic health and well-being because of the risk they take in starting a business. Entrepreneurs typically start a business alone or with a few employees and often remain in the small to midsized business range (fewer than 500 employees) for the life of the business (*Small business administration: office of advocacy: Frequently asked questions*, 2012). In the United States, small businesses account for the majority of employer firms and for approximately half of the employed force, thereby having a significant influence on all aspects of society. Table 1 shows statistics that demonstrate the role of small-to-medium-sized enterprises (SME) in the economy of the United States.

Table 1. Small Business Make Up

Factor	Measurement
Percentage of U.S. employer firms	99.7%
Number of small business (500 employees or fewer)	27.9 million (the remaining companies number 18,500 and have 500 or more employees)
Percentage of total businesses	99%
Percentage of new private sector jobs	64% (11.8 million out of 18.5 million)
Percentage of private sector employment	49.2%
Percentage of private sector payroll	42.9%
Percentage of firms exporting goods	98%

Source: Small Business Administration Office of Advocacy, 2012

According to the Small Business Administration, data from 2008–2009 shows that 518,500 businesses started and 680,716 closed, and data from 2011 shows business bankruptcies were at 48,000. Half of new establishments survive five years and only 20% survive more than 14 years (*Small business administration: office of advocacy: Frequently asked questions*, 2012). Overall, a small business has to work hard to keep the doors open up to the 14-year point; the companies used for this study are part of that 20%.

Business has been studied extensively, including the areas of leadership, ownership, management, employees, systems, and processes. The Gallup Organization has conducted studies worldwide on a variety of subjects related to the entrepreneur (capitalist) and the companies/industries they have spawned. The Chairman and CEO of The Gallup Organization, Jim Clifton (2013) speaking to an international summit on innovation for jobs, extolled the critical importance of entrepreneurs and their companies to business and society:

> Entrepreneurship is the horse, and innovation is the cart. . . . When small businesses boom, jobs boom, GDP booms, and exports boom . . . . There are approximately 6 million small businesses in the United States, and they are the very backbone of the country's democracy. Those businesses fund significantly more American jobs and GDP than big business does. (pp. 2, 4)

And he further states:

> 75% of the owners or proprietors aren't in business to build something big. They aren't trying to build the next Intel or Waste Management. They're not even in it for the money. Most small-businesspeople are in it for one reason: freedom. (p. 4)

Entrepreneurs, who use their own money, time, and energy to start a business, have the freedom to develop and run a business in a way that fits their vision. They establish the rules and perimeters on how the business operates and what products or services are offered. When they are the one who runs the business, without others in the lead decision making role, they create businesses that reflect their principles, their values and belief systems. This can be a recipe for success or failure; only time tells.

Why do some SME's make it, and others do not? What is it that the founder/entrepreneur contributes to successful outcomes? Many researchers and popular writers have looked at the entrepreneur and asked questions such as: Why did they start their companies? What did they hope to do with a business? How did they anticipate the company growing? How did they see their company being organized? What was and was not important to them about building a business? Was it a family affair or an individual endeavor, and did that effect the way they do business?

We continue to wonder why some of these businesses grow, flourish and survive for the long term when most disband in the first five years of existence. In fact, 10–12% of small businesses close each year (*Small business administration: office of advocacy: Frequently asked questions*, 2012).

The small, entrepreneurial business is the face of capitalism. In their recent book, *Conscious Capitalism* (Mackey & Sisodia, 2013), John Mackey the co-founder of Whole Foods, and his collaborator, Dr. Raj Sisodia, present and defend a working theory about business using the term *conscious capitalism*. This theory aligns well with the companies that are being studied for this project. According to the authors, who share a passion for the potential of capitalism that is executed with a spirit of caring, it is time to go back to the drawing board and identify why capitalism has, in its true form, had the greatest impact on improving societies. Capitalism has been the driving force in creating a middle class, improving the standard of living, lifting millions out of poverty, eradicating or discovering treatment for disease, increasing literacy and improving life satisfaction. And, capitalism has as its driver, the entrepreneur. Every business had a start, whether by one person or a group of people and every large, multinational conglomerate can trace its roots to an entrepreneur. Without the entrepreneur there would be no business. Entrepreneurs execute on ideas, whether their own or others, and they execute on ideas that respond to a need that needs to be met.

But what is the entrepreneur’s motive? Mackey and Sisodia state that:

> Entrepreneurs who start successful businesses don’t do so to maximize profits. . . . They are inspired to do something that they believe needs doing. The heroic story of free-enterprise capitalism is one of entrepreneurs using their dreams and passion as fuel to create extraordinary value for customers, team members, suppliers, society and investors. (p. 495)

Steve Jobs and Bill Gates created giant companies by having a passion for changing lives; profit was a side effect but not their motive. What Mackey and Sisodia believe is that:

> Business is good because it creates value, it is ethical because it is based on voluntary exchange, it is noble because it can elevate our existence, and it is heroic because it lifts people out of poverty and creates prosperity. Free enterprise capitalism is one of the most powerful ideas we humans have ever had. (p. 21)

The entrepreneurs who create businesses that are good, ethical, noble and heroic are worth emulating, and their companies are the ones that should survive for the long term. It can be argued that this may be a picture of business as seen through rose colored glasses. We can all agree that there have been businesses that are the absolute antithesis of what Mackey, Sisodia, and Clifton describe, businesses that are run based on a profit motive only, but the good news is that there seem to be more and more companies interested in doing business in a values-driven and caring way.

Companies that are values-driven and caring are the types of companies that are being studied by the Center for Values Driven Leadership (CVDL) with funding from the Small Giants organization. (An explanation of that project can be found in the following section.) The research team is meeting with the founder/CEOs who began their companies for reasons other than profit and have managed to create long-term, vibrant, profitable, caring organizations that are well respected internally and externally. These companies have received external recognition by their peers and other organizations for the way they do business and they are indeed beacons of hope for the future of our society, our economy, and the quality of citizens' lives.

The Return on Values project

The Return on Values (ROV) study project is an initiative of Inc.'s Small Giants Community (SGC) and the CVDL at Benedictine University. The University of Michigan's Center for Positive Organizational Scholarship is a research partner for the project.

The purpose of this project is to look at organizations that are defined by Bo Burlingham (2005) as *Small Giants*, that is, small to mid-sized, privately held businesses that are known for being high performing, profitable companies with a culture that is values -driven. These businesses are known for excelling at what they do, how they treat employees, how they work with customers and suppliers, what they contribute to their communities, and how they lead their organizational lives. The focus of the project is to identify the relationship between culture, values, and business success (profit). The research project is looking at the companies' corporate cultures of excellence, contributions to their community, customer loyalty, financial success, and industry influence.

The ROV project was started in the fall of 2012 and is anticipated to be a three year project. The research study itself is being conducted using both qualitative and quantitative research methods. The qualitative component includes studying a defined group of businesses (16–20) that meet the criteria for being Small Giant or Small-Giant-type organizations. The qualitative approach includes using grounded theory with an appreciative inquiry method to conduct the interviews.

This study's relationship to the ROV project

This study is under the umbrella of the ROV project and the data used for this study was derived from the ROV project.

As a part of the ROV project, the research director offered an opportunity to doctoral students in the Values-Driven Leadership program at Benedictine University to participate in the study as student researchers. I was invited to join the research team and participated in the interview sessions for two of the seven companies identified for the first year of the study.

I became intrigued by the Founder/CEOs and the passion they showed for their companies. These founder/CEOs are clearly seasoned and successful business people that are not only passionate about their company but about their culture and their employees. The founder/CEOs are clear about why they run their businesses the way they do, why they created a specific type of culture, and how important the culture is to their success and survival.

Although the purpose of the ROV project is to focus on the relationship of culture to profit, I became interested in other aspects that emerged during these interviews. These leaders have created companies that demonstrate respectful behavior to all their stakeholders, both internally and externally. They hold their employees and their families in high regard, have great respect for their clients, value their suppliers/vendors, are committed to giving back to their communities, and have beaten the odds and survived longer than most through the up and down cycles of the economy. They are stable and well established in their industry. How is it that these founder/CEOs have companies that have survived the long term while maintaining a reputation for excellence and maintaining cultures that are values-driven? Why can they do it and not others? Is the long term viability of these companies dependent on the founder? If so, what is it about the founder that contributes to business success? Are there similarities across different organizations? Is there a model that can be developed to duplicate or replicate their success? Are there particular aspects that contribute to their beating the odds and surviving more than 14 years? Are there particular actions, behaviors, or thinking that can be brought into other small businesses and support long term survivability? These observations and questions piqued my interest in wondering about the relationship of the founder/CEO’s values to long-term viability.

The founders of the companies we have studied to date are, in my opinion, very special leaders. They have created organizations that have been acknowledged to have a “secret sauce.” They have created and led companies that have survived and grown and been consistently profitable over the long term, while maintaining a reputation for excellence by being values-driven, and maintaining a workforce that is loyal and passionate. How beneficial for current and future entrepreneurs and therefore society if we can understand how these founders created and run businesses that have survived for the long term. What is it about these founder/CEOs that have influenced the longevity of the business?

The Research Question and Hypothesis

Research question

The research question is: How do a founder/CEO’s values contribute to the long-term viability of the business?

The overarching research question includes looking at subsets of the larger question: (1) What do the cultures of these companies look like, and are they similar? (2) Are there similar sets of values that are held by the founder/CEOs across the six organizations? (3) How do these values influence those factors that are considered indicators of success, i.e., employee satisfaction, client satisfaction, financial viability, growth, external recognition? (4) How do their values effect long term vision for the company? (5) How do these values influence succession?

Hypothesis

The overarching hypothesis for this study is that founder/CEOs who manage their businesses based on their positive values create cultures that support long term viability.

Research Methodology

This study was conducted using a qualitative research methodology with a grounded theory approach. The structure of the qualitative portion of the research was established by the ROV project directors. At the outset of the ROV project, it was agreed that the ROV project directors would control the access to the companies and their information. The approach to the study was to conduct interviews, review company material, tour the facility, and where possible observe work. The qualitative interviews were conducted using appreciative inquiry, an approach that the primary research director is well grounded in. The interviews were conducted by the research director or his designee, were on site and took two days. The student researcher sat through the interviews and observed. As a student researcher, I was allowed to ask questions after the primary interviewer had completed the interview. Questions for the interviews were prepared by the primary research team and were provided to the interviewees prior to the on-site visit. I did not participate in the preparation of the questions. The focus of each interview was the overarching research question for the ROV project. Those interviewed included a cross section of the organization, both horizontally and vertically. The interviews were taped and video recorded, and then the taped interviews were transcribed by an outside transcription service. The transcribed interviews were made available to the research team and were also loaded into Dedoose® software for the purposes of coding. Every interview transcription was available to every member of the research team. For this study, interviews of founder/CEOs, management, and staff from six companies were analyzed.

Qualitative research

Qualitative research is one of two approaches used to conduct research; the other is quantitative research. A qualitative research approach gives a richness and depth to information gained through the process. Qualitative research works effectively for this study, because it provides a wealth of information in the interviewees' own words and from their own perspectives, and it enriches the data and allows a broader brush at exploring potential insights into a research question. Qualitative research has fewer data borders than quantitative research and therefore opens up opportunity for the researcher. Multiple approaches can be used to approach qualitative research: grounded theory, case study, narrative research, phenomenology, and ethnography. This study was conducted using a grounded theory approach, and discussion about this approach can be found in Chapter 3, Research Approach and Methods.

With the grounded theory approach, the researcher enters the study with a question but is careful to not have a preconceived idea about what might be found. For the purpose of this study, I was exploring whether a relationship exists between founder/CEO values and long term viability of a company. I entered the study with an understanding that the founder/CEOs, like other human beings, have values and beliefs, and that those values and beliefs influence their behavior and thinking; that these companies were defined as values driven with extraordinary cultures as defined by the ROV study; and that these companies have been in business for longer than 14 years. This was the information that was known and was helpful in selecting the study subjects, but with this limited information there was not a preconceived concept of how these factors were related. Being true to the grounded-theory approach for conducting research, I waited to conduct the analysis looking for themes to help me answer the research question.

Organization of the Study

This dissertation has five chapters in addition to the Introduction:

- Chapter 2, “Literature Review,” reviews the current literature supporting the context of the study. This chapter looks at current literature on the entrepreneur, values and culture, and business viability.
- Chapter 3, “Research Approach and Methods,” reviews why qualitative research was used as the methodology and why grounded theory was the appropriate approach for interpreting and analyzing the data. It also reviews the topic of appreciative inquiry and why it was used to conduct the interviews.
- Chapter 4, “Results and Findings,” presents results from the research and provides support for the findings of the study.
- Chapter 5, “Discussion,” is a reflection on the findings and discussion about the findings. The discussion includes whether or not the research question was

answered and additional findings. In addition, an objective evaluation of the study and study process reflects how the study could have been strengthened.

- Chapter 6, “Implications,” briefly discusses the applicability of this research to the world of the practitioner and makes recommendations for possible further research.

Chapter 2: Literature Review

Introduction and Overview

Introduction

Qualitative research is an inductive process (Bansal & Corley, 2012; Charmaz, 2011; Gioia, Corley, & Hamilton, 2012; Rubin & Rubin, 2012), and theory surfaces as a result of the process. Because theory evolves during the process, we are not sure at the beginning of the study what will be meaningful. The literature review for a qualitative study using a grounded-theory approach typically occurs after the study findings, because the grounded-theory approach requires the researcher to enter the research process without preconceived ideas about what will be found. Too in-depth of a review of specific topics before doing the research would suggest that the researcher has preconceived theories about the findings and does not allow an opening for original discovery. For grounded theory, the initial literature review provides the researcher with a foundation upon which to establish a purpose for the study. This literature review provides a contextual framework for understanding the components, the subjects, and the focus of the study.

The subjects of the study are the founder/CEOs, and the specific focus is the relationship between their values and business viability. This literature review provides a context for the study.

Overview

To provide context for the study, the literature review is organized around the three major themes that are a part of the study. These themes are:

- The entrepreneur and entrepreneurship
- Values
- Business viability

The literature review is a way to gain knowledge about what the rest of the world has discovered about the subjects and topics being studied, to ground the researcher in that knowledge, and to discover where there might be an existing gap in knowledge.

A model of the research question

The research question is structured to explore the relationship between a founder/CEO's values and the long term viability of the organization, as shown in Figure 1:

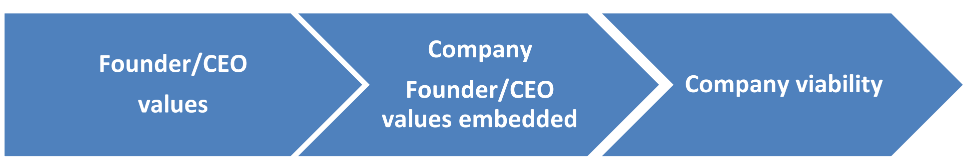

Figure 1. Relationship between Values and Viability

In order to better understand the subjects of the study, it is important to understand what others have studied and discovered about entrepreneurs and specifically what they have discovered about their values, motivations, and behavior. This then provides a frame of reference for the study.

Because the values of the entrepreneur are a focal point of the study, it is important to understand the relationship between the entrepreneur's values and the company; that is, how do their values shape the company and influence performance.

The research question explores the relationship between a company and its viability: What are the factors that other studies have shown to positively impact company viability/survival? What is the connection? Does viability have a relationship to the entrepreneur's values, if so, which values?

In reviewing the literature I could find no studies that looked specifically at the relationship between the values of the entrepreneur and long-term viability of the business.

Because this is a grounded theory study, Chapter 5, "Discussion," includes a literature review based on the findings in Chapter 4. Introducing this additional literature review is expected in a grounded-theory study.

The Entrepreneur and Entrepreneurship

The entrepreneur and entrepreneurship are commonly studied subjects. But, Jain (2011), in a meta-analysis and comprehensive conceptualization about entrepreneurial competencies, found that the research and literature continue to provide conflicting findings in many of the areas in which entrepreneurial research is conducted.

Shane and Venkataraman (2000) explain that:

> Entrepreneurship involves the nexus of two phenomena, the presence of lucrative opportunities and the presence of enterprising individuals; consequently, the field of entrepreneurship involves the study of sources of opportunities, the process of discovery, evaluation and exploitation of opportunities; and the set of individuals who discover, evaluate and exploit them. (p. 218)

Entrepreneurial research (study of both the entrepreneur and entrepreneurship) is of interest to a wide variety of disciplines: economics, psychology, leadership and management, strategy, sociology, organizational science, political science, culture, and public policy. Studying both the entrepreneur and entrepreneurship requires acknowledgement that there is significant overlap and influence of each on the other. Studying the entrepreneur requires looking at the person as a whole, that is, who they are (traits, skills, characteristics, emotions), how they think (cognition), how they behave (motivation, actions, decision making), and what they do (organizational creation, structure and processes, and external relationships) and understanding how external factors in an entrepreneur's life—family, education, and society, and the corresponding cultural norms and mores—influence the whole of the person. That is, the study of entrepreneurship tracks what influenced the *who*, *how*, and *what* of a person—a complex puzzle that remains for the most part an enigma. After all, the entrepreneur is a person, and if we believe that each person in unique, it may take a very complex set of dependent and independent variables, modifiers, and moderators to sift through the "DNA" of an entrepreneur. However, some commonalities have been identified and verified through decades of research on this subject. But there remain many unanswered questions as to the *how*, *what* and *why* of an entrepreneur and the *how*, *what*, and *why* of how an entrepreneurial enterprise succeeds and flourishes. The next section reviews the literature in the areas of personality traits, motivations, and behaviors of the entrepreneur.

Entrepreneurial study—background

Entrepreneurship is defined as the process of creating a new venture or new value (Gaddam, 2007; Jain, 2011) and the person who creates the new value or new venture is the entrepreneur (Armstrong & Hird, 2009). Similar to a human life cycle, the entrepreneurial venture moves through various stages of development: creation, gestation, infancy, adolescence, and in 20% of cases, maturity. The entrepreneur is intimately related to each stage of the entrepreneurial venture and influences each phase directly, affecting the ultimate success of the venture (Gaddam, 2007).

One of the earliest researchers to study the entrepreneur and entrepreneurship was an economist, Joseph Schumpeter, whose work is often cited in the entrepreneurial literature (Baum & Locke, 2004). Schumpeter saw the role of the entrepreneur as critical to the survival of national economies. He first defined the entrepreneur in the 1930s in his work on the theory of business cycles and development (Schumpeter, 2007). Much of his work was overshadowed by other well- known economists Keynes and Marx, but interest in his work has been resurrected since the 1980s. His theory about business cycles suggests that the entrepreneur, through innovation, is critical to breaking into the existing business cycle and starting a new cycle of business. Without the entrepreneur, he saw business cycles as stagnant, maintaining the status quo and neither creating or destroying, just existing in a continuous circle of doing the same thing with the same resources, leading to economies that stall and do not grow. He proposed that when an entrepreneur enters the picture they bring new ideas and new ways of using resources that break into the accepted paradigm and refocus resources in another direction. This creates growth through the process of innovation. A key descriptor for entrepreneurs is i*nnovators*. Schumpeter was the first person to use the term *creative destruction*, meaning the creation of the new that destroys or makes irrelevant the existing or the old. This process is generative and necessary for economic survival and growth. Schumpeter argued that "the innovation and technological change of a nation come from the entrepreneurs, or wild spirits–in German *Unternehmer-geist*" (Wikipedia, 2014b).

The study of the entrepreneur and the entrepreneurial process has been motivated in part because of its very close link to the economy of nations. Across much of the western world and Asia, entrepreneurs and entrepreneurial enterprises are the drivers of the national economy, and this fact has made the subject of entrepreneurship take on great importance to most of the developed world. In fact, many organizations in the developed world and the third world attempt to alleviate poverty by encouraging citizens to be entrepreneurs and create entrepreneurial enterprises.

The entrepreneur

Traits, personality, characteristics

There are multiple streams of research on the entrepreneur. One focus of study is entrepreneurial personality traits or characteristics that set the entrepreneur apart from others. Another looks at their behavior and motivation. Personality traits are explained as being the interaction or integration of the genetic factors of the individual and their environmental factors—family, education, relationships, and culture (Frank, Lueger, & Korunka, 2007). The personality traits that are most often assigned to the entrepreneur are need for achievement, locus of control and risk propensity, tolerance of ambiguity, self-confidence, innovativeness, independence, self-reliance, initiative, resourcefulness, and concrete knowledge of results of decisions (Gaddam, 2007; Jain, 2011; Kets De Vries, 1977). The entrepreneur is found to have a stronger propensity for each of these traits compared to others in the population. Frank et al. (2007) explore the effects of personality on business startup intentions, realization, and business success. This study, which is part of a longitudinal study on entrepreneurship in Austria, found that personality traits in and of themselves were important during the creation and startup phases of the venture, but that over time, those effects diminished. It further found that "personality traits of an entrepreneur have no significant bearing on economically relevant business success" (Frank et al., p. 249). What the researchers offer is that personality traits cannot be studied in isolation; they should be studied in conjunction with consideration of the external environment and factors that directly relate to business venture success. This study also found that socialization has a direct impact on an individual's choosing to become an entrepreneur.

Kets de Vries (1977) did an extensive review of the literature in 1977 and found conflicting findings on entrepreneurial personality. He found that, in general, studies supported both positive and negative traits of entrepreneurs. The positive were high achievement, motivation, autonomy, independence and moderate risk taking, self-reliance, and a higher-than-average aesthetic sense. The more negative side of the entrepreneur is that they were anxious, nonconformist (positive or negative), poorly organized, not a stranger to self-destructive behavior; and they tended to neglect interpersonal relationships. This was the state of affairs of research in the area of entrepreneurial personality some 35 years ago. The discipline has made great strides in the study of the entrepreneurial personality since that time. Many of these personality characteristics and traits remain on the list today, while others have been eliminated.

In a meta-analytical review of the five personality dimensions of the entrepreneur, Zhao and Seibert (2006) start their discussion by stating that the study of personality traits/characteristics shows conflicting or weak relationship between personality traits/characteristics and the success of the entrepreneurial venture. Discouraged, the scientific community essentially abandoned this approach of study and looked at other variables. The authors suggest that the advent of new survey tools and methods, are reason enough to relook at the personality dimension, especially the advent of the five-factor model (FFM) of personality. Using the FFM, they conducted the first study to look at the personality variables found in the entrepreneurship literature. The big five personality dimensions are neuroticism, extraversion, openness to experience, agreeableness, and conscientiousness.

> Neuroticism represents individual differences in adjustment and emotional stability; high scores have negative emotions such as anxiety, hostility, depression and those that score low have more positive characteristics such as self-confidence, calm, relaxed . . . extraversion describes the extent to which people are assertive, dominant, energetic, active, talkative, and enthusiastic . . . openness to experience is someone who is intellectually curious and seeks new experiences . . . agreeableness demonstrates as trusting, forgiving, caring, altruistic and gullible . . . conscientiousness demonstrates with persistence, hard work, motivation in the pursuit of goal accomplishment. (pp. 260-262)

Findings from the study found that entrepreneurs scored lower on neuroticism and agreeableness than managers and higher on openness to experience and conscientiousness, with conscientiousness showing the greatest difference between the two groups. Openness to experience includes within its concept innovation. This has been one of the key traits that has been demonstrated in other studies on entrepreneurial personality.(Shane & Venkataraman, 2000) There was no significant difference in extraversion. In additional analysis, entrepreneurs scored higher on achievement motivation, which is consistent with multiple other studies that have been done since the 1960s, but there was no significant difference between the two groups in dependability. Using these dimensions we see that low neuroticism aligns with self-confidence and risk taking, openness to experience with innovation and tolerance of ambiguity, conscientiousness with achievement motivation and internal locus of control.

Achievement motivation

Johnson (1990) looked at achievement motivation across multiple studies. Achievement motivation in the entrepreneur has been studied for many years as a result of the work done by McClelland, where he linked the need for achievement to the spirit of capitalism (Johnson, 1990, p. 39). His work was widely criticized, with many questioning the validity of his studies, yet the need for achievement remains one of those personality characteristics that is often represented in the literature as an entrepreneurial trait. Johnson reviewed the literature and found 23 studies on achievement motivation in the entrepreneur, using eight different types of measures. Findings from that review show that in 20 of the 23 studies there was a positive relationship between achievement motivation and entrepreneurial behavior.

Deshpandé, Grinstein, Kim, and Ofek (2013) conducted a study of Japanese and American entrepreneurial firms to compare the effect of the founder on the performance of the firm. They found a strong relationship between achievement motivation in the founder and performance in both the American and Japanese entrepreneurial firms.

Competencies

Jain's (2011) meta-analysis of entrepreneurial competencies offers a framework for the study of entrepreneurial and entrepreneurship competencies. In this framework, entrepreneurial competency leads to entrepreneurial intention and behavior, that is, those factors that influence entrepreneurship. Intentions and behaviors are manifested by decision-making choices, which lead to a venture's performance as measured by growth, profitability, and outcomes. Entrepreneurial competencies include motives, attitudes, and personal characteristics. He found that entrepreneurial motives included achievement motivation; need for independence; need for personal growth; need for social recognition and respect; need for social security and comfort for self and family; need for money/wealth; and need for enjoying creative, innovative, and path breaking work. The attitude and personal characteristics held by the entrepreneurs were innovativeness, creativity, proactivity, risk-taking propensity, internal locus of control, self-efficacy, tolerance for ambiguity, social intelligence, and extraversion.

Baum and Locke (2004) studied entrepreneurial traits by expanding the focus of the study using a different lens. Instead of just looking at the traits of the entrepreneur, they looked at the factors that affect those traits, such as motivation, cognition, and behavior competencies. In their study they followed the call of other researchers by limiting their study to founder entrepreneurs. They found that self-efficacy had the strongest, direct effect on venture growth along with vision and goals. They found that "entrepreneurs who tend to have dreams of significant growth tend to communicate their dreams, and we found that the joint tendency predicts venture growth better than either vision content or vision communication alone” (p. 595). According to the authors, this study is the first to show that communicated vision is independently and quantitatively related to performance; vision had both a direct and indirect effect on growth. Their findings also show that although traits are important, it is also important to understand that traits have an indirect affect through other mechanisms, such as efficacy, vision, and goals. They found that passion, tenacity, and new resource skill affect growth of the new venture through communicated goals, vision, and self-efficacy. Note that the authors added a new trait to the list of previously developed traits, that of *new resource skill*, defined as “the ability to acquire and systematize the operating resources needed to start and grow an organization” (p. 587). They state that “new resource skill inspires more challenging visions of new venture growth, higher growth goals, and self-efficacy points to the importance of new resource skill for entrepreneurs’ motivation, and motivation variables are direct predictors of venture growth” (p. 596).

Cognition

Another stream of research has been in the area of cognition. Do entrepreneurs think differently and process information differently than others? Do they share similar cognitions and if they do, are they applicable across cultures? Armstrong and Hird (2009) looked at the cognitive style of entrepreneurs, comparing the new entrepreneur to the mature entrepreneur. Cognition is studied to help identify who has the potential to become an entrepreneur, as well as how the entrepreneur thinks and makes decisions regarding opportunity. It refers to “the activities of thinking, knowing and processing information" (p. 421). Cognitive style is a more specific look at the way in which someone carries out the processes of cognition, "the form rather than the content" (p. 421). Using a continuum, cognitive style on one end may be "doing things better" and at the other end "doing things differently." One is focused on process and product improvement, the other on innovation and creativity. The other aspect of this study was to evaluate entrepreneurial drive. Armstrong and Hird describe entrepreneurial drive as the "drive toward entrepreneurial behavior that comprises multiple personality factors" (p. 422). This drive is comprised of innovation, risk taking propensity, strategic posture, and cognition. Entrepreneurs can be highly driven to innovate and create or they can be motivated to create a small, stable business that stays within the bounds of its original formation. The more driven model refers to the macro-entrepreneur and the more conservative model as the micro-entrepreneur. In their study they found that entrepreneurs are more intuitive, and the more intuitive, the higher the entrepreneurial drive. "Intuitive people tend to be relatively non-conformist, preferring an open ended approach to problem solving and preferring less structure, more ambiguity and random methods of exploration" (p. 426). This drive eases off the more established the organization becomes.

Mitchell et al. (2002) studied entrepreneurs in eleven countries to determine if there were commonalities among them in regard to cognition. They found that they do share common cognitions that influence certain entrepreneurial outcomes. Using Mitchell's definition and conceptualization of the three types of cognitions (arrangement cognitions, willingness cognitions, and ability cognitions), they studied the relationship between cognition and certain entrepreneurial outcomes. The definition casted three general cognitions:

> Arrangements cognitions are the mental maps about the contacts, relationships, resources, and assets necessary to engage in entrepreneurial activity; willingness cognitions are the mental maps that support commitment to venturing and receptivity to the idea of starting a venture; ability cognitions consist of the knowledge structures or scripts that individuals have to support the capabilities, skills, knowledge, norms and attitudes required to create a venture. (Mitchell et al., 2002, p. 10)

These cognitions influence how entrepreneurs make decisions to take action. Those actions are entry and doing. For example, an inventor may discover or create something new, but unless the decision is made to act on doing something with the invention, there is only discovery, not innovativeness. The entrepreneur is the action link to take invention to innovation. The entrepreneur draws on their arrangement, willingness, and ability cognitions to create the situation for entrepreneurship and then to act upon it to create new ventures. In their cross-cultural study, they found that a set of universal cognitions were held by the entrepreneurs vs. the non-entrepreneurs. The cognitions of arrangements, willingness, and ability were stronger in the entrepreneurs than in the business non-entrepreneurs. When analyzed for culture, it was found to vary in its strength across cultures, but remained stronger than the comparative group. This implies that culture matters and therefore should be considered when looking at studies of entrepreneurs in other cultures. In general they found that the decision to create and start a business depends on cognitive structures and processes, and those in turn depend on other variables that include cultural values, personal variables, and social context.

Krueger (2007) has been an active student of entrepreneurial intent and cognition. He proposes that the field of entrepreneurial cognition focuses on diving deeply into the thinking processes of the entrepreneur. Using a constructivist learning framework, he suggests that people learn from learning. Understanding the deeply held beliefs of entrepreneurs can be the source of understanding entrepreneurial action: Deep beliefs ➔ create deep cognitive structure➔, which create entrepreneurial attitudes➔, which lead to entrepreneurial intentions ➔ that results in entrepreneurial action. He defines deeply-held beliefs as “deeply held strong assumptions that underpin our sense making and our decision making” (p. 124) and describes that one of the most important deeply-held beliefs of entrepreneurs is role identity. Understanding how deep beliefs contribute to the creation of the entrepreneurial mindset, thinking, motivation, decision-making, and action will assist in finding ways to support the development of new entrepreneurs.

<u>Entrepreneurial intention</u>

Another stream of inquiry in entrepreneurism is entrepreneurial intention. Bird (1988) suggests that entrepreneurial intention establishes the concept, structure, and direction of the organization. In other words, the entrepreneur is intimately involved with and responsible for the creation and personality of the organization. The researcher’s interest is in asking how entrepreneurs “create, sustain, and transform organizations” (p. 442).

The definition of *intentionality* is “a state of mind directing a person’s attention (and therefore experience and action) toward a specific object (goal) or a path in order to achieve something (means)” (p. 442). Inherent in this definition are the possible traits of persistence, courage, and perseverance. Intentionality is a grounded, rational, logical approach to decision making, versus an intuitive approach. Personality traits and characteristics that are found in the entrepreneur are also the basis for intentionality. Intentionality drives action. Intentionality is a broad concept that includes goal setting, freedom, creativity, control, proactiveness, and call to action. The entrepreneur’s personality traits/characteristics are reflected in the new venture and intentionality is a reflection of those traits.

Values of the entrepreneur also influence intentionality, and they can moderate how intentionality is acted upon; intentions have a direct effect on how the firm is organized, grows, and survives: “The intentional process begins with the entrepreneur’s personal needs, values, wants, habits and beliefs, which have their own precursors” (p. 445). These all contribute to creating and maintaining an organization that reflects the foci of the entrepreneur. Entrepreneurs can be process oriented or opportunistic. The process oriented entrepreneur uses their technical skills as the basis for their venture—the carpenter that goes into their own business, the computer technologist, etc. The opportunistic entrepreneur builds an organization that they can lead. They have a vision and know how to harvest resources and bring others into the vision and intention. Intentionality includes thinking about all aspects of the organization—operations, marketing, and sales—and about the future. Opportunistic entrepreneurs create an organization that aligns with their vision and goals, and they are individuals attuned to both their internal and external environment.

Holland and Shepherd (2013) looked at persistence in the entrepreneur. They found that persistence is a critical trait of the entrepreneur, but too much of it can be detrimental. That is, when a decision is wrong or resources are better used elsewhere, the decision to continue with a venture can cause negative consequences. The authors used the Schwartz Value Survey to gather data regarding the entrepreneur's values. An interesting finding from this study is that differences in entrepreneur's values had an impact on the difference in decision making in the area of persistence: "Differences in decision making may be due, in part, to heterogeneity in individual values and the way that values induce valences of outcomes" (p. 350). Of the four major values identified by Schwartz (2012) self-enhancement and openness to change both showed positive and significant relationship to entrepreneurial decision making, whereas self-transcendence and conservation did not.

<u>Other considerations</u>

Other factors that have been studied include age, education, and experience (Gaddam, 2007). Age does not seem to be significant in findings from many of the studies.

Education has been found to be a factor in multi-cultural studies regarding entrepreneurs; those with higher education demonstrated a positive relationship to entrepreneurial success. Another area that demonstrates a positive correlation is experience, when previous experience is relevant to the new venture there is a higher potential for success.

Theoretical Proposition 1: Founder/CEOs will demonstrate high achievement motivation.

Theoretical Proposition 2: Founder/CEOs will demonstrate decision making choices that support performance.

Theoretical Proposition 3: Founder/CEOs will demonstrate motivation foci of self-efficacy.

Theoretical Proposition 4: Founder/CEOs will demonstrate new resource skills.

Theoretical Proposition 5: Founder/CEOs will communicate vision and goals.

Theoretical Proposition 6: The founder/CEOs will have intentionality that is opportunistic.

Entrepreneurship

In 2000, only a little more than a decade ago, Shane and Venkataraman (2000) wrote a critical yet promising article on the state of affairs in entrepreneurship research and its promise. Their main concern was the lack of a conceptual framework for the study of entrepreneurship, with fragmented research that did not sit in any one discipline. They define the field of entrepreneurship as “the scholarly examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated, and exploited” (p. 218). Certainly many studies were done and theories proposed prior to this article, but again, they found little coherence or alignment with a framework of entrepreneurship, and they even found conflicts between the studies. Obviously these studies, coming out of various disciplines, each focused on the interest of their discipline and therefore the research was conducted within those frameworks and not necessarily in an entrepreneurship framework. They propose that the premise for the framework is to study the key areas of existence of opportunity➔opportunity and discovery➔exploitation of opportunity. Essentially what they propose is the creation of a framework that studies entrepreneurial opportunity from both an individual and a process perspective, considering a variety of variables and their effect on each stage of entrepreneurship. This article was accepted with mixed reviews (Shane & Venkataraman, 2001), but certainly it had the effect of starting the conversation about entrepreneurship research and prompted researchers to study the opportunity paradigm. In fact, they received the AMR Decade award for their work and what it spawned. More than a decade later, Venkataraman, Sarasvathy, Dew, and Forster (2012) returned to the discussion on the theory of entrepreneurship, acknowledging the myriad of work done in the area of opportunity. Building on that work, they propose that the field of research in entrepreneurship move toward a new paradigm, the science of the artificial. It will be interesting to see how this new paradigm affects the research done in the field of entrepreneurship.

Entrepreneurship is the process of creating and leading a new venture. It does not have to be as a stand-alone organization; it may well be a process within an existing organization. Considered as a behavioral definition (that is, entrepreneurship is the result of the behavior and decision making of the entrepreneur), then it can provide a "bridge between the psychological, economic, and sociological theories" (Gaddam, 2007, p. 48). For the purpose of this study, entrepreneurship will be narrowly defined as the process of starting and leading a new organization. There is some literature that claims the entrepreneurship process concludes when the business is established and functioning. Others look at entrepreneurship as continuing throughout management of the business as long as the entrepreneur is actively involved in the venture and it is privately held. According to Gaddam, actions precede success and actions in the context of the entrepreneurial venture are goals and strategies. Goddam differentiates a myriad of factors that influence entrepreneurial behavior and subsequently the creation of the entrepreneurial enterprise. Influencing behavior of the entrepreneur are founder characteristics and characteristics of the business. The characteristics of the entrepreneur include experience, socioeconomic background, skills and knowledge, personality attributes, and values and expectations. The characteristics of the business are the industry sector, labor and technology, financial base, strategies and plans, and management and resources. The characteristics of each integrate to create the enterprise. The enterprise is then influenced by the business infrastructure and the customers, external factors that will impact success of the business. Gaddam suggests that all of these factors impact performance—psychological, economic, social, environmental, demographic, and cultural factors. It is the actions of the entrepreneur (decisions by the entrepreneur regarding goals and strategies) that determine the outcomes achieved by the enterprise. Outcomes are performance. But, another author claims that findings are conflicting and context influences entrepreneurial activities, but not enough variables related to context have been studied in any depth to draw conclusions.

Chaganti, Cook, and Smeltz (2002) studied the relationship between leadership style, business strategies, management systems and performance. They posit a strong correlation between the owner/CEO's leadership style and business strategies and management practices. Style is important because it is an indicator of a leader's predisposition to action. Studies have found that there is a strong correlation between performance and relation-oriented behavior, which is strengthened when task orientation is also present. A leader with both relation oriented behavior and task behavior has a higher probability of success. Another variable in the study was leader orientation. There are two leader orientations/styles that were studied, consideration and initiation of structure. The consideration style is relationship and people oriented; it shows concern and caring and welcomes subordinate feedback to improve systems and processes. The initiation of structure style is more comfortable, with clear definition of task and goal setting, and is more in the mode of command and control. This style promotes competitiveness among employees and sets very high standards. Findings from the study demonstrated that the high consideration leaders also preferred the high initiation style, so these owner/CEOs were both relationship oriented and initiation oriented. The leaders demonstrated ambidexterity in their leadership styles and these were the companies that demonstrated the highest rate of growth.

<u>Entrepreneurial orientation (EO)</u>

Entrepreneurial orientation was studied by Lumpkin and Dess (1996) with an interest in linking it to performance. They claim that entrepreneurship is critical to a firm to achieve high performance. Note that this is not a focus on just the privately-held, owner-led firm, but a comment that refers to any type of enterprise; this is a differentiation between entrepreneurship and entrepreneurial orientation. They propose a framework for studying EO and its effect on performance based on the contingency theory that multiple factors influence outcomes for the venture.

EO itself evolves from the strategic management literature. It describes a strategy-making process that identifies five key processes that determine an entrepreneurial venture: “Autonomy, innovativeness, risk taking, proactiveness, and competitive aggressiveness” (p. 136). This then leads to the definition of entrepreneurial orientation—how a new venture is started. A new venture can be started as a newly-created, stand-alone organization, as a new entity within an existing organization, or within an organization itself—a new division, a new product, etc. Therefore, an entrepreneurial orientation “refers to the process, practices, and decision making activities that lead to new entry” (p. 136). The authors see this entrepreneurial orientation as essential to older and larger firms renewing themselves and achieving growth, a concept that closely mirrors Schumpeter’s belief about the role of entrepreneurs in the business cycle. But the process of creating a new venture, whether inside or separate from an organization, is moderated by the internal and external environment around it; context matters.

The authors propose that several of the important variables that determine whether there is a propensity for EO have to do with the culture, values, and strategic vision of those in decision making roles— the owner/founder, CEO, board, or managers. They identify organizational factors and environmental factors that moderate or modify the support for EO and success of a venture. The organizational factors are structure, strategy, strategy making processes, firm resources, culture, and top management team characteristics. The environmental factors include the environment and industry characteristics. All of these factors can influence the success/performance of the venture. Lumpkin and Dess propose that there may be a strong relationship between EO performance (growth and profitability) when combined with the right environmental conditions and appropriate strategy. Studies need to be done to support or refute this theory.

Eggers, Kraus, Hughes, Laraway, and Syncerski (2013) studied EO when looking at growth in small to mid-sized firms. They compared the customer orientation (CO) to the entrepreneurial orientation (EO) and found that those with an EO orientation had higher growth. They looked at multiple variables to include resource availability, technological changes and networking, and they included the dimensions of EO;

responsiveness, proactiveness, innovativeness, and risk-taking. The highest correlations for growth were high EO and low CO. Why, might you ask, is CO low where growth occurred? It is thought that when the customer focus is strong, it may create stagnation and limit innovation. When firms try to please current customers, they tend to ignore potential new ways of doing things, or new products and services. So, although there is a place for CO, too high a CO focus can diminish innovation and risk taking.

Ferreira, Azevedo, and Ortiz (2011) also looked at EO and growth and found the same result, that EO was positively related to growth. They found that the following factors contributed to growth: entrepreneurial strategic orientation, the entrepreneur, firm resources, and the entrepreneur’s network. They also found that younger firms grow more than mature firms which may be related to their orientation.

Conclusion

Entrepreneurial research remains an area of high interest for researchers from many different disciplines. Since the 1990s the resurgence in interest in the aspects of the entrepreneur and how they think and act has shed some additional light on the personality, behavior, motivation, and cognition of the entrepreneur and the enterprises they create. It has also added to the understanding of entrepreneurship as the process of creation and management of the venture. Although there continues to be conflicting information and findings from the various streams of research, some factors have survived the trials of numerous studies. In terms of personality traits;

need for achievement, risk taking propensity, innovativeness, proactiveness, internal locus of control, self-confidence, self-efficacy, independence, resourcefulness, openness to experience, and conscientiousness remain traits that have been tested and shown to reflect the personality and traits of the entrepreneur. Cognition seems to be of greater interest to researchers as they look for the antecedents to the entrepreneur's decision making process regarding opportunity. From a behavioral perspective, the entrepreneurial orientation supports a firm having higher performance and growth, an indicator of success. All in all, the research continues to peel away at aspects of the entrepreneur and entrepreneurship, but much remains to be learned.

Theoretical Proposition 7: Founder/CEOs will demonstrate both relation oriented behavior and initiation oriented behavior.

Theoretical Proposition 8: Founder/CEOs will have ambidexterity as a component of their leadership style.

Theoretical Proposition 9: Founder/CEOs will demonstrate an entrepreneurial orientation.

Values

Universal human values

A key characteristic of this particular study is looking at the values held by the founder/CEO and how those values impact their organization. But it seems important to step back from the focus on the individual entrepreneur and first look at some work that has been done in the area of universal human values. This work was done because there was no worldwide agreement on what constituted a generally accepted set of values. Values vary widely among our many diverse cultures and the societies in which they sit. For example, consider the United States; although we have a common bond based on the Constitution and Bill of Rights, we differ across this great land in many ways. The South differs from the North, which differs from Coasts, and the Midwest sits in the center of it all. If you ask the citizens of this country, many would be able to explain to you how each geographic area holds a specific set of values which creates their own unique culture. We can take this down to the basic level of the individual, then up to the family and society, nations and the world. A great and diverse set of values reside across a nation; and a nation's values influence and affect the individual, the group, the society, and the business; all reside within the context of a set of values and norms to function in an acceptable way.

Is there a set of values that are commonly held across societies, a set of values that can provide a basis for discussion and negotiation toward a larger goal of global collaboration and cooperation, a set of values that we can agree on so we can work toward achieving a stable world, and a set of values that can help us understand our similarities and differences?

Schwartz (Schwartz, 2012; Schwartz et al., 2012) has done extensive work in studying values across societies. He defines basic values as:

> Trans-situational goals, varying in importance, that serve as guiding principles in the life of a person or group . . . they are organized into a coherent system that underlies and can help to explain individual decision making, attitudes and behavior. This coherent structure arises from the social and psychological conflict or congruity between values that people experience when they make everyday decisions. (Schwartz, et al., 2012, p. 664)

Schwartz (2012) identified a Theory of Value which synthesizes the concept of values into six major attributes:

- Values are beliefs linked to affect: Values are intricately tied to feeling and emotion.
- Values refer to desirable goals that motivate action: Action reflects goals.
- Values transcend specific actions and situations: They apply no matter the context, whereas norms and attitudes are more specific to context.
- Values serve as standards or criteria: Values guide behavior and decision making.
- Values are ordered by importance relative to one another: The human being forms an ordered system of priorities that characterize them as individuals.
- The relative importance of multiple values guides action: An attitude or behavior has implications for more than one value. Attitudes and behaviors are guided by the tradeoff between competing values. Values affect action when they are relevant in the context and important to the person.

These characteristics about values apply to all values. Schwartz suggests that it is the goal or motivation of the individual which distinguishes one from the other. The evolution of 10 universal values, evolve from the three universal requirements of human existence: “(1) needs of individuals as biological organisms, (2) requisites of coordinated social interaction, and (3) survival and welfare needs of groups” (p. 4). He suggests that people must be able to understand what their goals are, to communicate them to others, and to gain collaboration in their pursuit: “Values are the socially desirable concepts used to represent these goals mentally and the vocabulary used to express them in social interaction” (p. 4).

To conduct his research, Schwartz created two tools to measure values, the Schwartz Value Survey (SVS) and the Portrait Values Questionnaire (PVQ). These are quantitative research tools that to this day are used widely by many researchers to measure various aspects of human values. Based on his most recent publication, the SVS and PVQ have been used in 84 different countries to study values. In his first significant study in this area, he found correlation of motivational values between people who lived in a variety of Western cultures. His initial findings showed that there are 10 shared basic human values across cultures and that they reflect back to the universal requirements. Those values are self-direction, stimulation, hedonism, achievement, power, security, conformity, tradition, benevolence and universalism. In further work, Schwartz et al. (2012) identified an additional seven values that clarify several of the value definitions of the 10 basic values, and added two stand-alone values: face (prestige) and humility. These values, when placed in a circular motivational continuum model, have complimentary as well as conflicting relationship. See Figure 2 for Schwartz's model showing the circular motivational continuum of basic human values and their relationship to each other and Table 2 for the conceptual definitions of the 19 basic values.

Table 2. Conceptual Definitions of 19 Basic Values

Value	**Conceptual Definition**
Self-direction-thought	Freedom to cultivate one's own ideas and abilities
Self-direction-action	Freedom to determine one's own actions
Stimulation	Excitement, novelty, and challenge in life
Hedonism	Pleasure and sensuous gratification for oneself
Achievement	Personal success through demonstrating competence according to social standards
Power-dominance	Power through exercising control over people
Power-resources	Power through control of material and social resources
Face	Security and power through maintaining one's public image and avoiding humiliation
Security-personal	Safety in one's immediate environment
Security -societal	Safety and stability in the wider society
Conformity-rules	Compliance with rules, laws, and formal obligations
Conformity-interpersonal	Avoidance of upsetting or harming other people
Humility	Recognizing one's insignificance in the larger scheme of things
Tradition	Respect, commitment, and acceptance of the customs and ideas that traditional culture or religion provides
Benevolence-dependability	Being a reliable and trustworthy member of the in-group
Benevolence-caring	Devotion to the welfare of in-group members
Universalism-concern	Commitment to equality, justice, and protection for all people
Universalism-nature	Preservation of the natural environment
Universalism-tolerance	Acceptance and understanding of those who are different from oneself

Source: Schwartz, et al. (2012, p. 664)

The circular model demonstrates that the values of benevolence and hedonism are opposing values as are tradition and self-direction. Each value has a relationship that is driven by their relationship to the other values on the circular continuum. That is, the values across from each other have a conflicting relationship and the ones that are near each other have a congruent relationship.

In his findings, Schwartz states that the overarching motivation of man is a paradox-growth and self-protection, within these two motivations can be found the basic values. The values can be categorized by their focus, that is personal focus or social focus, which is also a paradox. And within the focus there are four general motivations for the values with two pairs that are opposing: (1) self-transcendence is opposed to (2) self-enhancement, and (3) openness to change is opposed to (4) conservation. Within this structure, Schwartz places the 19 values on the circular continuum (see Figure 2).

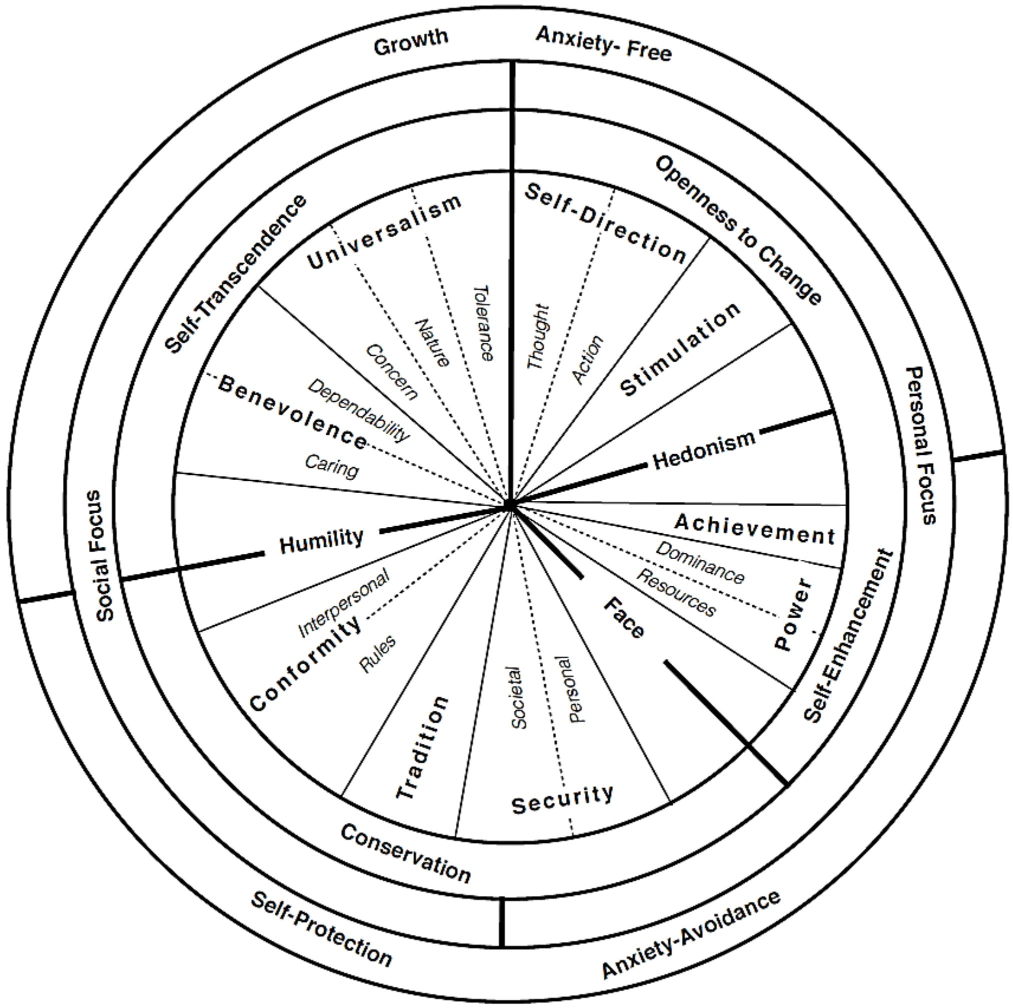

Figure 2. Proposed Circular Motivational Continuum of 19 Values with Sources that Underlie Their Order

Source: Schwartz, et al. (2012, p. 669)

This model and its depiction of the basic human values and how they relate give us a foundation for looking at values held by leaders of organizations. Do we see paradox in those values, do we see congruity, or do we see both? Are they motivated by growth or self-protection? Are they socially focused or personally focused? Do they have motivational goals in the realm of self enhancement or self-transcendence, openness to change or conservation? Schwartz finds that the "pursuit of a value on one side of the circle is likely to conflict with pursuit of the values distant from it and on the other side of the circle" (p. 669). There is not a judgment as to whether these values hold a bad or good connotation. Focus and motivation provide the context in which to judge these values. How these values are translated by leaders in organizations based on their motivation will have an impact on the culture of the organization.

Within the context of this study there is an opportunity to look at how entrepreneurial values fit within the framework of the universal values, and if there is a correlation with findings from entrepreneurial research.

Theoretical Proposition 10: Founder/CEOs will demonstrate paradoxical values of openness to change and conformity and self-enhancement and self-transcendence.

The Entrepreneur, Culture, and Values

The entrepreneur and values

According to Ramona (2011) entrepreneurs are people who create new businesses compared to inventors who create new things. He provides a certain profile of the entrepreneur in which he states that "entrepreneurs are characterized by self- control, the ability to plan things, they focus on innovation, independence, are self-confident and optimistic" (p. 267). He further finds that they are persevering, determined, responsible, tolerant, leaders, managers, independent but can work in a team, problem solvers, and opportunists. I think that we can add many characteristics/traits to that list, as well as argue about some of them. Are all entrepreneurs' managers or do they have people around them who manage? Do they all have self-control or would that stifle them? Are they planners, visionaries, or both?

Anderson (2000) found in his study that the "entrepreneur's approach to business can be understood in terms of their values and . . . the entrepreneurial business is shaped and formed from these same values" (p. 201). Anderson says that "the entrepreneurs values appear to be a way of operationalizing the antecedent variables of social embeddedness, the traits, or predispositions, associated with entrepreneurship and the competence and ability to act" (p. 209).

Entrepreneurs indeed do share some characteristics and traits, but then not all, entrepreneurs have an idea, believe in their idea, take action to implement the idea and take it to market, they have that in common. The entrepreneur holds values that are a reflection of the environment in which they were raised. Parental, educational, relational, and societal values contribute to the belief and value systems of an individual. Life experiences influence and effect how an individual sees and interprets the world around them. The value and belief system that a person incorporates into their way of being is reflected in how they behave and how they think.

Tomczyk, Lee, and Winslow (2013) conducted a study looking at the relationship between values, compensation practices and firm performance. This study was limited in that it looked at how values had a financial impact. In their literature search prior to the study, they found that little is known about the relationship between founder/CEO values and firm performance. They cite two studies that attempted to correlate two values to firm performance; self-directive values and benevolence. They found flaws in the studies and their ability to demonstrate a relationship to firm performance, although they did find a relationship to firm culture. Tomcyzk et al. looked at 500 of the fastest growing entrepreneurial firms in the U.S. and collected data from those entrepreneurs on 36 values looking for a correlation to firm performance. The study was limited in that it looked at benefits and perks as a measure of performance. So, although this was an attempt to study the relationship between the entrepreneur's values and firm performance, it was limited in its definition of corporate performance. The study provided some insight into the relationship of entrepreneur values to performance, but the definition of performance was narrow and longevity was not a variable studied.

Anderson (2000), studied rural entrepreneur's and their environment to understand the filter through which the entrepreneur operates:

> An individuals' perception is premised upon prior experience: but more interestingly we can also reduce the outcome of these experiences such as socialization, enculturation and specific experience as the individual's values . . . values in this sense are the crystallization of the intangible antecedents to enterprise. . . . The entrepreneur's approach to business can be understood in terms of

> their values and . . . the entrepreneurial business is shaped and formed from these same values. . . . The entrepreneurs' values appear to be a way of operationalizing the antecedent variables of social embeddedness, the traits, or predispositions, associated with entrepreneurship and the competence and ability to act. (pp. 201, 208–209)

If indeed this is the case, then it is difficult to separate the founder/entrepreneur's values from the values of the organization, and thus from the culture in the company that they establish.

Theoretical Proposition 11: Founder/CEO values will be reflected in the culture of the organization.

Culture and values

Schein (2010) an often cited author on organizational culture, explores the intricacies of organizational culture and its components. But he also observes that "the field of culture . . . has not yet been studied enough in group, organizational, and occupational domains to have spawned new theory" (p. 2). In his review of culture, he breaks the categories into macro-cultures (large group cultures such as ethnic groups, nations, occupations that are recognized globally), organizational cultures (all business entities from nonprofit to publicly-traded), subcultures (groups within a specific culture), and micro-cultures (microsystems either in or outside of an organization). Within the organizational culture and micro-culture we see that we must consider it in context. "Whether or not a culture is 'good' or 'bad,' 'functionally effective,' or not, depends not on the culture alone but on the relationship of the culture to the environment in which it exists" (p. 14). Therefore it is not easy to carve out a piece of anything we might study without accounting for culture and values and their influence.

Organizational culture is defined as a common agreement within the organization about shared beliefs, values and assumptions. An important part of the cultural definition is the word value. Value is a word that is used commonly regarding organizations and what they espouse. According to Howard (1998), values “represent standards or criteria for selecting from among alternatives. They define appropriate end-states and means to achieving those ends, the most central values in organizations are those regarding the nature of transactions and the rules governing them” (p. 232).

Gordon and DiTomaso (1992) conducted a study looking at the predictability of short-term company performance. They found a high correlation between a strong culture and good short-term performance when using consistency of perceptions as the value. In addition they found that a culture of adaptability is also predictive of short-term performance. They found that “both a strong culture from the standpoint of consistency and an appropriate culture from the standpoint of content will produce positive results, but a combination of the two is most powerful” (p. 794).

Berson, Oreg, and Dvir (2008) conducted a study looking at how a CEO’s values effect organizational outcome and then company performance. In their review of the literature, they found agreement that personal characteristics of the organization’s executives help determine what the organization’s culture will ultimately look like. These characteristics include personal values, which are felt to be among the most influential of leadership characteristics. We look at leadership styles that CEOs are attributed with, such as authentic leader, servant leader and transformational leader, but what these are is a reflection of the CEO's commitment to a value and belief system that they bring into the organization. A leader brings to the organization their own set of values. Those values create a "lens" through which the leader analyzes, strategizes, and leads the organization. The leader can filter information in both constructive and destructive ways. Every day the CEO impacts their organization's culture by the way they make decisions and respond to the outcomes of those decisions. Berson's study demonstrated that a CEO's values do impact culture and subsequently performance of the organization. A positive culture was associated with employee satisfaction and there was a positive correlation between self-direction and innovation. Benevolence was associated with support in the culture. This study positively related specific CEO values with specific organizational cultures that created predicted organizational outcomes, thereby demonstrating the importance of the values held by the CEO in organizational performance.

The culture created and values held by the founder define the organization and are most likely a critical component to the success of the organization. How then do these founders create a culture and maintain the values they infuse in their organization, contributing to the success of the company?

Schein (2010) would agree that the values and culture held by the leader are found in the culture of the organization. Schein states:

> Founders not only choose the basic mission and the environmental context in which the new group will operate, but they choose the group members and thereby shape the kinds of responses that the group will make in its efforts to succeed in its environment and to integrate itself. (p. 219)

Through two mechanisms, primary embedding and secondary articulation and reinforcement, Schein indicates that the leader creates the culture and then reinforces the culture through mechanisms that reflect the leader's values and beliefs. In general, these are the things that the leader communicates through their creation of the organizational environment, how resources are allocated and used and the artifacts of the organization. The organization becomes a reflection of the founder's personality. When it is time for the founder to leave the organization, challenges to the culture created by the founder can erupt. This can be a critical time in the evolution of an organization and can influence whether an organization retains a culture that has proven successful or even survives.

Ashkanasy, Wilderom, and Peterson (2011) discuss how the leader has a vision for what the company should be and they develop the approach for arriving at the vision. The founder orchestrates the future of their company based on their values and beliefs.

Foss and Lindenberg (2013) looked at goal framing as a driver of value creation for a company, that is the success of a company. According to the authors goal framing whether hedonic (self-oriented), gain (resource oriented), or normative (group oriented) effects the motivation and decision making toward achieving organizational outcomes. The goal framing orientation of the organization’s leadership influences the organizational members’ orientation toward achieving organizational goals. Each type of goal framing exists in organizations, but typically one overarching goal type dominates in an organization and effects how the organization achieves its goals. The most motivational of these is the normative goal frame. When employees perceive the leadership to be motivated by normative goal framing, they are more likely to be engaged in working with leadership toward achieving organizational goals. Goal framing then becomes an interesting concept when looking at entrepreneurs and their frame of reference in relation to achieving goals and therefore creating value for the firm.

These separate studies about aspects of the leader and culture creation in a company reflect a microcosm of the studies that have been done on this subject. Multiple theories have been tested such as resource based theory, goal framing theory, agency theory, entrepreneurial orientation and customer orientation theory, all with the intent to better identify what it takes to make a business successful. Griffin (2011) in discussing Values-Driven leadership suggests that leaders cannot truly identify how to develop organizational values and culture unless they first understand what they hold as values. Although he does not attribute these factors specifically to the longevity of a company He suggests all leaders should ask the question of themselves, “Who am I? What do I stand for and why? Where am I going? Why would others want to follow me? What will people say about me after I am gone?” (p. 54) Griffin suggests that when leaders successfully integrate their values into the culture of the organization, multiple benefits result, such as “higher employee retention, fulfillment and satisfaction; improved customer satisfaction and client relations and increased shareholder value” (p. 54)., he does attribute them to companies having improved performance. The findings from this study and the larger ROV study will hopefully help us “connect the dots” between the values of a founder/entrepreneur and the long term viability of a business.

Theoretical Proposition 12: Founder/CEOs will make decisions based on their values.

Business Viability

Statistics for western-owned family businesses show that about 1/3 survive into the second generation and 15% to the third (Birley, Ng, & Godfrey, 1999).

The term *business viability* as used in this study means the long-term survival of a business that is termed successful. The long-term survival means that the business has been in existence for 14 years or more and has a demonstrated track record of continuous growth and stability. To further expand on this concept for the purposes of this research, we are looking at the “soft” side of the business enterprise: the values that are embedded within the culture of a company that impact the business processes and decision making that lead to exceptional cultures.

The Hull MBA, of the Financial Times (Business sustainability, 2013), says business viability “represents resiliency over time—businesses that can survive shocks because they are intimately connected to healthy economic, social and environmental systems. These businesses create economic value and contribute to healthy ecosystems and strong communities” (p. 1). This same article suggests that there are practices that support a business surviving for the long term. Those are stakeholder engagement, processes and structures that embed efficiency into a firm’s culture (an example is continuous improvement systems), measurement and control that is transparent and shared, life cycle analysis. Firms that are sustainable have been shown to attract and retain employees more easily and experience less financial and reputation risk. These firms are also more innovative and adaptive to their environments.

Mathew (2009) did a review of literature related to sustainable entrepreneurship and in that review discusses sustainable entrepreneurship as

> finding the right match and balanced link with the organization and the environmental condition which allow the organization to develop long-term responsibility towards the shareholders, society and others with responsibility to improve and keep the value of the participants . . . in other words, sustainable entrepreneurship means making and combining the things in a way that take into consideration the short, medium, and long-term interests. (p. 42)

He further discusses a list of key points for success to include such attributes as values, networking, relationship, innovation, quality, integrated decision making, collaboration, and good business processes and systems. He looks at the successful entrepreneur as the key driver of this success, with attitude and personality as the major factors which influence their ability to lead a viable enterprise. Matthew states that

> The sustainable entrepreneur looks forward to develop and contribute to the need and choice of the individual, society, and future generations with the expectation of achieving the organizational goals and objectives and the fulfillment of the needs desired in the organization for creating the advantage. These needs will guide the organization expansion and growth at various levels with the achievement of the productivity and performance. (p. 46)

Lumpkin and Dess (1996) look at the relationship between an entrepreneurial orientation construct (EO) and performance. The conceptual framework of EO and its many influencing factors (environmental factors, organizational factors and entrepreneurial orientation) are viewed within the dimensions of entrepreneurship: innovativeness, risk taking, and proactiveness. Each factor (16 all tolled) contributes as either a modifier or moderator in the complex study of how entrepreneurial orientation contributes to company performance. They propose that when looking at a company's performance, the entrepreneur plays a key role in when, how, why, and what is seen as success and growth in a company. If the entrepreneur chooses to maintain a certain size and growth curve for the company to maintain control over decision making, is that seen as a success or not? It is a variable that should be considered before outsiders make a determination about the success of the company. Other factors that have been studied are also heavily influenced by the entrepreneur to include organizational structure, strategy, processes, acquisition and allocation of resources, culture, products, and services. These factors all contribute to company growth and performance, in both positive and negative ways, and they can be related to how the entrepreneur views achieving success and stability for their company.

Ferreira, Azevedo, and Ortiz (2011) would agree that EO has a significant effect on a firm's growth and viability. In their study they found that indeed firms with an EO orientation of risk taking, innovativeness and proactiveness had the following factors that influenced growth: (1) strategic orientation classified as entrepreneurial, (2) an entrepreneur's networks, an entrepreneur's own resources and the firm's resources, (3) the age of the firm (younger firms grew more than older ones).

Entrepreneurial, small businesses thrive and survive for a myriad of reasons, but a major theme that emerges is the importance of the leadership and their orientation and decision making as to the management and growth of the business. Although studies have been conducted looking at the characteristics of the entrepreneur and entrepreneurship and at the factors that contribute to an entrepreneurial business' being successful and having a good reputation, I have yet to find a study that has looked at the specific relationship of a founder/entrepreneur's values to the long term survival of a high performing company.

Hogarth, Michaud, Doz, and Ven der Heyden (1991) conducted a study on business firms to understand how business activities impact long term viability. They found that a key activity in the continuance of a business is its ability to regenerate and go back and forth between Stage 3, leverage and Stage 4, regeneration to continually renew themselves and stay in business. This concept is similar to one of the components of the recommendations for business survival as written by Collins and Porras (1994) in their book *Built to Last*.

Built to Last is the most meaningful study that I have found on business longevity. Jim Collins and. Jerry Porras, Ph.D., conducted a rather large retrospective and qualitative study looking at the characteristics of companies that had survived over the long term. The study looked at large corporations (over 500 employees) that were publicly traded. The study looked at the beginning of these companies and their founders as well as how they conducted business since their founding. These companies are household names: Citicorp, Proctor & Gamble, American Express, Johnson & Johnson, and IBM. And, a few of these companies have been around for over 100 years. Their study revealed two major themes that are applicable today. The first theme is creation of a core ideology comprised of core values and purpose (self-preservation), and the second is the ongoing drive for progress (growth).

The core ideology should not change but the drive for progress is in constant flux. In their findings the core ideology:

- Provides continuity and stability
- Plants a fixed stake in the ground as to what you are all about
- Limits possibilities and directions for the company to those aligned with the core ideology
- Has clear content that is not breached (p. 85)

They found that "although the core ideology and drive for progress usually trace their roots to specific individuals, a highly visionary company institutionalizes them, weaving them into the fabric of the organization" (p. 86).

Their recommendation from their research is that for a company to survive and thrive for the long term, they need to create mechanisms that preserve the core ideology and stimulate progress. Their suggested methods include:

- Commit to challenging goals
- Create cult like cultures that people buy into, getting rid of those that don't fit
- Don't be afraid to risk; try a lot of new things and be willing to fail
- Promote from within
- Continuously improve on processes and systems

What they found was that companies who "stuck to their knitting" and stayed true to a core purpose— one focused on other than making money—and who constantly renewed and reinvented themselves from within, survived and thrived. Lumpkin and Dess (1996) ask the question: “When does a firm cease to be entrepreneurial?”

> A firm can choose to maintain an entrepreneurial orientation throughout its life . . . when members of a firm become overly passive or decline to take risks or exercise creativity in order to capitalize on a market opportunity, they run the risk of losing the entrepreneurial edge. (p. 163)

And Schumpeter would suggest that the loss of the “wild spirit” is the beginning of the end for growth and prosperity. To renew and regenerate, entrepreneurs and entrepreneurship must thrive and survive.

Theoretical Proposition 13: Founder/CEOs have a core ideology, based on core values and purpose which promotes stability, growth and renewal of the organization.

Conclusion

This review of the literature provides a foundational body of work for this study. Understanding the antecedents, values, characteristics, traits, and motivations of the entrepreneur helps us understand some of the underlying drivers of entrepreneurial behavior. Understanding the concept of values and how values influence behavior provides a framework for looking at founder/CEO values. And understanding what factors influence the long term viability of a business provides a foundation for looking for those factors in these companies.

The study by Collins and Porras (1994) is most closely aligned with my research question, although the focus of the study was not the founder/CEO but the longevity of the company. One of the findings in the study demonstrated the impact of the founder, on longevity by creating a core ideology for the business as well as promoting growth through generative strategies. The study did not identify specific values of the founders, but indicated the impact the founders had on the long-term survival of their companies through their core ideology.

Tomczyk (2013) indicated in his literature review, prior to conducting his study on entrepreneur values and financial performance, that little has been done in studying the relationship between the values of the entrepreneur and the performance of the firm.

This review of the literature demonstrates a gap in the literature related to my research topic, the relationship between the founder/CEO values and the long term viability of the company.

Chapter 3: Research Approach and Methods

Background

Why does one do research, what does it contribute to the world of practitioners and scholars, or for that matter, to anyone or society? Does research make a difference, and if so, how?

I think the answer to that question is both simple and complex. In a broad sense, research continues to provide new knowledge and contributes to our further understanding of the world. Findings from research have provided cures and treatment for diseases, have created new materials and methods for production, have opened our eyes to how various cultures and societies live and think, have helped policy makers determine a course for decision making and have provided leaders and managers a blueprint for improving how they run businesses. Research is done by people who contain their research to a specific field or topic. And within those fields or topics there are many hundreds of studies going on at any given time. This is the complexity of research, what in those myriad of studies is meaningful—or is it all meaningful? The researcher must have an interest in answering a certain type of question that will contribute new information, a question that thinks about any of the following: who, what, why, how, or when. Therefore the research that provides an answer to a question or reveals new information should contribute to a body of knowledge that is either theoretical or practical.

Research is organized and structured in such a way that the researcher conducts research from a certain lens and uses the most appropriate method to achieve a meaningful study. Knowing this provides a foundation and context to those who review the research findings and decide whether to use or how to use the new found information.

There is a structure for research design that identifies the considerations that are made by the researcher. Creswell (2009) discusses a framework for design of research that connects a researcher's philosophical world view, to their selected strategies of inquiry, their research methods. Rubin and Rubin (2012) also discuss the importance of being clear about a researcher's philosophy of research and thus the approaches that they use to determine a method of research that supports their philosophy. Burrell and Morgan (1979) discuss the research framework and state that "all theories of organization are based upon a philosophy of science and a theory of society" (p. 1). This view of research can be generally categorized as having an objective bias or subjective bias. Researchers will typically come down on one side or the other. Researchers have belief systems that are reflected in their work and their approach to research. Those belief systems are reflected in their ontology, epistemology and view of human nature. Their ontological belief system tells us how they view the phenomenon being studied, their epistemological belief system tells us how they perceive that knowledge is acquired, and their human nature perspective tells us what they believe about human beings and their relationship with the world. Each belief system contributes to how the researcher approaches research. As an ontological belief do they adhere to an external or internal orientation, as an epistemological belief do they adhere to an objective view or a subjective view (are there facts or only observations), as a view of human nature do they adhere to humans having control over their environment by creating their circumstance, or does the environment/ circumstance control them and create who they are? If we understand these belief systems as a starting point, we can then understand the evolution of methods and approaches to research used by scholars.

Emerging from these belief systems are two overarching research philosophies/ paradigms, that of the positivist and that of the naturalist. The positivist believes that "reality is fixed, directly measurable, and knowable and that there is just one truth, one external reality" (Rubin & Rubin, p. 14) (an objective approach that has an ontology that is external, epistemology that is objective, and human nature that is controlled by their environment), whereas the naturalist believes that "reality constantly changes and can be known only indirectly, through the interpretations of people; they accept the possibility that there are multiple versions of reality" (p. 14) (ontology that is internal, epistemology that is subjective, and human nature that creates their environment). A third paradigm that has more recently emerged is the postpositivist. The postpositivist essentially believes that nothing is provable. The postpositivist is the antithesis of the positivist. For the purpose of this paper we will discuss the impact of the two more commonly used paradigms, the positivist and the naturalist.

It is the paradigm, either naturalist or positivist, that drives the researcher's approach to research. Believing that there is provable, objective reality and that data is separate from the research leads the positivist toward a quantitative approach to research design, widely known as the scientific method. Gioia, Corley, and Hamilton (2012) see the quantitative method of research as necessary in some situations, but feel that something gets missed when only using this one approach. They articulate that it

> Often leads us to engage in progressive extensions of existing knowledge as a way of discovering new knowledge. . . . It trains our attention on refining the existing ideas we use to navigate the theoretical world . . . does not encourage the kind of originality we would most like to see in our theorizing. . . . Our concern with this traditional approach is simply this: Advances in knowledge that are too strongly rooted in what we already know delimit what we can know. (pp. 1–2)

This then sets the stage for the approach used by naturalists, the approach that Gioia and others embrace. The naturalist believes that we learn by believing and that truth occurs through the lens of the people and situations studied. The naturalist is drawn to qualitative research design. According to Burrell and Morgan (1979) this approach is concerned with

> An understanding of the way in which the individual creates, modifies and interprets the world in which he or she finds himself. The emphasis in extreme cases tends to be placed upon the explanation and understanding of what is unique and particular to the individual rather than of what is general and universal. (p. 3)

Gioia et al. (2012) embrace a qualitative approach to research design and argue that:

> The most profound recognition in social and organizational study is that much of the world with which we deal is essentially socially constructed. Studying social construction processes implies that we focus more on the means by which organization members go about constructing and understanding their experience and less on the number of frequency of measureable occurrences. (p. 2)

Gioia et al. further expand on the social construction argument and state that “the people in organizations know what they are trying to do and can explain their thoughts, intentions, and actions” (p. 3). They argue for the importance of qualitative research to expand and deepen the body of knowledge and to give richness to findings.

Creswell adds to the discussion by explaining what the researcher contributes to the research findings: “All researchers bring values to a study, but qualitative researchers make their values known in their study” (p. 20). This is different than quantitative research, where the researcher stays outside the research and data. The qualitative researcher is inside the research and brings their values and biases to the study. They are open about it and they discuss how these may have influenced the findings. The involvement by the researcher varies dependent on the type of qualitative research design being used. Where quantitative research utilizes data gathered from experiments or survey findings, qualitative research uses a variety of approaches to include grounded theory studies, case study, narrative research, phenomenology, and ethnography.

Qualitative research in the social and behavioral sciences has grown dramatically over the past twenty years. It is now more widely accepted by the academics and the well-respected scholarly journals. Qualitative research has brought new, creative thinking to the world and has provided insights and perspectives that quantitative research was missing. Because qualitative research has opened up a new research vista, interpretive frameworks have developed within the qualitative research realm; those include postpositivism, social construction, transformative, pragmatism, critical, gender, race, and others (John W. Creswell, 2012). Qualitative research design provides a platform for exploring all areas of human nature within a context that gives the researcher freedom in answering a research question in a way that provides new knowledge and within which the researcher can align their belief and value system with the research.

Both quantitative and qualitative research contributes to our broad base of knowledge and learning. The approach to research depends on the belief system of the researcher and the research question. For this particular research question, qualitative research using a grounded theory approach seemed the most appropriate method for achieving insight into the relationship of a founder/CEO’s values to the longevity of their company.

Qualitative Research Methodology

Qualitative research requires the researcher to have a philosophy of research that tolerates ambiguity and unpredictability at the outset of the research. The qualitative researcher can be a participator or an observer, but remains an active party in the research process. They acknowledge that their mere presence may have an impact on the participants and the way they conduct the study. The way the researcher relates to the subjects being studied can also influence the findings. This is one of the criticisms of the qualitative research approach. Qualitative research is conducted because of a desire to explore, not necessarily a need to answer.

Findings in qualitative studies can be unpredictable. Just as we cannot predict what the next day will bring, we cannot know what we will find in the qualitative study. We have a question to pursue, but often, we find out more than we anticipated because of the qualitative process. The qualitative process opens the doors for new knowledge to be discovered, no matter the approach that is used, it gives the researcher the opportunity to dig deep and explore avenues that are limited. In reviewing much of the literature in the entrepreneurial arena, all but one of the studies was done using quantitative research. At the conclusion of reading about their research and their findings I found myself asking, but what about . . ? In a qualitative study you have the opportunity to explore those questions, questions that occur because of the research process. Would it not have been useful to have interviewed the entrepreneurs in some of the previously cited studies to find out what they believe, what their values are, what influenced them growing up, why they made the decisions they did, why they take the risks they do and why they decide an opportunity is right? Obviously the ability to survey hundreds of people at one time gives you a much larger data base, but because of the quantitative approach, much information is left on the table.

Doing this project using a qualitative method allowed us to dig into the comments made by the CEOs, which gave us a deeper and broader picture than a quantitative survey would have. These CEOs are people, not responses on a piece of paper. They were able to give us their interpretation of risk taking, motivation, behavior, education, decision making, and strategic orientation in their own words.

Words then give us insight into the soul. As Krueger suggests, deep beliefs underlie the action of the entrepreneur. A qualitative approach allows us to do that exploring. Creswell (2012) states that “in a qualitative study, the inquirers admit the value laden nature of the study and actively report their values and biases as well as the value-laden nature of information gathered from the field, they position themselves in the study” (p. 20). The qualitative researcher builds from the ground up, whereas other approaches drive the researcher from hypotheses or propositions.

Although many have proposed a definition of qualitative research, Denzin and Lincoln (2011) from their *Handbook of Qualitative Research* define qualitative research as follows:

> Qualitative research is a situated activity that locates the observer in the world. Qualitative research consists of a set of interpretive, material practices that make the world visible. These practices transform the world. They turn the world into a series of representations, including field notes, interviews, conversations, photographs, recordings, and memos to the self. At this level qualitative research involves an interpretive, naturalistic approach to the world. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or interpret, phenomena in terms of the meanings people bring to them. (p. 3)

This reflects the strong orientation to social constructionism; that is, the data is embedded in the social context of the subject; in this study that is the entrepreneurial business environment.

In qualitative research, the researcher allows the data to emerge because of the approach to research, and recognizes that pre-research assumptions may not be born out in the findings. Rubin and Rubin (2012) describe the role of the researcher in qualitative research, through inductive reasoning, to discover new explanations/theories that are based on people's "prior experience and biases. . . . as people interpret it" (p. 16). Rubin and Rubin describe using this approach to be a naturalist-constructionist paradigm. The naturalist paradigm "emphasizes the importance of context, of complexity, of examining situations in which many factors interact" (p. 19). The critical consideration in this approach is that meaning that evolves from the study is contextual and interpreted. The qualitative researcher looks at “what is missing” or “what is different” and tries to discover explanations through an exploratory process that looks at how this is happening, in what context and how it is influenced, that is, discovering the why and how, not the what. This approach can result in findings that are not congruent and demonstrate paradox. The advantage to this can be findings that become building blocks for further/deeper investigation. The concern of the qualitative researcher is to remain as neutral in the research process a possible so as not to bias findings. This requires the researcher to be clear and communicative about the focus of the research and ensure that all information is confidential and participants remain unidentifiable. According to Creswell, (2012) the qualitative researcher can use several methods of approach to include narrative research, phenomenological research, grounded theory, ethnography, and case study. One of strategies used in qualitative research is the qualitative interview.

Rubin and Rubin (2012) provide detailed information on how to conduct qualitative interviews. Qualitative interviewing is grounded within the naturalist research paradigm that is emergent and inductive. Those using a qualitative research approach are more likely to be researchers who are comfortable with not knowing the answers and who can be flexible in hearing varying perspectives and differences in reality. They often like to communicate and listen, and they are comfortable with understanding people and how they think. According to Rubin and Rubin, the qualitative interviewer is looking for: (1) rich and detailed information, (2) using questions that give the interviewee an opportunity to talk, explain and provide examples—questions that do not look for yes or no, but for why and how, (3) an interview structure that allows the researcher latitude in exploring a topic with the interviewee, an interview structure that starts with focused questions but does not rely on sticking to a script. The structure of the research provides the researcher the opportunity to probe and reset the interview based on the interviewee's responses.

Methodology and Data Analysis used for this Study

This study used a qualitative methodology with a grounded theory approach. The following section will describe the methodology and approach used to conduct this study and analyze the data. Because this study was done within the ROV project, I will first review the ROV study's methodology and will then discuss the methodology for this particular study.

The ROV project study and research methodology

Overview

The ROV project asks the research question, "What is the relationship between culture and profit?"(CVDL.org, 2013). The ROV project is using a mixed method research approach for the study. For the qualitative portion of the project, 16 to 20 companies that meet the criteria for the study will be identified over a three-year period. To date eight companies have been identified and visited. The study criterion includes small to midsized businesses, privately owned, that are profitable and exemplars of values-driven organizations. The companies were selected so as to have a representative mix of industries, sizes, ownership structure and geographic location.

The qualitative study is being conducted by the primary investigator for the project, Dr. James Ludema, Director of the CVDL at Benedictine University. The project team consists of the Director, faculty in the CVDL, staff in the CVDL, and several doctoral students from the doctoral program in Values-Driven Leadership at Benedictine University. I am one of those students.

To identify leaders and companies that meet the ROV criteria, company leaders were interviewed, via phone, by a member of the research team to verify information and to determine if there was interest in participating in the study. To participate, the companies committed to provide access to the interview team and identify interviewees that well represented the company and its culture. In addition, the company leaders agreed to provide relevant documentation and other access as needed to ensure the researchers were able to successfully obtain information to answer the research question.

Study approach

It was determined by the research team that the most appropriate approach for conducting the qualitative study was to use a grounded-theory approach.

Grounded-theory approach

The underpinning of this approach is that the data will reveal the findings through a process that is inductive and moves from single words or phrases relevant to the study question to more conceptual themes and then to a larger overarching theme or themes that may or may not be theory. What the process unveils is what the subjects tell us about the context of the research questions. This evolves from an underlying belief that our world is socially constructed and that behavior, thinking, and motivation occur within that social context. Social context cannot be ignored when looking at data. This is the richness that qualitative approaches to research give us; they open up the data perimeters to be all encompassing, rather than limited to a few descriptive words or phrases that one must respond to in a survey.

For grounded theory to be meaningful, the researcher uses an approach to collect data that allows the subjects to be who they are, so that what is said is a reflection of their thinking, and it is not prompted by the interviewer. It is important that the questions used, to gain information in the support of using grounded theory for the analysis, are open ended and reflect back to the subject their own words and interpretations. It is essential that the interviewer does not inject thoughts, opinions, or visual or behavioral cues that might influence or effect how or what the subject says or does. Appreciative inquiry provides an approach to asking those questions and eliciting rich data.

Once data is gained from the study, we learn the complexity of qualitative research analysis. The researcher must take the data that has been gathered, and then, without unduly influencing the intent within the data, start to evolve themes and ideas to explain the findings from the research.

This is effectively done by using the analytical approach that both Gioia (2012) and Charmaz (2011) describe. Although there is a difference in their approaches, essentially they believe that the researcher moves from a first-level coding process to a second-order coding that starts to emerge as themes, to a final discovery that is somewhat theoretical in nature. Charmaz believes you cannot force this process; the findings must emerge from the subjects. She suggests a coding system that follows both of their recommendations for analysis. The ROV study has followed this process for analysis.

Appreciative inquiry

Appreciative inquiry (AI) is a type of action research that uses a strength-based approach that generates new knowledge and inventiveness. It creates energy and promotes cooperation within the organization (Ludema & Fry, 2008). It is a way of studying and effecting social systems toward reinvention. AI is considered to have significantly changed the field of Organizational Development, and it is thought to be a precursor to the positive organizational scholarship movement. AI is grounded in social constructionism; we create our reality through our conversations.

AI was first identified in the 1980’s by Cooperrider and Srivastva (1987). In the midst of a consulting for the Cleveland Clinic on organizational change, they changed their approach from a focus on problem identification and problem solving to one of strength identification and creation of generative energy for driving results. It was revolutionary and evolutionary, and the outcomes from that consultation were extraordinary. They created the term appreciative inquiry to describe this new area of action research. Since their introduction of appreciative inquiry, it has been used by hundreds of organizations and thousands of people (Ludema, Whitney, Mohr, & Griffin, 2003) to achieve remarkable outcomes. Cooperrider and Srivastva positioned this approach in a socio-rationalist view, and describe appreciative inquiry as follows:

> For action research to reach its potential as a vehicle for social innovation it needs to begin advancing theoretical knowledge of consequence; that good theory may be one of the best means human beings have for affecting change in a postindustrial world; that the discipline's steadfast commitment to a problem-solving view of the world acts as a primary constraint on its imagination and contribution to knowledge; that appreciative inquiry represents a viable complement to conventional forms of action-research; and finally that through our assumptions and choice of methods we largely create the world we discover. (p. 129)

Appreciative inquiry taps into the potential of the organization and its people by leading conversations that have a generative potential. The approach leads people to explore the positive and to build a vision for the future based on those perceptions. If indeed imaging creates reality, then imaging success and growth, using the strengths of the organization, supports an immediate response toward building and creation. In the traditional approach of problem solving, there is a need to first tear down before building begins. One of the effects of using the AI approach is the instant energy and good feelings that the organization is left with. People talk about the strengths, the things that work, the people who contribute, the hope for the future, and the things that bring life to the organization and to employees, all energizing conversations. The AI approach asks the researcher to become a part of the process, to contribute by affirmation and appreciation of what is told: “The action researcher is drawn to affirm, and thereby illuminate the factors and forces involved in organizing that serve to nourish the human spirit” (Cooperrider & Srivastva, 1987, p. 131).

Words mean something. They create ideas and images that hold meaning, meaning can be used to build and enhance, or to diminish. When we use approaches that highlight and promote discussion about problems and issues, we reinforce that thinking and the continuation of deficit organizational thinking, “action-research serves directly to diminish the likelihood of imaginative, passionate, creative theory” (p. 149). When we use approaches that highlight and promote discussions about what is done well, strengths, and the other positive things about an organization, those images and meaning are reinforced, and they expand the possibility of the future, promoting thinking about what can be.

The principles upon which the AI approach is constructed are that research into the social potential of organizational life should begin with appreciation, should be applicable (usable for the organization and able to be validated), should be provocative (generate knowledge and new thinking), and should be collaborative (the process of inquiry and content are seamless).

AI is a process—a process of discovery, a generation of ideas and knowledge, and a call to action to move an organization upward and forward. Instead of using the problem solving approach, AI is an iterative process used for organizational change. It involves four stages: discovery (appreciating), dream (envisioning results), design (co-constructing), and destiny (sustaining). Using the AI process unveils the inner core of strengths of an organization which, when discovered, becomes the fuel for organizational transformation.

This study incorporates the discovery stage in the approach to conducting interviews for the ROV study. The study questions were constructed based on AI principles and can be found in Appendix A.

Research methodology and data analysis for this research study

This study followed the qualitative methodology and design of the ROV project. This section will focus on this particular study to include methodology and analysis approach.

Selection of subjects

The founder/CEOs participating in the ROV project were the subjects of this study. These founder/CEOs own businesses that have been in business for 14 years or longer and meet the criteria for the ROV project: their reputation for their product and service excellence, their unique cultures, their financial stability, and that they are privately held, are small to mid-sized companies (fewer than 500 employees), and are values driven.

For this research I studied six of these founder/CEOs who remain actively involved in running their companies. Five of the six founder/CEOs are on site every day and are involved in the day-to-day activities of their organization. The other founder is off site but meets with the Executive Team on a regular basis and his influence remains visible throughout the organization; he remains the visionary and strategic driver of the company.

Each of these companies represents the service industry. These companies are somewhat geographically disperse; three are from Chicago, one from the West Coast, one from Michigan, and one from Texas. Four of the six are listed on the Inc. 5000. They were all willing to allow us access to a cross section of their employees and to their company documents and general financial information.

Although the founder/CEOs were the focus of the study, transcripts from others that were interviewed were reviewed as a part of the study. Their input was important in verifying the perceptions held by the founder/CEOs. Table 3 shows the total number of interviews conducted and analyzed by level in the organization.

Table 3. Number of Interviewees by Level

Level	Number of Interviewees
CEO	6
Senior Executive	10
Vice President	13
Director/Middle Manager	20
Staff	6
Total Interviews	**55**

The data gathering process

After identifying the subjects, the next step is gathering the data. This was done primarily through interviews conducted using an AI approach. The interview questions were constructed by the primary research team and can be found in Appendix A.

Fifty-five interviews were conducted using semi-structured interviews and including employees at all levels in the organization (See Table 3). The interviews were conducted on site at the company's main office. In addition to interviews, the facility was toured, relevant company documents were reviewed, and the company was observed in action where possible.

<u>Interviews</u>

Using appreciative inquiry, all interviews were conducted on site, over a two-day period. Those interviewed included, but were not limited to, the founder/entrepreneur or current Chief Executive Officer/President, other members of the senior leadership team, middle management, and first-line management and staff. The interviewees were selected by the founder/ CEO or their designee and reflect a cross section of the organization. The interview team consisted of at least one primary researcher, staff, a videographer and at least one student researcher. The interviews were recorded via video and then transcribed. Once the interviews were transcribed, the study team, including the student researchers, did first-level coding of the interviews.

The questions used for the interviews reflected the purpose of the ROV study, i.e., exploring the relationship between culture and profit. The questions were open ended and structured to elicit stories and insights in the interviewees' words. The questions gave the interviewee the opportunity to tell their story, an important aspect of the appreciative inquiry approach. Initial questions asked the interviewee about themselves and their history with the organization. Follow-up questions were open-ended and gave the interviewee the opportunity to explore and explain their perceptions of the culture, the values, the processes, the success of the company, leadership, the people, the clients/customers, the community, the vendors, and the competition. Interviews with all but the founder took 30–45 minutes. Typically, the founder spoke for an extended length of time, as much as several hours. The Research Director was very adept at asking questions and ensuring the time was spent listening to the responses of the interviewee. He ensured that the interviewees were able to respond without interruption. He asked follow-up questions that parroted the interviewee's own words and did not insert his own observations or perceptions into the discussion. This is an accepted and preferred interview technique for conducting appreciative inquiry interviews.

As a student researcher, I was in attendance for the interviews at two of the studied companies and therefore had an opportunity to observe and interact with those that were interviewed. A large advantage for this student related to the research was having a well-respected and experienced researcher in appreciative inquiry conducting the interviews. He made it clear that he would not be reacting to what the interviewees said, but would remain neutral in his responses. He also deftly redirected all questions back to the interviewee for response. He used their own words and continually provided positive feedback as they answered the open ended questions. He allowed the interviewee to speak for as long as they needed and asked clarifying questions when a definition was important. The quality of the interviewer and his ability to make the interviewee feel comfortable, certainly contributed to the quality of the content of the interview which provided the data for this study.

Other data

Additional data was collected that included written materials such as financial information and human resource and organizational information germane to the project. Financial information was limited, and we were not able to obtain consistency in the type of reports across all organizations. Some of the organizations were more forthcoming than others. This is not atypical when working with privately held firms; financial information is typically closely held and only minimally shared outside the organization. Although the financial data was minimal, we were able to obtain trending of growth and revenues over several years. This provided information that verified that these companies were financially stable and had steady growth and profitability, an indicator of performance used by others. Other important documents that were reviewed included; policies and procedures (hiring and operational), position descriptions, mission and vision statements, strategic and annual goals, metrics for performance, marketing materials, community activities, and organizational structure. This information, where applicable, was reviewed and coded similar to the interviews, and used as supplementary information for the qualitative portion of the study.

Evaluation of approach

According to Creswell (2012), to conduct qualitative research effectively, three primary criteria must be met:

- Research must be conducted in a natural setting.
- Researchers must be sensitive to the people and places being studied.
- Data analysis goes between inductive and deductive and establishes patterns and themes.

This study met each of these criteria.

Collection of data in the natural setting

The researchers visited the businesses and met with the interviewees at the business site. They were able to see and feel the physical environment, they were able to observe how those within the organization related to each other, and they observed how they dressed and how they spoke. They experienced the energy level among the people, their relationship to time, how they coped with the intrusion of strangers and equipment, and their comfort level with the process of inquiry. These organizations and the people left impressions on those conducting the study, and these interpretations were based on the researchers' beliefs, biases, and prior experiences—truly a reflection of how the researcher becomes part of the study. These impressions are brought to the data as the data is analyzed. The conversations themselves had content, but the context of those conversations also had important content. Interestingly, because I participated in only two of the six interviews, I was concerned about not having the onsite feel for the other organizations. But, through those that did participate on site, we were able to learn about what we did not see.

An additional observation, while coding these interviews the energy and passion that the interviewees held came through, even though we were not present. It was interesting that their words conveyed these emotions, in fact I found myself crying while reading some of the transcripts as people described instances where the organization went above and beyond to support them. I am sure I brought this bias into my interpretation of the conversations that were coded.

<u>Sensitivity to the people and places being studied</u>

The study was conducted with respect for those that were giving their time to the project. The interviewer was sensitive to the interviewee when responses were emotional. The interviewer declared, prior to commencement of the interview, that he could not have an emotional response to anything that was said: He could not smile, laugh or in any way show an opinion of what was said. This also was true of those of us that were observing. This established that we were there to listen, not to judge. I think it established a level of professionalism for the process and allowed the interviewee to open up.

Data analysis approach

The third criterion for a qualitative study is related to conducting the data analysis. The date should be analyzed using both inductive and deductive processes: “Qualitative researchers build their patterns, categories, and themes from the ‘bottom up’, by organizing the data inductively into increasingly more abstract units of information” (John W.   Creswell, 2012, p. 45) and once those abstract units of information are identified, the researcher returns to the data to make sure the themes remain relevant. This inductive-deductive cycle of looking at the data ensures that nothing is missed or misunderstood. Again, the researcher is the arbiter on these interpretations, but their ability to test findings against the data in an ongoing cycle of emergence supports the themes that surface.

The coding of the interviews followed the coding process as described by Charmaz (2011) and Gioia et al. (2012).

The first step in analysis occurred at the site after the interviews were conducted. There was collegial conversation among the researchers about what we heard and saw. Because this was done in real time, it helped determine if questions or focus needed to be modified. It also worked somewhat similarly to the memo concept. It made you put on paper initial reactions, or thoughts about what was said or seen. So, even at the beginning of this process, ideas and thoughts were starting to emerge in response to the data.

After the interviews were transcribed, they were loaded onto the Dedoose® program (a cross-platform application for analyzing quantitative, qualitative or mixed method data), a program which facilitates organizing and storing coding. Using Dedoose® gave the research team equal access to the interview information for coding and memo creating. For the most part, this program was used for first-level coding. First-level coding was done in general for the overall ROV project, but then I went back and recoded the 55 interviews with a focus on the research question, looking for CEO values and how those values translated into behaviors that contributed to the growth and survival of the company. This first-level coding was done word by word and line by line, typically referred to by Charmaz as in-vivo coding. From that first level coding emerged several thousand words and phrases. In addition, the written material from the six companies was reviewed and coded where there was relevance to the research question. Although you are never really done looking and relooking at data, at some point you reach a saturation level, and based on going back to the material several times, that point was reached and nothing new was coming out of the exercise.

Once I was comfortable that first-level coding was complete, I went to the second level of coding. In that coding you start to look for congruency and contradiction in the information (Charmaz, 2011; Corbin & Strauss, 1990; Gioia, et al., 2012). Corbin et al. call this axial coding. Charmaz refers to it as focused coding—a "focused, selective phase that uses the most significant or frequent initial codes to sort, synthesize, integrate, and organize large amounts of data" (p. 46). This phase of coding brings the researcher into the study matter. The researcher now starts to be guided in their thinking from their own social context and knowledge, which places definitions or interpretations on the data. It would be difficult not to bring already acquired information into this phase, but it is necessary for the researcher to remain true to the data. This is demonstrated by using words, phrases, and concepts in the original words of the subjects, allowing those reading the findings to understand the support for the second-order themes that are emerging. This is where some deductive reasoning starts to enter the analysis process. According to Creswell (2012), the theme level requires both an inductive and deductive reasoning process, in that, as the themes are identified that emerge from the data (inductive) there is a need to go back and verify the themes with the data (deductive). This was done with the data in this study at the theme level and consistent themes emerged across the six founder/CEO's studied as well as the others that were interviewed. My particular research question was not a focus of the interviews, and yet the consistency of the data across each organization provided reassurance that I was on the right track.

First-order coding

For the ROV study, the data was analyzed by multiple researchers. The thousands of codes that were generated were similar across the researchers. Each researcher did the first-order codes individually; second-order codes were discussed in a group setting with various themes emerging. Memos were generated by the various researchers to provide insight from another perspective. Since I was doing my own particular study within the ROV study, I took advantage of participating in the coding and discussion around the codes for the ROV project. This gave me insight into the process of emergence, and also verified that my observations and coding was aligned with what others were finding. For this study, I returned to the transcripts and redid first-order coding of all the interviews. This meant that for my particular study, the interviews were coded several times in addition to the coding available from the other researchers. Once the first-order coding was complete, general themes emerged.

General themes

Once general themes emerged, I returned to the data and created a spread sheet of those themes and returned to the data to insert comments from each of the interviews related to that particular theme. Those themes included

- Human resources—hiring, retention, training, development
- Values—organizational values and personal values
- Culture—creation and manifestation

- Financial—performance measures, profitability, organization intelligence regarding money
- Initiation and building of the business
- Logistics
- Relationships—internal and external
- Mission, goals, strategy
- Vision
- Challenges
- Growth
- Emotions/feelings
- Environmental sustainability
- Leadership
- Reputation

Returning again to coding brought other themes to the forefront. This process required the use of both inductive and deductive processing. Although this was a start, it did not dig deep enough and so the process of going back and forth between the data and themes helped me to continually reassess and reconfigure those themes that seemed to apply to my research topic. For example, I was able to collapse several of the general themes into broader themes such as discipline, culture and values, growth, and performance. These were themes that appeared to have a relationship to the research question based on the literature review.

Another process that contributed to identifying themes was the work that many of us on the research team did to present initial findings at workshops. That process made us think and rethink what we were hearing and what it meant. The continual reexamination of this material among a variety of people also contributed to refining the themes and verifying that others were finding similar themes. Although I was focused on my particular research topic, there were commonalities in my themes that were applicable to other studies.

As these themes emerged, I began to gain some insight into the research question. I returned to the data to verify and support the themes and my interpretations of them. Once I had done this numerous times, I felt that no additional information was forthcoming. Therefore, although I am not sure you ever really reach saturation, I felt that for me, it had occurred. If another researcher looked at this data, they may have discovered other themes, but that is the adventure of qualitative studies—the fact that you are never really done. The researcher also brings their own biases and experiences to the study, and different researchers can glean different themes from the same data.

Identifying the next level of themes

The final, but never complete, phase of the analysis was the consolidation of the themes into overarching theoretical findings. Again, this required going back and forth between the first-level coding and themes to ensure that what was emerging was supportable. This was done with the data. But creating the theoretical findings required going back to the literature to understand what was really occurring in these organizations. Some new research gave me my “aha” moment and allowed me to revisit the themes to determine if indeed this was what was emerging. So, in the course of using the processes identified by Charmaz (2011), Gioia et al. (2012), and Corbin and Strauss (1990) for analyzing qualitative data, indeed emergence occurred. As Charmaz describes, “Coding is the pivotal link between collecting data and developing an emergent theory to explain these data. Through coding you define what is happening in the data and begin to grapple with what it means” (p. 46).

Conclusion

As we look at these very special founder/CEOs it gives us the opportunity to look in depth at leaders and their companies that are doing it well and doing it right and ask the question “How?” One of those “How?” questions is what this particular research project is concerned with. In what ways does the founder impact the company? The founder is not only the creator of the company but certainly has influence on the company’s success. The founder creates and drives the culture in the organization and provides the strategic thinking and decision making that lays the groundwork for business viability. How does a founder create a successful company that survives the long term? Does a founder’s values play a role? Values and beliefs are an important factor in who a person is, how they behave and what they do. Although many studies have looked at the characteristics of an entrepreneur, those characteristics may appear in both successful and unsuccessful entrepreneurs. Founders/entrepreneurs may have similar characteristics, but do they share values, and if so what are the values held by the founders/entrepreneurs that have had successful companies such as those being studied in this project? How do these values contribute to the long term survival of a company? Thus the topic of my research should contribute to the overall research findings for the ROV project, and potentially contribute to the entrepreneurship literature.

Chapter 4: Results

Overview

It was not known what this research would reveal about the founder/CEO's values and how that might tie into the longevity of the company. But, after listening to 55 people talk about their company and their leadership, it was clear that more than anything, people had a great deal of respect and yes, love for the founders and wanted to remain employed by these companies for the long term. They were committed to seeing these companies thrive and survive for many years into the future. But can they anticipate that there will be a company for the long term, especially in light of the slowdown in the economy in the past five years? These are service industries. Although service industries are currently a strong force in the U.S. economy, and have recently been the industry doing much of the hiring, they have been hit hard by the economic downturn. Those interviewed did not see the glass half empty; they all saw the glass half full. Confidence and hope for the future pervaded these interviews, and findings from this research will help us understand why that is.

The Companies

The companies used for this research are all high performing, values-driven organizations. Of the six companies, four are a part of the Inc 5000. These are companies that have grown in size over their lifetime and have maintained financial stability throughout the growth. All of these companies have survived several recessions. Companies in the study are shown in Table 4.

Table 4. Companies in the Study

C0	C1	C2	C3	C4	C5	C6
Svc.	Catering	On site data center maintenance	Project Management Consulting	Call Center	Interpretation and Translation services	Catering
C/S	Chicago, IL	Grand Rapids, MI	Chicago, IL	Dallas, TX	Seattle, WA	Chicago, IL
O	Privately held	Privately held	Privately held	Privately held	Privately held	Privately held
YIB	**30 years**	**20 years**	**25 years**	**28 years**	**28 years**	**24 years**
Emp.	350 FT 1500 seasonal	200	107	330	50 FT, 3000 contractors	55 FT, 120 seasonal
NL	1 state	12 states	4 states	1 state	1 state	1 state
Rev.	$35 M	$39.9 M	$22 M	$31.9 M	$ 9.2 M	$4.8 M

Note: C=Company; Svc.=Service provided; C/S=City and State; O=Ownership; YIB=Years in business; Emp. =Employees; FT=full-time employees; NL=Number of locations; Rev.=Revenue.

As is apparent, these are companies that are among the 20% that survived. All remain privately held and except for Company 2, the founders remain active participants in daily operations of the company.

Some general comments regarding each company follow:

- Company 2's founder has appointed someone to be the president of the Company; the founder is officed off-site pursuing other ventures. He continues to function as the CEO, albeit an absentee one. He remains active in the Company, and meets with the President and Senior Executive Group on a regular basis to discuss strategy and review status of the Company.
- Company 1 and Company 6 both add seasonal employees during their peak times. Company 1 can add as many as 1500 during high season.
- Company 5 contracts with about 3000 workers outside of their full time work force. The contractors that work for Company 5 are on an as-needed basis. These contractors are translators and interpreters, and the demand is based on the request for services at the time.
- Company 2 and Company 3 have offices in multiple locations. Our interviews at both companies included primarily people at the headquarter office.
- Company 4 is comprised of four companies. The CEO is actively involved in all companies. In our discussion with him about the relationship of the Call Center to the other organizations, he saw the relationship as seamless. For the purpose of this study our focus was on the Call Center, the primary provider of services, and the foundation of Company 4. Also, at the time the interviews were conducted Company 4 was a stand-alone company. That the company was in discussion about a change in ownership did not come up during the interviews. The acquisition occurred in mid-2013. The CEO of Company 4 is with the new

organization as the Chief Culture Officer, evidently a key negotiating point during the purchase discussions. Our understanding is that without this title and responsibility, there was no deal.

Three interesting observations

Although I am not sure there is significance to the research question in the following three observations, I thought that they should be included as something that emerged out of this grounded research.

<u>Male-female dynamic</u>

The first observation is that of the five companies that were founded by males only, four of those companies' founder/CEOs have as their key partner in the growth of their company a female. The Company 1 founder, early on, brought on a female accountant (she was the first full-time employee) who has remained with the company for these many years in a variety of jobs, and she is now the Director of Special Projects. The founder/CEO has bounced ideas off of her over the years, has had her do a myriad of different projects that needed special attention, and has essentially depended on her to keep him on track. She is well respected and well-loved and brings a balance to organizational leadership.

In Company 4 the three brothers actually had their mother in the company as mom, trainer, mentor, listener, and educator. They relied on her heavily when they established the company and culture and when she left they relied on another woman, "The Queen of Fun and Laughter." She is the one who continues to keep her fingers on the pulse of the organization and is a sounding board for both the CEO and the employees.

The Company 3 founder sought out a prior colleague and trusted friend when he first started the company. He wanted her to join him as the accountant and to help grow and run the company. She was the first to join him and she is responsible for all but the project management/consulting arm of the organization. He relies on her as a sounding board and partner in decision making and strategy for the company. She is clearly second in command—if not almost on a par with the founder.

When Company 6 started, one of the founders and the Chief Culture Officer (CCO/CEO) recruited a woman he met at his son's soccer games (She was a stay-at-home mother at the time.) to join him and help him grow the company. She started as his right-hand person, doing a little bit of everything, and today she is the Director of Key Accounts. She has been with him through it all and has been a steady ear for listening and discussing ideas and plans and keeping things on an even keel.

Company 2 was founded by a male and he surrounded himself with three male senior executives that do not fit the observation.

Company 5 was founded by a husband and wife team. The husband has recently retired and the female founder remains the CEO of the company. They have been equal partners from the beginning and she is credited with creating and maintaining the special culture at Company 5.

Why is this of interest? Because as I look at these companies the most prevalent and overwhelming theme is that the founders and the employees see the culture of these companies as one of family. So, although this is probably an idea out of the realm of possibility, it leads me to wonder whether in creating a family-oriented culture in a company there is a requirement for both a strong paternal figure and a strong maternal figure to be the leaders of the “family.” Does this provide some initial balance? Did these founders feel that instinctively? There is no question that all of these men are caring, relationship-oriented leaders, they could have enticed many to join them in their venture, but they chose a woman as their key partner in creation and growth, why?

Religious affiliation and ethnic affiliation

The second observation is that of the six companies founder’s the four we know about came from strong Catholic families with catholic upbringing. Two of the founders are Irish Catholic, one is Italian Catholic and one is Spanish Catholic (Bolivia). These four founders all credit their catholic upbringing and education as contributing to the values that they bring to their organization and the way they conduct business. We do not know the religious affiliation of the other two founders, or whether they are religious.

In addition, all credit their parents as critical to what they hold as values. In fact, four of them singled out their father as the one who had the most impact on what they hold as values, one of them their mother. Of the six founders, all came from strong, close family cultures that included immediate and extended family and friends. Four of the founders came from two parent families. And, not to jump to conclusions, but the Irish, Italian and Spanish cultures are very close-knit, clan-type cultures where family is considered to be primary and where extended family and friends often socialize and share celebrations and losses and typically share religious affiliation, which influences belief and value systems. These clan cultures not only revere the family but expect loyalty and reciprocity in their relationships. I would venture to call them family and relationship-centric cultures. And, these cultures are known for their strong value for affiliation. Is this relevant to the research question? I do not know. Interestingly the two founders who run catering companies came from big families, one with 11 children and one with seven children. Another founder came from a family of five children. Two of these companies were started by brothers, and a third tried to bring family in, but they were not a fit. Two of the companies have sons and daughters already working in the company. Family is just not the culture they created; they live the value of family in their personal lives.

<u>Education</u>

The third observation is that all but one of the founders has a college education or professional degree. This finding is consistent with research that has shown entrepreneurs to have a higher level of education than non-entrepreneurs.

These observations are not meant to presume any type of predictor of what type of culture an entrepreneur might pursue for their organization, or how they might build the culture, but there are some interesting coincidences to these six founders. And if we had the information from the other two founders we might find congruency with the observations. These founders grew up with a high value for family and long-term relationships, a strong theme when we look at the organizational cultures they have created and their ability to maintain long term relationships. I regret that we did not have this information for two of the founders, as this was not the focus of the ROV study and therefore was not explored in any depth.

Facilities and space

Although physical space is not directly related to the research question, it does project an image and message about the company and what it values. Multiple studies have been done on this topic and those findings are used by architects and designers for the buildings they create ("Architectural design values," 2014; Gensler, 2013; Stringer, 2014; Whitemyer, 2013). In a 2008 workplace survey conducted by Gensler (2013), four work modes were seen as the framework in which to think about design of the workplace for improving the experience of the employee. They found that employees at the highest performing companies “value work modes more highly and have spaces that more effectively support each one” (p. 3). Those four modes are focus, collaborate, learn, and socialize. In their 2013 survey they found that “focus, balance, and choice in the workplace emerge as key drivers of satisfaction, performance, and innovation" (p. 3).

Although looking at physical space and what it represents was not the focus of this research, it did give an initial impression about these companies and the values the CEOs chose to project. It was interesting to think about first impressions from walking in the door to then later, after interviewing the CEO and others, walking out the door and validating those first impressions. Walking into offices gave us a quick impression about the occupant; walking into public and community space gave us additional impressions. Looking at things like parking spaces and the physical location of buildings also left impressions. The CEOs had direct involvement in selecting the space for their company and how it was equipped and decorated, decisions that effect first impressions. Without exception, the initial impressions held. Obviously after the interviews there was a wealth of additional information on the company and its culture and values, but in no case did the space conflict with values held by these CEOs. Although these impressions are not directly pertinent to the research topic, they do give us some insight into the values of the CEO and the messages that they give to their stakeholders, especially employees.

Without exception, the companies in this study occupy space that is modest and practical. For all of these companies, their overhead to occupy the space and run the business is reasonable and not a burden on the financial health of the company. In each case, executives have modest offices; they reflect the personality of the occupant and of the company. Company 4 is light, bright and has messages of caring and acknowledgement throughout the space; they have their core values printed in three-foot letters in their training room and on the call center floor. Company 3 is quiet, professional, uncluttered and has acknowledgement of company and individual achievements in public areas. Company 5 keeps their space to a minimum using only space that is required for the work; in fact two of the senior executives are sharing an office to promote more communication every day. They also have their values stenciled on several walls for everyone to see. In fact there was an animated discussion between the two senior vice presidents about which walls should be stenciled, and the founder/CEO finally made the decision.

Company 6 has their core values written on the walls of every meeting area.

Company 2 maintains that they need only the space they require and no more. They tell stories of early on not having specific office space but of cleaning out closets and storage rooms to create an office area. They value frugality when it comes to using and paying for space.

Company 1 occupies two buildings near the downtown area of Chicago. It is an area that is in transition and so the space was acquired for a very low cost. The facilities are older but well kept. In the main building they do tastings and have a small room set up as a cozy dining area, decorated tastefully for the clients that come for a tasting. They are looking for additional space, but want to make sure they make the right decision on area and cost. They want the new building to be energy efficient and incorporate environmentally friendly systems.

When looking at the facilities occupied by these companies, the message is that space is to be used for function and not to be coveted for status. There is no status based on office location or size in these companies, and that includes the senior executive team. These companies proudly display their awards and achievements and make sure that individual achievement is also publically displayed. Within these companies, there are organizational artifacts that represent founding and milestones and hold meaning to the founders and the employees. All companies have a gathering area for communication and fun. Company 4 probably has the most obvious “fun” areas, but all recognize the importance of having areas where everyone can meet and communicate about work and life. All the companies have an open-door policy, which was substantiated by those that were interviewed. Openness of their facility communicates that they are open to communication and relating.

This space helps communicate that these businesses are; serious about their work, that everyone has access to everyone else, that communication, collegiality and fun are encouraged, that the profits are spent where needed but not unnecessarily, that respect for the environment is important in the use of energy and the management of waste, that no one is more important than anyone else and that the company and individuals do great things, and that those should be celebrated by everyone.

How these companies started

Each founder has a different story to tell. But, in looking at their beginnings, two of the founders were “intentional entrepreneurs,” one was a “reluctant entrepreneur,” and the other three were “circumstantial entrepreneurs.”

Intentional entrepreneurs

Company 3 and Company 6 CEO’s were intentional entrepreneurs. Both were people that had entrepreneurship in their blood from an early age. The founder of Company 3 knew that he wanted to run his own business: “I have always had an entrepreneurial drive.” He started three companies: When he was a junior in college he started his own construction company to pay for his last two years of school, at 25 years old he started a fitness center that grew to two centers that he had for 18 years, and at 27 years of age he started a property-development company. But he was not always an entrepreneur. When he finished college he took a position with Johnson & Johnson (J&J) as an engineer, a position which he held for 15 years. When he started he told them that he was not going to retire there:

> I just had this desire to start with one sheet of paper and create my own environment and quite frankly I kind of laid out my plan actually just before I became chief engineer. I said what more will I get out of the corporate experience before I truly go off on my own. . . . I did not want any restrictions in creating the kind of culture. . . . That was in my DNA

At 37 years old he gave J&J his notice and left to start Company 3, a company that is now 25 years old and known for its unique and special culture.

The other intentional entrepreneur is the Chief Culture Officer (uses this title instead of CEO) and one of the owners of Company 6. He started his first business in 1971 and has started 29 businesses since that time. He says entrepreneurship is in his blood: “I never worked for corporate America and I could not stand the thought of doing that.” In 1984 he and two of his brothers started a hot dog and Italian beef sandwich stand, which became the launching pad for Company 6 in 1987. They spun the company off as a stand-alone in 1989. Today the company is 24 years old and is known for its culture of entangled employees (Thomspon, Benedetto, Walter, & Meyer, 2013).

<u>The reluctant entrepreneur</u>

The CEO of Company 4 calls himself a reluctant entrepreneur. He was a practicing attorney but found “it wasn’t for me.” He and his brothers always wanted to go into business together, but they did not know want they wanted to do. A situation arose with his grandfather, and with his other two brothers—one who already had an alarm company business—they decided to start a business that responded to what they felt was a need for the senior community, a company that installed a dialer in a home which would signal when someone needed help. In 1985 the three brothers went into business together and that was the start of the company. He never thought that he would be in a business or run a business; it just happened. Since the inception of the business one brother—the original entrepreneur—left to start another business, and his other brother passed away, so he remains as the sole brother running the company. And now, Company 4 is a thriving business that has survived for 28 years.

The circumstantial entrepreneurs

There are three circumstantial entrepreneurs, the CEOs of Company 1, Company 2, and Company 5. They became entrepreneurs in response to timing and circumstances.

The CEO of Company 1 started his career as a social worker. After working in the field for a few years he returned to school for his master's degree in social work. He could not work full time and go to school, so he took small jobs in restaurants and bars. One of those jobs was with a friend who needed to do something to increase business during the slow times. He came up with an idea to do promotions by offering trips to concerts, baseball games, hockey games, and other types of events. The goal was to get 50 people in the door. The owner made him the manager of the bar and he hired three friends to help build the business.

> Within a year we were having outings for two hundred people and I had the busses lined up and I had the grills going and I did all the food prep, I did all the food work, I bought all the tickets, I orchestrated the bus, I was managing the bar, so I was handling all these logistics . . . it was making people happy. I was making a living but at the same time it gave me a real kick and I kept on raising the bar for myself.

At the completion of his master's degree he went back to social work, but continued doing promotions for his friend. He was busy with social work and was able to just do a few promotions here and there, but one day he received a phone call from a woman who had been on one of his promotion trips and she asked him if he could provide the food for her film company while it was filming in Chicago. He took the order on a matchbook (which can be found framed in the lobby of the company) and delved into the catering business part time while still running a special education program for the school district. In the summer while off from school he started catering full time, doing it all himself, and "little did I know I was starting a catering company." He left social work the next year and has been in catering ever since.

The CEO and majority owner of Company 2 is not involved in daily operations. He does not office at Company 2, but does meet with the executive staff on a regular basis. Although he is no longer on site, his influence and impact on this organization remains a founder's impact. The current President of the organization was selected by the CEO after a nine month interviewing process. He and the Chief Operating Officer (COO) tell the story of the beginning of the company. The COO worked for a company in the late 1980's that was a computer reseller and he was the first technician hired to reconfigure the systems for resale, install the systems, repair them, and maintain them. This is where he met the founder. The founder was from the west Michigan area and was also a technician but had a job selling hardware overseas as well as in the U.S. for another company. He was getting married and wanted to be home more, and he joined the company as a salesman. But, he was different than everyone—"there was just something about him." After a few months he approached the owners and said there was a business opportunity they were missing in the servicing area. The owners agreed to create a company as the servicing arm of the primary company and made him the President. He put his office in the "clean room," which was really the dirtiest room in the warehouse and told the now COO that he was going to come work with him at this new company, no discussion!

The founder would go to lunch and draw things on napkins about his vision; he was always talking about the future. "You know he's gonna (sic) do something and he's painting a picture and he's trying to figure out where do you fit in and how can you contribute . . . those were awesome, fun conversations to have."

Company 2 continued to grow and do well and after four years the parent company decided to sell them, but no one was interested in buying them. The founder then made it known that he wanted to own a business, but did not want to run the business. So, he found someone to back him financially and bought the company from the parent company. He came into the relationship as the majority owner and remains the majority owner today. Not wanting to run the business, he then hired someone to manage the business who is now the President of Company 2. Once the business was his the founder said "let's go, we are going to really start growing this company." He had a very clear idea about the culture he wanted to create and how to go about growing his company. Company 2 has now been in business for 20 years.

The CEO of Company 5 and her husband both worked for other companies prior to starting their own business. Both were born and raised in Bolivia and were multi-lingual at an early age. After the CEO moved to the United States, she took a position as a teacher and then Director of a Linguistics school and her husband worked for a major airline. Both she and her husband lost their jobs about the same time. She wanted to remain in the linguistics area, an area that she had a passion for, and this passion led the couple to open their own translation and interpretation business 28 years ago:

> Our passion for wanting to do something on our own and really being in charge of our own destiny was so important to us. My husband worked for Braniff International for almost 20 years and they filed for bankruptcy and . . . my school (she worked for them for 8 years) closed because the owner who lived in San Francisco mismanaged funds, so we were just anxious to have some control over what we did.

Table 5 summarizes profiles of company founder/CEOs in the study.

Table 5. Profile of the Company Founder/CEOs

CEO1[a]	**CEO2**	**CEO3**	**CEO4**	**CEO5**	**CEO6**
CE[b]	CE	IE[c]	[d]RE	CE	IE
Own[e]	Partner(2)	Own	Own	Partner(2)	Partner(3)
M	M	M	M	F/M	M
60s[g]	60s	60s	50s	60s	60s

[a]CEOs correlate with Company, i.e., CEO1 is the founder/CEO of Company 1.
[b]CE=circumstantial entrepreneur.
[c]IE= intentional entrepreneur
[d]RE=reluctant entrepreneur.
[e]Own=ownership. The founders for this study that are in partnerships are considered the key cultural drivers for the company.

[f]M and F/M=gender of the founder(s).
[g]Approximate current age of the founder/s

Overview of analysis process

As was mentioned in the research chapter, this study was done using a grounded theory approach letting the themes emerge from the data.

Each of the 55 interviews was analyzed first using a line-by-line approach. Each line was read and when meaningful, coded. At this point I need to point out that the data that was coded was meaningful to me and applicable to my research question, but it might have not been meaningful to another researcher. This is typical in qualitative research, because the researcher brings their own biases and perspective to the research; it is inherent in the methodology.

For these 55 interviews, 3,690 relevant first-order codes were identified. A breakdown of the code tallied by company and title can be found in Appendix B. The benefit of coding all the interviews for this study was to verify that what the founder/CEOs were saying about their organizational culture and values was reflected throughout each level in the organization; indeed this was the case. There was consistency among all those interviewed regarding the culture, the values, the vision, the goals, the financial status, and the expectations. The founder/CEOs were not just waxing eloquently about their organization; they were being blatantly honest and transparent about their organization. They were not wearing rose colored glasses; they had a transparent lens about their organization. What they described as their beliefs, the organization believed; what they held as values, the organization valued; what they identified as expectations and goals, the organization had as expectations and goals, what they stated as their vision, the organization embraced as their vision. The employees and founder/CEOs were aligned in every aspect that was covered in the interviews. It was startling at how consistent and aligned all the interviewees were.

Another exercise to look at founder/CEO values was to chart how values that emerged during the interviews relate to the Universal Values as defined by Schwartz (2012); that chart can be found in Appendix C. A summary of the most often cited values of the founder/CEO can be found in Appendix D. It is found that indeed the founder/CEOs share the majority of the same values.

Inherent within these values are the idea that values are “valued” at different levels and actions/behaviors occur as a result of these values based on the underlying motivation for holding those values. For example, is the underlying value motivation openness to change or conservation or self-transcendence or self-enhancement? These are opposing-value motivations that can exist within the same person, but they create a paradox in behavior. An individual can desire security, conformity and tradition while also valuing stimulation and self-direction. A motivational goal will change the way the value is applied in life and in action/behavior. This is relevant to this study, because as we look at the values held by the founder/CEOs we do indeed see this paradox—a paradox that is described well when looking at frameworks such as the

Competing Values Framework developed by Cameron, Quinn, DeGraff, and Thakor (2006). In this framework they acknowledge the paradox of values that exist in organizations and have created a framework to chart those values. In their approach to using competing values (paradoxical values) they find that organizations need to understand this paradox in order to define and align people within the organization to achieve results. They have found that “paradoxical and flexible leadership is the most effective leadership” (Cameron, et al., 2006, p. 114). Competing values create synergies that drive growth and success. Cameron et al. established a 2x2 structure (See Figure 3) with collaboration (clan) juxtaposed to competition (market) and create (adhocracy) juxtaposed to control (bureaucracy). The author of this paper developed Figure 3 using Cameron et al. (2006) and Schwartz (2012) as sources; the author of this paper inserted universal values.

Culture type: CLAN Orientation: Collaboration Universal Value motivation: Self - Transcendence	Culture Type: ADHOCRACY Orientation: Create Universal Value motivation: Openness to Change
Culture Type: BUREAUCROCY Orientation: Control Universal Value motivation: Conservation	Culture Type: MARKET Orientation: Compete Universal Value motivation: Self Enhancement

Figure 3. Competing Values Framework 2x2 with Universal Value Motivations

Schwartz (2012) suggests that motivation of openness to change and self-transcendence are anxiety-free values and promote gaining of goals and self-expansion and growth but that self-enhancement and conservation prevent loss and self-protect against threat. Cameron et al. suggest that outcomes are determined by the dominance of each quadrant and will reflect context. For example, in the manufacturing plant there is a need for a strong “control” and “collaborative” orientation (for engaged workforce) but there may be fewer demonstrated values in the “create” and “compete” orientations. The Competing Values Framework helps organizations understand their values and how those values influence the ability of the company to succeed.

Themes—Second order

Second-order themes evolved from the first-order coding. The values articulated by the founder/CEOs resulted in their taking action within their organization that established the culture, defined processes and logistics, resulted in an approach to the market and clients, and defined the context for growth while establishing a value and strategy for the long term survival of the company

Theme 1: Create a purposeful culture, manage it, reinforce it and embed it into the company to achieve growth and stability (collaborate, control, create, compete)

Creating a culture is a creative process, while embedding the components of that culture into the organization requires discipline and focus. The cultures created in these organizations reflect the values espoused by the founder/CEOs and the process of embedding values and maintaining the culture is a reflection of their leadership philosophy.

These founder/CEOs established their cultures from the beginning. They established their original cultures based on who they are and what they learned from life experience. As their companies evolved, so did their cultures. They did not change their basic belief systems or their values, but in some instances they relooked at how to manifest those in the organization.

For example, at Company 6, the founder/CCO (Chief Culture Officer) talks about growing up and coming from a poor background:

> But we were always religious and moral, we always believed in God and a higher power, so we were rooted in faith, hope and charity. I use the word we, because it's always been a team effort. We grew up in a family of eleven children and it was always about us as a team. So, I approached life and business as being a team project . . . and we consider everybody that's in our employ to be a partner of some sort or another. My father always said that we should be moral, ethical and legal.

These are foundational values that promote a positive "can do" attitude and promote an attitude of caring and respect for others and a value for family. And interestingly, as Company 6 created their seven core values, the employees created the first value, which is "to be moral, ethical and legal at all times." The second is to "treat others with respect." And, all refer to this organization as a "family." This is a reflection of the founder's belief system seeping into the belief system of his employees and the values held by the organization. Another incident in his life profoundly affected his own belief system as well as his value for others. When young, he heard Martin Luther King speak and in that speech heard him say, "I am somebody." From that day forward, the founder/CCO understood not only was he himself somebody, but everyone he related to was somebody. This had a profound effect on how he developed his leadership style and relationships with employees and others. He was a risk taker and independent, having started a total of 29 companies, and he never wanted to work for anyone. He learned the hard way that advisors were an essential piece of the business equation, but he learned from the mistakes that he made.

His openness to change was demonstrated in the mid 2000s. Strongly prompted by two young employees, the company went through a transition in leadership and management philosophy that had an impact on organizational culture; they went from an organization that used a command-and-control style to one that was employee-centric and driven. The essential values and beliefs of the founder remained intact, but they showed up in a different leadership context than before—thus the change in title from Chief Executive Officer to one of Chief Culture Officer, reflecting a change in the approach to leading and managing the organization. The founder/CCO was open to the changes for three reasons: He was a life-long learner who read and was influenced by the philosophers such as Descartes, Rousseau, Kant, Plato, Socrates, and Aristotle. He understood change was necessary. He had life experiences that taught him the value of advisors—He respected the advice of these two young people, and he realized the future of the company was dependent on the young people and their commitment to the organization:

> I thought it was the right thing to do. It was the moral and ethical thing to treat our employees with respect and dignity and it was the best

> business situation to maximize the talents that everyone has and sometimes are afraid to display . . . we continue to search and we will never stop searching for ways to develop the individual human being. Business needs human capital, financial capital and psychological capital. Leaders have to have the psychological capital. Without those three capitals you are not going to have a successful sustainable organization.

This change in approach, but not in basic values, unleashed the energy and synergy in the organization. The culture reinforces and rewards adherence to the seven values. The seven values that drive the culture at Company 6 are (1) always moral, ethical and legal, (2) treat others with respect, (3) quality in everything we do, (4) high customer-service standards, (5) competitiveness: a strong determination to be the best, (6) an enduring culture of individual discipline, (7) freedom and responsibility within the culture of discipline. Everyone in the organization repeats at least three of the core values before every meeting. People from top to bottom are held accountable for living the values of the organization. The values are reinforced through systems and processes, expectations and discipline. Although the company was successful prior to the change, the change in approach to leadership and management has changed the culture significantly. The outcome of this change in culture and leadership approach has resulted in higher profitability, higher employee retention and loyalty, increased customer satisfaction, and stronger internal and external relationships. The founder/CCO sees his major job as supporting the culture and reinforcing the values of the organization every day.

Company 5's culture is a reflection of the founders' values, with employees in the organization crediting the female founder as having the stronger influence on the culture and values of the organization. She attributes her values to those of her mother, who learned them from the nuns in boarding school. She describes deeply ingrained values of learning, respect, courtesy, appreciation, humility, politeness, kindness, caring for others, giving back, being well groomed, punctuality, and the importance of family. She followed her passion from her youth:

> Languages have been my passion. I went to a German school in Bolivia, I studied French, English and Spanish, and that's been always what I liked and it comes naturally to me. Our nanny's did not speak Spanish, so we were bilingual at the age of one and a half.

She learned the importance of discipline when she taught at a young age and had to control her class: "I had to learn very fast how to take control of my class and I am proud to say that they really tried very hard to impress me, so actually our class was the best."

She attributes the creation of her organization's culture to her and her husband's values. She describes the company as a family, as a team, "we are a family owned business, it comes naturally to us. . . . we are very proud . . . this is their second home." In fact, they now have their son and daughter as Senior Vice Presidents; their son-in-law and several of their grandchildren work for the company. They did not force or require their children to work at the company, but they wanted to and started doing a variety of jobs when they were very young.

The founder describes creating the organization's culture as intuitive; they were just being who they are. She is humble when describing herself and others. She attributes achievements of the organization to all and not to just her and her husband. It is important to them that anyone who works for them cares about people, no matter what their language or culture. They expect everyone to be treated with respect and appreciation; she states that "courtesy starts at home." Their core values are (1) professionalism, (2) responsiveness, (3) congeniality, (4) courtesy, (5) humility, and (6) effort.

They see employees as being the contributors to their doing better. She and her husband are hard workers and in turn appreciate those who work hard. They believe in going the extra mile:

> Effort is doing everything you possible can and exhausting every resource then later getting to the satisfaction of knowing that you gave it your all . . . everything we do takes a lot of effort to excel . . . you need to keep on working and striving to keep up the good quality and improve what you do . . . we went out of our way always to do our very best. . . . I can guarantee you that I will send you the best Japanese interpreter and the most qualified for whatever situation you need . . . we are making a difference in a person's life and so it takes effort to go out of your way to do that . . . you must surpass client expectations . . . the word gets around "they will do it for you.

This attitude of hard work and going the extra mile has created long-term relationships with their employees, clients and vendors. They are committed to having an organization that cares about and for people in an environment of respect and collegiality. They expect employees to take responsibility for their future and to take advantage of opportunities; the founder learned that lesson from someone else:

> You hire them and then it is up to them, their future is up to them, how they perform and if they take advantage of all the opportunities to learn then they benefit, if they don't, then maybe they did not try hard enough, so you should never feel responsible for that—the founder thought that this was very wise.

They give back to the community in many ways, both individually and as an organization. The family is actively involved in community organizations and charities and participates as board members in several of them. The value of giving back is strongly held by the founder, who learned that value from her parents, and it remains a strong value in her organization. This has resulted in Company 5 having a reputation in the community as a business who cares.

The culture at Company 5, based on the founders' values, has created an organization that has been recognized for excellence by Boeing and others and for the past five years has been listed on the Inc 5000 as among the fastest growing companies. They have a highly satisfied workforce with low turnover, high profitability, loyal clients, and vendors with established long term relationships and a reputation for excellence and responsiveness.

Company 3's founder purposefully created his culture on paper prior to starting the company:

> I had this desire to start with one sheet of paper and create my own environment. I did not want any restrictions in creating the kind of culture I wanted. Linking into culture was a part of my persona. I love creating an environment where people get excited about what you are doing. Let's have fun, I love camaraderie, it is something that has been in me since I was a kid. I think that it is just a God given gift and I have realized it and I have applied it. I realized that culture was important for as long as I can remember. I used to get my friends excited about it creating what needed to happen so we could accomplish something that we thought was great. I was always the person who came up with the idea. . . . I voiced, have a lot of fun while working hard. It is about one brick at a time getting people inspired.

He wanted an extraordinary culture that reflected the best of what he knew. He studied organizations as to why they succeeded and failed and he learned that those that failed lacked the ability to execute reliably. He also worked for an organization that was known for its culture, but observed that there were times when their behavior was not consistent with their values, which diminished the trust employees had in the organization. He brought these observations into the company and made sure that there was alignment and consistency with values and behavior and that executing at a high level was a value held by his organization; he wanted it to be a culture that was a reflection of his values and beliefs. Caring was an important part of his value equation. His father always said to him to treat others how you want to be treated:

> My heart has always been my heart and I have been passionate, I have voiced caring about people. As a young man whenever I got into trouble, it was because I was helping someone else who needed my help. My mother would tell you to this day that I would give someone the shirt off my back, but she would also tell you don't cross me. That

> is truly how I live my life; I will truly give someone the shirt off my back. But, when someone betrays my trust, I don’t want to be party to that relationship anymore. I learned from my Dad never to compromise your honesty and integrity, your reputation is the most valuable thing you have.

He brings this value to his organization: “The uniqueness of our approach lies in our endeavor to engage individuals, not only from an intellectual standpoint, but to engage their hearts.” He sees that when people and organizations do not perform the obstacle is culture. He finds that “it is collaboration that allows businesses to generate synergies that really tap into the potential of the organization.” His goal is to be “recognized nationally and then internationally as the absolute best in executing the most critical initiative for the best companies in the world and doing it in a way that never compromised honesty and integrity.” Similar to the founder/CCO of Company 6, he sees his role as supporting and reinforcing the culture every day:

> From day one I was the person communicating with the organization (about) what it claims to be and what are its values. People are observing my behavior and my decisions. I need to make sure every day that they are very, very consistent with those values. What you do is what you believe is right. I started the company and we have never ever veered from our mission or beliefs. We have never stepped away from being honest in the company, and we have the highest integrity. We all stand behind our mistakes, do whatever we have to do to satisfy our customers and we never take a dime that is not ours. Perpetuating the culture is done by example.

He values honesty, integrity, family, affection, hard work, precision, security and reciprocity.

He believes that what his employees do with clients is a reflection of the organization's culture:

> I believe strongly that what the company is doing extraordinary in providing services is a reflection of what is happening back at home. I think that is all you have to do is look within four walls that we call a professional home and looking at the organization to determine whether that same organization can hold promise of providing that caring, providing the quality, the performance that they profess is part of their service. I am a fanatic for precision, and that is what I want reflected on the outside.

The culture he has created, which reflects his values, has resulted in an organization that has been profitable from the beginning, continues to grow, has low turnover, has received numerous awards from external organizations, and has a long track record of satisfied and retained clients.

Company 2's founder had a vision, and the vision included creating a purposeful culture that allowed employees to achieve "their personal, professional and financial goals." His vision was to tap into peoples' motivations and goals to drive the organization toward success. He would ask the questions of those he interviewed, "How do I help you? How are you doing? What do you like? What do you not like? What are your biggest needs?" He believes that the leadership team works for the employees; they are there to serve them. Company 2 promotes and supports servant leadership, a style that puts others first and supports them in excelling. "We set up people for success," the founder says. "We call a top performer one that not only does their job extremely well and gets great results, but they do it in a way that let's everybody else in the company achieve their results as well." The culture reflects the founder's mentality, "serve the customer, serve your fellow employee and that is what drives us." He used his prior experiences to build the culture of the company, his customer service, his interactions with fellow employees, what he did outside of work, opportunities to serve the community, opportunities for engagement, and involvement with family. His values and culture have been embedded in the organization through the President who he hired. The President expresses it this way, "I want everybody in the company to quote their hire date and say that that is the day that my life changed. That is the day I started to achieve all of my goals, and it is because of [Company 2]." The President states that he wants the employees to say

> I am making more money than I would have made anywhere else, I have a better work life balance than I could have anywhere else, I get to be the Dad or Mom, husband or wife, that I want to be, I am engaged with my kid's activities and with my hobbies, and I have been able to achieve what I want to do professionally because of Company 2.

The four core objectives for Company 2 are (1) excellent customer service, (2) employee engagement, (3) revenue growth, (4) margin retention and growth. They use these four core objectives using a positive lens as the basis for decision making. When they orient new employees to the company they tell them that:

> They do not need to have permission from their manager for every decision they make, we say look at the four objectives, break it down and you make the decision. This creates an environment of an employee to be independent, to be empowered and to really have an impact on the company. We want to create this open environment where they understand the strategy of the company and that they are

> empowered to make decisions and they can have a big impact. It really turns into an employee development program.

The culture at Company 2 is one of trust in the employees to do the right thing. They believe they will do the right thing because they see how doing the right thing will allow them and their coworkers to achieve their goals. They achieve their goals by making the company successful. It is an ongoing reciprocal relationship between employee goals and company goals which drives the culture and success for Company 2. With this formula Company 2 has been recognized by outside organizations for its performance, it has been highly profitable, the employee group is stable with low turnover, and customers are loyal and highly satisfied with their service. As with the other companies, employees love this company and how it is led and managed.

Company 4's remaining founder describes Company 4's beginning as a goal that was always held by him and his brothers. Their grandfather and his medical need gave them the purpose for the business "help grandfather get help in case of an emergency." And when they sought out investors in the early days "friends of father gave them a check for investment." They wanted to "do it ourselves, bear down and work hard." They wanted to "control their own destiny and build the business we wanted to build running an organization based on core values."

The company has as two essential values empathy and compassion, and, according to the founder, you either "have them or you don't." He states:

> We do our work by creating relationship with our own people. We make a difference. Focus first and foremost on your own people and get them to be loyal and that drives customer loyalty, and if customers are loyal that drives profitability.

Their philosophy in leading the company is that:

> You make an environment where people enjoy what they do. (When you) create an environment where you generally care about employees and the totality of their lives, they are happier and happier people do better work. Happier people will fall on a sword for you when times are tough . . . if employees don't feel like there is something in it other than money, if they don't feel like there is a higher purpose, they are not going to do their best work . . . I exist to enhance the lives of people that work here.

He credits his parents with bringing him and his brothers up with good core values. He says his father "taught me to be nice and never burn a bridge and respect people." Their most important value can be described in one word, people:

> We are here to enhance the lives of the people that work here and as a result they are more engaged, they sit down and think about solutions to problems and how to be productive, they think how to grow their life and career in the business, they are thinking about relationships . . . we live by core values everyday . . . we make it hard to become an employee but once you are in we make you feel like family . . . our values frame our decisions . . . our core values guide our behavior and purpose . . . the measure of success of employees is living the five core values . . . having core values is the foundation of culture.

Company 4's five core values are (1) passion for customer service, (2) always doing the right thing, (3) never sacrificing quality, (4) spirit of camaraderie, and

(5) commitment to accountability. Their vision is a result of their core values and purpose. And, it reflects his desire to fulfill his own purpose and passion, impacting others' lives in a meaningful way: "Employees tell me I have changed their life—that is payday for me."

His value for having an impact and making a difference is seen throughout the organization and in the stories that employees tell, heartfelt stories where the organization made a difference in people's lives, just because they cared. In a year where the economy had slowed, and as a result the business had a weaker than normal financial performance, the founder decided, even though they had not met targets, to go ahead and bonus the employees. But, rather than accept the bonuses, the employees decided to defer the bonuses and chose instead to have the company take the money and reinvest it in the company. One of the leaders of that conversation was an employee with end-stage cancer, stage IV, and rather than his family having the extra money, he wanted to give it back, because the company meant that much to him and his coworkers. And he knew the company would be there for him and his family throughout his illness. This story was repeated in many ways with different scenarios by employees. At Company 4, they care about each other and their families and they are a family. "The relationships that they have built for the time they have been here have impacted their life. Spouses are happy because they are happy. They love going to work."

The founder states that leadership is the key mechanism for achieving engagement, and consistency and trust are essential components of leadership and leading:

> Culture and engagement is about leadership, engaging leaders to engage their teams. As a leader my job is to make sure that we are focused on the individual visions and passions of our people. If they understand the business we are in, we can connect their passions to the business and the results will come.

The founder says that his:

> parents loved seeing their sons in business together, my mom helped with the business for many years as a trainer, mom, and teacher. It was a joy working with my brothers. My brothers are no longer in the business, but their impact remains and now it's me and my company family and we are growing business together.

In summary, the founder said it so profoundly: "I cannot deny that I am the culture and the culture is me."

Reciprocity is a major subtheme of these cultures and several sighted the golden rule as an important value held by them and promoted within their organization's culture. These leaders have respect for their employees, clients and vendors and treat all with dignity. They are seen to have integrity and as a result are considered to be trustworthy and honest. They believe in doing the right thing. They are seen as role models for the Golden Rule. Employees and clients see them go the extra mile for them. They see them keep their word and make decisions that are consistent with the values of the company. Reciprocity is an outcome of this behavior, and that reciprocity shows up in the way in which employees, clients, and vendors become trusting of the founders/CEO but also become loyal to them and the company. It also shows up in client, vendor and community relationships. The employees treat the external stakeholders with respect and caring, which in turn generates loyalty from each of those constituents. The clients reciprocate by giving these companies additional business, a key contributor to growth, productivity and profitability in these organizations, an important component of survival.

The founder of Company 1 says that “one of the things that has never changed is the culture. We are just doing what we have always done. We are a little more sophisticated and detail oriented. It goes back to growing up with my family.”

The founder of Company 1 talks about the golden ruler in his father’s den which was a constant reminder to “do unto others as you would have them do unto you.” He grew up with a strong value for family, collaboration, everyone pitching in and doing what had to be done. “It goes back to treating each other right. I just really felt it and did not know a different way to do it.” He has a sampler framed in his office that his mother made. In the middle of the sampler is the word *commitment* and it is surrounded by the names of all his family members. In high school his hockey team was not expected to win anything, but they pulled together and he learned that “you win a lot of championships when a group of people come together, work together well and exceed expectations. It is about what you put into it, it does not matter what skills you have.”

He sees what he does as working with people, problem solving, and making people happy, within the context of entertaining and catering. As with the other founders, he sees the business piece as the conduit, but the real essence of the organization being about people, “happy people making people happy.”

> We are not trying to sell people on our culture, we live our culture and people feel it and sense it. Our people want to work here because we are on a mission. We have a job to do, it is about living our lives, living healthy lives, living productive lives, being active in the community, treating each other right and helping each other to get someplace else. We are just happy people making people happy . . . people being happy is just treating people right, respecting people, giving them a better place to work, the right environment, improving benefits, giving them a flexible work environment and giving people as much independence as they can handle . . . don’t stand in people’s way, let them grow. Provide guidance, direction and support. . . . I have made a long term commitment to make it a great workplace. . . . I am proud I work with these people; they are responsible for making the place it is today . . . keeping in touch with people is more important than keeping in touch with customers for me because my employees are really the ones that stay in touch with the customers.

He believes that his job is to touch people that work at the company. “My purpose is just to thank them,” he says. “They care so much for people, I better care about them, and otherwise they can’t pass that along. If you are nurtured, you can nurture and if you care you are cared about.” Their values include humility, compassion, sense of responsibility to others, respect, work ethic: “we like to produce, we like to get better, learn, grow, be active and give back to the community, live life deeply and want to have fun.” The beliefs that they orient all employees to demonstrates the paradoxical nature that they see in their business: (1) creative yet smart, (2) hard-working yet fun, (3) diverse yet unique, (4) reliable yet energetic, (5) descriptive yet refined,

(6) attentive yet resourceful, and (7) flexible yet responsible. They see these paradoxes as creating energy and synergy in the organization.

Company 1 is considered one of the premier caterers in Chicago. They have won numerous awards and have been recognized in multiple local and regional publications. They have a low turnover compared with the industry, have a high customer satisfaction rate, and have had loyal customers that have stayed with them for many years. They have always shown profitability and have a reputation for delivering more than promised.

All of these founder/CEOs created their cultures on purpose. They knew how they wanted to run their business, either intuitively or from experience. They also realized that the culture needed to be cultivated and grown and continually reinforced. They built their cultures based on their belief systems and values. The values of the six founders studied are very closely aligned. This has resulted in their having very similar cultures. Their cultures, based on their values, have created successful, profitable businesses, highly satisfied, happy and stable employees, highly satisfied and loyal customers, reliable vendors, and have contributed to their communities.

To achieve these cultures, the founder /CEOs created systems and processes that continuously reinforce the culture. With these systems they monitor the culture daily. And they understand the importance of the employees embracing the culture and making it their own. The culture must pervade the fiber and sinew of the organization for it to make a difference. These companies have done that successfully, but they do not let their guard down. The culture is visible and has been tested over time. They all attribute the success of their business to their culture, culture's that are a reflection of their own values. They also attribute the success of their businesses to their people. All have a very high regard for their employees and treat them with respect and dignity.

Another aspect of reinforcing culture is to make decisions based on values. When the employees and clients observe the leaders making tough decisions based on values and not profit, there is a reinforcement that the leaders mean what they say about values and adhering to them. When these founder/CEOs were tested in this area, they adhered to values and gained a great deal of respect from their employees.

Additional comments from the founder/CEOs about their culture:

- Cultural procedures are the most ingrained institutionalized procedures in our company, gives them ownership.
- We create traditions and consistency to gain trust. Always do the right thing, never sacrifice quality, create a spirit of camaraderie, and commit to accountability
- Excel and pass the client's expectations.

- Do the right thing. There is not a personal and work life, there is life. Do what you say you are going to do.
- Passion and hard work are needed to pursue an outcome.
- Sharing stories about our personal and professional lives are investments in creating affinity and engaging people's hearts.
- It may cost money to stand firm about what we believe in, but when you do people really start believing.
- We can create our own future here. We exist to help employees achieve their goals. We want to have an impact on everyone's life. We are purposeful about our culture. We rely on employees to learn it and continue it.

Theme 2: Love and care about people; they are the most important resource a business has. Helping them meet their goals in turn creates a business that meets its goals (collaborate, compete)

The founder/CEO's are people centric; they value and respect people. They are passionate about people. Their main focus, outside of their vision and purpose, is people. They know that to achieve their purpose they have to do it through people. They see the success of their business as dependent on the quality, engagement, and happiness of their employees—all employees—with no exception. This is why they have developed the cultures that they have developed. They surround themselves with people who are aligned with their values. They look for a strong core of values in the interviewees, they look for top talent, they want leaders, they want fit with the organization, they want problem solvers, and they must be people oriented. Once people are inside the organization, they are supported to be successful and thrive. If there are indications that success and value alignment are missing, they are mentored and worked with to explore why there are issues with an attempt to resolve those issues, but if there is not a fit, they are caringly counseled to find happiness elsewhere. And that happens swiftly; the founders express that an employee who is a bad fit will bring down the rest of the group and effect the positive culture and productivity in the company.

> **CEO 6**: The employees that work for us are somebody, that everybody that I am surrounded with is somebody with hopes and needs and fears and anxieties . . . early in my businesses I never realized the value of attitude and core values. Understanding how important good human capital is and to surround yourself with good human capital is to be a successful company. . . . bring the best of the best in as interns, give them emotional intelligence and they will have a competitive advantage when they go to school . . . everybody at Tasty has tremendous talent . . . we continue to look for ways to develop the individual human being . . . you get the right people on the bus, and then find the right seat and let the bus go wherever the bus is going to go . . . I think the best way to incentivize people is to let them become who they want to be, let them reach that by building their personal happiness-personal setting of goal and achieving them . . . everyone shares off each other’s success . . . the company is known for the quality of its people as much as anything else . . . we want to build optimism, positive psychological capital-hope, optimism, self-efficacy and resiliency . . . anyone who violates the culture, seriously violates the culture we terminate immediately. The employees have four critical rights; (1) the right to truth, (2) the right to privacy, (3) the right to not be injured (emotionally, psychologically, physically, financially), and (4) the right to employee contract. If they are going to give themselves to the company, we have to give back to them to make sure they are fed and managed right.

The founders see their main role as maintaining a culture that supports people being successful at what they do, loving the workplace, being able to achieve personal goals, being proud of and having passion for their work and the work of the company, and having caring , respectful relationships. They want to give the employees the tools they need and then get out of their way so they can do their job. They want them to be invested in the jobs they do. They want their employees to have fun. They expect them to work hard but also feel good about what they do. So, the founder/CEOs put a lot of time, energy, and resources into having a culture that delivers based on those values. Employee satisfaction is high in these companies, a fact reflected in their low turnover and high retention rates. This contributes to higher productivity and lower costs for recruitment and training of new employees. Both contribute to the bottom line.

> **CEO 3**: I feel a great affection for those who I work with and they feel a great affection for me. People here hug and kiss each other. I still hug everybody. I was brought up Italian and we always hugged each other. We show great caring for people I believe want to reciprocate. . . . We have shown an extraordinary commitment to our employees' welfare and their well-being. I believe that gives them peace of mind knowing that they and their families are well taken care of . . . our caring for people I think is what leads the way in our caring for clients . . . people never have to second-guess the intentions of the organization or their colleagues. Those who follow you must trust you. I believe that a culture where people actually are engaged, where their hearts are engaged as much as their minds, that is the greatest competitive advantage that any company can have today . . . bringing people together for training and meetings allows us to be together as a family, people share personal stories and those are all investments in creating this great affinity and engaging people's hearts . . . our caring for people is what leads the way in our caring for clients . . . sometimes it's the small things like sending out a note or making a phone call . . . we make sure that our growth is supported by the appropriate personal development and that means . . . making sure that people are receiving the proper coaching and development.

Some in this country think that the higher the wages and the greater the benefits the more satisfied is the worker. The founder/CEO's believe in fair wages and good benefits, but they know that those alone will not engage a work force. They bring their values of caring and relationship into their organization. Relationship between and among all employees is valued and promoted. Everyone is seen as equal and each person's contribution to the company is valued. Each employee is seen as supporting the business surviving and growing. Their caring and relationship behavior create a family atmosphere that makes employees feel comfortable and cared for in a way that money cannot deliver. In this caring environment employees feel safe, and are not motivated to look elsewhere for employment. Employees love to come to work and they love the work they do. This is reflected in the quality of work they do and in their relationship with clients. So not only do these companies have high employee satisfaction, they have high client satisfaction, which leads to return business as well as new business from referrals.

> **CEO 5**: Our employees contribute to our doing better, we treat employees as a part of the family . . . we have so many activities for employees and their families . . . we have appreciation for all the help they give . . . most outstanding young man . . . she is just the most courteous . . . when you hire a person or don't you are making an impact in their life and on their future . . . value people for who they are as people

CEO 2 has honed in on people as the reason for success. They feel that you can be successful with any type of business if you understand that it is the people that drive the success. As mentioned in Theme 1, their goals are people focused, ensuring that employees achieve their personal, professional and financial goals. They direct their resources to these goals, finding that success comes as a result.

> **CEO 2:** He (CEO2) is somebody who cares about people as well as about the company and wanted to create an environment where we are driving growth within the company but it is done through people . . . if you are engaged, you could create a great career here for yourself and sort of create your own path . . . you have to take care of your people in order to have long term growth in your company . . . we work for our employees, we are there to serve them and that sets the tone for the culture . . . when business is not going well, we need to double down on employee engagement and culture . . . we have been one of the "Best and Brightest" companies in Western Michigan for the past 10 years . . . serve your fellow employee . . . if this is a company that cares that much about people then I want to work here . . . we want to have an impact on everyone's life . . . CEO's questions are about people achieving their goals, "what do you want to achieve? How much do you want to make? What positions do you want to have? Where do you see the company going and what part of that do you want to be in? . . . and the whole theory is if we select and surround ourselves with the right people, find out what their goals are and help them actually achieve their goals, our company goals would be blown out of the water . . . our belief is that your people are your number one priority, our number one asset. If you are surrounded by the wrong people and you are treating them in the wrong way, I don't care how great of an idea you have, we don't think you are going to be able to grow or sustain growth.

Company 4 derives their people centric culture from the founding brothers. They knew early on that people were the company. In Theme 1 you can see that Company 4's culture is the culture of taking care of people: "Our value is about our people." The founder builds his business based on long term relationships—his with employees, employees with each other and their families, and employees with clients and their clients: "Give people time and freedom to do the job and they can use their personality, they can be themselves with clients." Even their name reflects their commitment to their employees. According to the founder/CEO, the company name "means a family of gemstones—we are a family business and it represents all the good people we work with". Again, as with Company 2 and the others, the focus at Company 4 is "ask employees what their vision is, what their mission is and what their core values are." The founder finds that his purpose in life is having an impact on people, "I am able to do what makes me happy and what I hope makes people around me happy."

Engaging a work force has been a theme in the business world for quite a while, but rather than this being a scripted formula, as so many businesses have implemented it, this is the life blood of the organization. It comes from within these founders and it gives these founders drive and purpose. It is the core of their being and they cannot imagine not being people focused.

The Company 1 founder has based his life on serving others. When he started as a social worker it was about helping others, and now as the founder/CEO of Company 1 it is about helping and supporting his employees and pleasing his clients. This comes naturally to him and he incorporated taking care of people into his business from the beginning: "It was about making people happy."

> People don't have to change when they come to work for us . . . when they see smiles on the face and they get treated right, they are going to work for us and they are going to come out of their experience with us also being happy . . . everyone is outstanding . . . it is a sad departure when they leave because they are part of the family . . . these two ladies who have been with me for over twenty years and give me their

> opinions about what should be done on a daily basis, can drive me nuts, but I love them both . . . they like what they do, they like to work, they get treated fairly, this is a family environment, it is predictable, it is safe, it is a stable business, I think people are proud because my name is not on the business, it is everybody's name on the door . . . my job is to touch the people that work here . . . I like the people . . . I walk around and kibitz, asking about the family, telling people what a great job they are doing . . . one of the best ways to thank people is by having a relationship with them, just nurturing the relationship . . . there has been a lot of good things that have happened to the company because by just being good and treating people right we get opportunities.

According to these founder/CEOs, focusing on the people keeps the business alive and thriving. This also ensures that the business becomes such an important part of their employees' lives that the employees want the business to continue. But, the founder/CEOs do not do this in a way that is not consistent with their values. Their core values are based on valuing people and relationship.

Theme 3: Have a core ideology based on core values that gives purpose to the work, that is other focused, and that is timeless (create, collaborate, compete)

These founder/CEOs all have a vision that is bigger than them and they have stretch goals that are achievable. This vision and these goals align the organization on the same path going in the same direction. They share their vision with their employees and make them partners in the journey. They are passionate about their vision and it gives them and their organization purpose. The vision is not for the short term, but rather one that has a longer term impact and will make a difference. These founder/CEOs are motivated by that vision and they structure the work of their organization to achieve that purpose. They have brought discipline and expectations into their organizations which provide the foundation upon which to build a viable business enterprise that will survive for the long term. They all see their organizations surviving long after they have moved on. The founder/CEOs have engaged the workforce with their vision. They gain meaning from their work, which motivates them to contribute to achieving the vision and bringing success to the company.

But to achieve that vision through meaningful work, systems and processes must be in place to support the work being done. Work design, logistics and fiscal management contribute to employees being able to do their work. This allows the employee to deliver on promises made to the clients. You execute on vision by empowering people to be themselves. Delivering on promises builds customer satisfaction and retention, which promotes growth. Maintaining growth and financial stability contributes to a long term future and the likelihood of achieving the vision. Company 4's founder articulated a universal perspective of these founders:

> Have credibility as a practitioner, change the control and command environment of business to one that is based on people focus first, because that will create more jobs, grow the economy and create a spirit of entrepreneurship and profitability that has never been seen and it will create a revolution in business.

Visions of the founder/CEOs include the following:

> **CEO 4**: Have an impact on the way business is done not only in the United States but around the world (within a framework of being culture and values driven). We are in the business of providing high touch, passionate care.

CEO 5: The core of what we are is to help people communicate whether at the corporate level or plain citizen.

CEO 1: We serve people who seek to enrich social and professional experiences for themselves and others with solutions that integrate culinary expertise, creative thinking, great taste and exquisite service.

CEO 6: We will be the most recognized and respected brands in our industry.

CEO 3: Transform strategy to reality in a way that the organization can sustain it. Be recognized first nationally and then internationally as the absolute best at executing the most critical initiative for the best companies in the world and doing it in a way that never compromises our honest and integrity.

CEO 2: We exist as a company to help employees achieve their personal, professional and financial goals.

Theme 4: Expect excellence and deliver more than promised (control, compete)

These founder/CEOs are all high achievers and they have lived their lives with a value for excellence. The proof of their commitment to excellence is represented by the many awards they have received both inside and outside of their industry. But those awards do not come easily, they had to work hard and do the right things to receive those acknowledgements.

These founder/CEOs also operate from a value for delivering more than is expected. Each one in their own industry tries to go the extra mile for their employees and their customers. This is reflected in the high levels of client satisfaction and the high rates of return business. These companies have excellent reputations for the products and services they deliver, and they deliver that excellence time and again.

Delivering high quality service and high quality products becomes a strong sales referral tool. It clearly places these companies at the top of the list for customers seeking their services and products.

> **CEO 1**: I keep on raising the bar for myself . . . we are listed as exclusive or one of the few caters on the list for major venues . . . they do all the little things that aren’t called for but are necessary and really give people that special experience . . . we provide high quality . . . people can count on us . . . give great customer service . . . we are always able to surprise them, we give them more than they contract for. We went to work every day and did a good job and our best marketers have been our customers . . . people talk about us, we did not hire a big marketing firm . . . if we say we are going to do something, we do it . . . we want to do business with people like us. It makes it easy to do business, it makes us happy to do business with them, and it’s an easy relationship, similar drives, similar aspirations, wanting to be the best.

The excellence is achieved through constant and timely evaluation of products and services and the employee’s ongoing commitment to excellence. The founder/CEO’s have put in place the expectation that there is continuous improvement through honest and immediate assessment of just delivered products or services. Mistakes and errors are seen as opportunity for learning and not for punishment. This attitude supports employees in honestly assessing their performance. Embedding this process and value in the workforce is the key to achieving these high standards. High standards and exceeding expectations lead to satisfied clients.

CEO 4: We direct people to the best possible care . . . we saved a woman's life . . . trying to make the world a better place focusing on employees, customers and suppliers as stakeholders . . . the best way to sell services as a company is to elevate the conversation beyond the service or product, it is the patient experience, which is a top three issue for CEO's in our country . . . position ourselves as experts, create data that is meaningful . . . position self as thought leader . . . be the most expensive company that does what we do . . . go the extra mile . . . we deliver data that helps them understand their customer, we give them information . . . being the best at what we do . . . we have to give the customer a return on their investment . . . we are making a difference in that the next set of entrepreneurs who are coming out of school and are realizing that business is not just about finding the next new application for your IPad and making a billion dollars, it is about making the world a better place and impacting people's lives . . . we may not be making the news, but we are making a difference . . . help the community, help the healthcare industry, help make the world a better place.

CEO 2: We can get it done better than anybody else . . . if you are just looking for a job, don't come here, we expect way too much, the bar is way too high . . . if you want to really leave footprints that what you do matters every day, this is the best place for you . . . the employees are so engaged that they are taking great care of the customer . . . our service engineers are wired to serve . . . our strategic advantage against other competitors is to acquire the top talent.

CEO 5: Stay at forefront of industry with technology . . . we always rise to the challenge and meet their needs . . . agility, the desire to always excel . . . we are constantly doing research . . . we could grow more and open offices in other states, but we believe in controlled growth, we want to keep quality . . . awards from Boeing for recognition of excellence . . . we went out of our way always to do our very best . . . I can guarantee you that I will send you the best Japanese interpreter and the most qualified for whatever situation you need . . . we are making a difference in a person's life and so it takes effort to go out of your way to do that . . . surpass client expectations . . . deliver on promises . . . the word gets around "they will do it for you".

CEO 3: Allow their organization not only to improve but to sustain . . . I want to be recognized nationally and then internationally as the absolute best . . . never compromise honesty and integrity . . . I take a lot of pride in being able to stand in front of anyone and say that I

> cannot be bought . . . I was asked about my thoughts on the recession and my response was that we are not going to participate . . . we have an extraordinary commitment to our employees welfare and their well-being . . . if you take the combination of consistent high performance and the opportunity to sit across the table from an organization who has a reputation of high integrity and absolute honesty, what else could you ask for . . . I am a fanatic for precision and that is what I want reflected on the outside . . . we are continually critiquing our performance . . . while perfection certainly is fleeting, it certainly is very, very engaging if we set the context for it . . . process improvement is one of the competencies.

> **CEO 6**: We wanted to become recognized as a very high achieving, well respected, well recognized brand . . . they are the best of the best and the brightest of the brightest, I could not afford to lose them . . . right from day one we want leaders and if you are not going to be a leader we really don't want you on board, because leaders understand responsibility . . . by developing individual leaders and their skills they reach self-actualization . . . customer focus studies we rate exceptionally high 98–99%, on employee engagement scores we are about 98%, food is rated in the 99th percentile . . . every time we win a culture award we are inundated with people that want to work here . . . the last two hires were super stars . . . our trucks are always cleaned and waxed, our employees well dressed, well- mannered and well behaved . . . we review everyone, every day . . . one of Chicago's largest caterers . . . our reputation has spread . . . we will be one of the most recognized and respected brands in our industry.

Awards that these companies have received include:

- Outstanding Place to Work
- #2 Best Place to work in America
- Inc 5000 fastest privately grown companies
- ISO 9000 certification
- Recognition for Excellence from Boeing
- 101 Best Companies to work for

- Entrepreneurship Hall of Fame
- Best Small & Mid-sized places to work
- Best Caterer in Chicago
- AIA award
- First Green Certified caterer in the Midwest

Being the best in their business and being an excellent employer is a value that is reinforced every day. There is much pride in their organizations and in the work they do on the part of both the founder/CEOs and the employees. Excellence is not something to be achieved; it is something that is expected from each employee every day. Systems are put in place to support employees in achieving the highest possible performance in their jobs and the founder/CEOs expect a high standard for themselves as leaders. This value for excellence is seen as a requirement for maintaining a culture that is enriching and engaging.

Theme 5: Grow from within. Grow the company by growing the people and encouraging them to be creative and open to new ideas (create, collaborate, compete)

By definition these are all entrepreneurs. And interestingly they all encourage and support employees taking on entrepreneurial behavior. They want to give people opportunity. They all promote from within and they encourage the development of new products and services from within. They promote *intrapreneurship*. These companies support their employees’ starting new enterprises and services. Rather than their employees going elsewhere to explore opportunities, they create an environment where they can test and grow the idea inside the organization. Some have worked and some have failed, but these entrepreneurs understand risk and failure and are ideal mentors for intrapreneurs to break new ground. These founder/CEOs are risk takers, albeit deliberate and responsible risk takers. There is a value among them to "get out of the way" and let people do what they do best. People will create growth just by being who they are and succeeding. They agree that, if possible, give employees an opportunity to make an impact.

> **CEO 6**: We teach employees how to start their own companies, and help fund them . . . if you fill a company with competitive people and they are all leaders by nature they come up with ideas and they let those ideas propagate, and they believe they can do it . . . If we can teach drivers and bar tenders that they are the face of the company and the brand ambassadors then they understand that they are going to share in the wealth they create, they become motivated to succeed . . . they either are a partner and share in the profits, or they are named a partner because they have come up with an idea for the business.

Company 5 is always open to an opportunity when it presents itself. The founder/CEO states that "growth can be measured not only in opening another office but in the programs we offer large corporations who are growing . . . we have infrastructure to take on new and larger projects." Initially they were able to translate 40 languages, and now they are at 150 languages. They build their business by increasing the accessibility to translators and interpreters, many of whom are contracted. Their growth is internal because they do not change what they do, only what is offered, "We meet regularly to discuss new opportunities, new programs, new potential contracts . . . our early clients stayed with us for years, and years and years, and as their companies grew so did our business."

Company 1 is continuously evaluating how to build from within. They see their growth as coming from the work they are currently doing and looking at how to do it differently: "Within our company we are seeing the potential for other businesses that we are already doing internally." For example, they are thinking about starting an in-house bakery. Currently they bake for the clients, but are considering the possibility of having a business that is a bakery business separate from the catering business and run by one of their current pastry chefs. The evolutions into other ways of delivering services to two major organizations in the city were both built on the catering business foundation. It required hiring additional employees, but it was built on the in house expertise that they had. The story of Company 1 is essentially a story of building from within: "It is important to understand the history of the business because the growth has been natural. . . . Within our company we are seeing the potential for other businesses that we are already doing internally. I believe that if we just focus internally and build our communication and human relations program we are going to see external growth. . . . We are going to grow, there are no two ways about it, all we are doing is expanding, and we are going to do everything we do a little more dynamically."

Company 4 looks to its workforce and its clients for expansion of opportunity: “A client asks us to do something and we say sure we will try it.” The founder states that they do not have “big dollars to invest in R&D.” But by listening to their clients, and following through on their suggestions, they have continued to grow services that they offer. This often comes from thinking about solutions to problems: “We have a committee that looks at unusual or nontraditional products.” That solution is often the basis of another service that Company 4 can offer to multiple clients. Company 4 now has four different entities that were an outgrowth of the original business. Each of these businesses was created for specific goals, but one of the results of developing these entities is increasing the business for the primary company:

> You have to build a great team around you who have functional expertise in certain areas to help you grow the business . . . growth is about the right growth and growth supporting the kind of business that we are in and providing the culture that we built, and have to manage both . . . we have narrowed our scope to understanding who our customer is, rather than broaden the client group we have . . . we are looking at where else we can touch patients on the healthcare continuum, so we focus on that continuum, we do that by building a team that can build relationships at hospitals and create a long term plan of improving the patient experience . . . getting deep and wide with organizations that we are already involved in.

CEO 2 remains employee focused when it comes to growth,

> Working with our employees to help them achieve their goals, making the right decisions for the business . . . the more goals we are achieving, the more we are growing, the more we grow the more the employee is engaged . . . the payoff that we have seen, again directly tied to business results . . . is tied to employee engagement scores, that is where the payoff is . . . this is the best strategy to grow . . . we are driving growth within the company and it is done through the people . . . we haven’t even scratched the surface yet with what we can achieve

> if we actually helped everybody achieve their goals . . . the philosophy of the company is to achieve goals through others.

These companies have invested in their growth by investing in their culture and their people. They see a formula for success as expanding on existing talents and resources while remaining loyal to their core purpose and core values. They trust and support their employees in being successful, they listen to new ideas from their employees and customers, and they understand how to make things happen. This is also a reflection of their decision making and leadership. These companies have relatively flat organizations where the leadership is closely aligned with and continuously communicates with employees.

Another value these founder/CEOs hold is continuous learning—continuous learning that promotes personal and professional growth. They role model, promote, support, and encourage continuous learning. Each company provides extensive in house training and education and also supports employees taking courses, attending seminars, and pursuing other learning activities outside of work. Although in some instances this may cause an employee to pursue other opportunities outside of the company, these leaders embrace the notion that they have contributed to the growth of an individual. They regret the loss of a good employee but celebrate the success of that employee. The employees see this as the founder/CEO taking a personal interest in their personal development, something they are grateful for. The founder/CEOs feel it is important to be invested in an employee's personal goals as well as professional goals. Employees who can achieve their personal goals seem to be more engaged at work. Also, having the opportunity to achieve personal goals promotes positive feelings about the company. Employees who leave often recommend the company to others as a great place to work, contributing to the good reputation of the company. All founders agree that the most important learning they provide, is teaching, training and reinforcing the culture. Many hours are devoted to this learning on an ongoing basis. The founders see this as one of their most important responsibilities, in addition to caring about their employees. They see development of employees being a major factor in contributing to employees being happier and more stable.

Company 6 started a learning center called the University for a lifelong learning program. The founder/CCO feels learning is important to everyone and he is himself a lifelong learner. The company has identified and hired teenagers who meet a high standard (good grades, good behavior and recommendations from teachers) and who appear to have the potential to excel in their future. They train and mentor these young people, and if they succeed at college, they often offer them a career opportunity at the company after graduation, or assist in finding them employment at a company with similar values and culture:

> Everyone has 24 hours of paid time to go into a classroom and learn things such as finance, ESL, marketing . . . we discuss positive psychological capital in our leadership meetings and they take it back to their team . . . EI ranks high as something we talk about throughout the organization . . . in June of 2011 we put in the *Great Game of Business*, which helped everyone learn about the finances of the

> company . . . we continue to look for ways to develop the individual human being . . . brought in the book *Good to Great* and studied as a team . . . our training programs develop the responsible people not the privileged people . . . we train everybody in our company the value of leadership in all areas of their life . . . we want to build optimism, positive psychological capital, hope, self-efficacy and resiliency.

Company 3 puts significant resources into its training programs. They have a highly educated workforce with a significant number of Ph.D.s; most of the consultants have master's degrees. They bring people together routinely for training and meetings. In those sessions people share their personal as well as professional stories, a way to build culture and "family" through learning. He states it is about "learning continually and expanding your potential of mutual understanding. [Learning] is about creating context around expectations."

The founder/CEO of Company 5 had a value for learning from an early age: "Every day growing up was a learning opportunity . . . learned so much from mother and grandfather . . . . [My husband] learned so much from the Army and working for a general." She states it is important to always be open to learning, "every single meeting is a learning opportunity . . . we learn from experience."

The Company 1 founder/CEO also has a strong commitment to learning and the company provides resources to its employees for learning, and one of the important motivations for a new facility is so they can " do more training, we can do more employee development programs." They have installed a computer center for the employees to have access to a computer for their personal needs, they have outside people come in and talk about investing and retirement planning, they have a program for ESL for both the employees and their families, they have a wellness program for the employees and their families, and they support people in attending outside training and development programs. Most recently about 30 people across all levels in the organization travelled to a well-recognized organization to learn about another company's culture.

Company 4 has developed a learning institute for both employees and outsiders, but learning programs within the company remain a high priority. "We want to try and grow people within the company, mentor new talent, help them grow their careers . . . listen and learn, give feedback . . . we have quarterly meetings to communicate vision . . . our cultural procedures are the most ingrained institutionalized procedures in our company."

Other comments from the interviews follow:

- The new products or services that we have started have been suggestions that have come from clients or customers and the employees take the ideas and make them happen.
- We are a true learning organization.
- We invest in training and education.
- Employees have had ideas and we have tried them. Some have worked, others have not.
- We offer education programs for people that help them personally as well as professionally.
- We have spun off several companies that are now run by people who worked for us, we invested in them and have some ownership.
- Employees are always thinking about new ways to do things we encourage that kind of thinking.
- Give people opportunity within the organization, train them with new skills.

Theme 6: Encourage fun at work to build relationships and promote collegiality (collaborate)

These founder/CEOs love what they do and do not consider what they do work. They have a value for fun and joy and want their employees to have fun at work. They want work to be a place where employees want to come, not have to come. One of the companies, Company 4 has a senior leadership position called the "Queen of Fun and Laughter." They see that fun creates camaraderie and strengthens the personal side of employee relationships, and it also relieves stress. Having fun at work makes it a joyful place to be and helps create a balance in perspective. These founder/CEOs feel that the employees love to come to work when they know it can be fun. They consider fun a component of employees becoming engaged and creating long term and collaborative relationships. They have employee as well as family activities and it is not unusual to walk into Company 4 on multiple days throughout the year where people are in costume, enjoying a theme day, or playing jokes on each other.

Company 2 promotes the employees having fun, not just at work but with their families: “We have a lot of fun here and we love to celebrate . . . if you go out among the offices right now you will see laughter and talking and joking and fun. Fun drives great business results.” They support employees’ leaving work whenever they need to be at family celebrations or children’s or spouses activities. They promote work-life balance and discourage people from “living” at work, which in turn creates a work force that seems to want to come to work—another paradox. He states that “I feel like I have not worked in years because I have so much fun at what I am doing.”

Company 1 is about “happy people making people happy.” They build relationships by sharing time together both inside and outside of work. Everyone knows each other’s families and the company supports employees playing on company teams: “We like to get better, to produce, learn, grow, live life deeply, want to have fun, enjoy what we do-you can’t separate them, they are all related.” In his daily rounds the founder/CEO says a thank you to an employee might “come in the form of a joke.”

Company 3’s founder/CEO says about fun:

> I have always had a very, very strong desire to positively influence outcomes . . . and I love to make the journey fun. Difficulty and fun are not opposites; they often come hand in hand. Hard work and discipline can come with what I think can be a lot of fun. Surely the rewards bring great joy . . . let me find people who are going to be just as excited about it and let’s go do it, let’s have fun. I love camaraderie . . . I voiced that you could have a lot of fun while working hard. It is hard to create fun unless you surround yourself with others who share the experience.

And at Company 6, “employees enjoy playing tricks on him and he enjoys the fun.” “We want them to have fun, and if you are not smiling and having fun, go see your supervisor and explain why.” For the founder/CCO “every day is happy, every day is wonderful.”

These founder/CEOs realize that bringing fun and camaraderie into the work environment can energize a work force. They, as well as their employees, take their work very seriously, but just as in a family, fun is held as an important value that should be a part of the culture.

Theme 7: Have discipline related to systems and processes to maintain culture and promote growth and stability (control, collaborate, compete)

Discipline is applicable to systems, processes, people, and finances. They accept that they have created the logistics necessary to support the work of the organization, and they anticipate that those systems are continuously evaluated and improved to ensure support for delivering their services as promised. It is also expected that these systems evolve based on the tenets of the culture. For example, Company 1, in order to provide high-quality food, likes to use fresh, organic ingredients for their food when possible, and to support that value, they have vendors in place that can support them in the effort.

Supporting the systems and logistics functioning at a high level is the founder/CEOs reliance on the workforce to understand expectations and to execute accordingly. That then requires bringing the right people into the organization and educating them about expectations. The first part of that equation is the most critical, there is agreement among the founder/CEOs that the hard skills can be taught, but the soft skills cannot. The soft skills, in their way of thinking, ensure the survival of the culture and values of the organization. The founder/CEOs stake the viability of their organizations on the people, not on the product. If the recruitment, hiring and development process is compromised or weak, then the organization’s success is seen as also compromised and thus profitability and viability are at risk. Therefore, this process and how it is executed seems to be of primary importance to these founder/CEOs. It is critical to each of these founder/CEOs that the right people enter the organization in order for the goals of the organization to be achieved, and when the wrong people are inside the organization they must quickly be exited out. Their hiring processes are deliberate and focused on identifying whether there is a value and culture fit between the organization and the interviewee. The interview process for these companies tends to be long, involves multiple layers in the organization, and asks behavioral-focused questions. These companies are not in a hurry to hire; they have seen the results of those errors and do not want to make them. These companies have low turnover and high employee satisfaction as a result of their focus on hiring for “fit.” These companies give their employees ongoing feedback, some daily, some weekly, some monthly, but they are conscientious about its being done, and about making sure that there is alignment between personal and organizational goals. Orientation includes mentoring and is focused and purposeful. If a person demonstrates that they do not fit within the organization it is dealt with early on in their employment and they are asked to leave as soon as it is determined that there is not a fit. Everyone is committed to having a new hire be successful, and mistakes in hiring are looked at as the company’s failure—not the hire’s failure. They see it as a flaw in their screening system and adjust their screening practices to better assess candidates, but they do not hesitate in moving the person out of the company. The founder/CEOs feel one of the biggest threats to their culture and success is having anyone in the organization that does not align with their values and culture. Comments made by the founder/CEOs about this process follow:

> **CEO 6**: To surround yourself with good human capital is to be a successful company . . . we screen for skills but hire for attitude . . . you get the right people on the bus, then find the right seat and let the bus go wherever the bus is going to go . . . from day one we want leaders and if you are not a leader we really don’t want you on board . . . we want to build around having optimistic people that have hope . . . staff votes on who we hire . . . we ask how many days a week do you wake up happy, if it is not five days or more you don’t get the job . . .

our values need to be aligned . . . we have some employees that may be aligned on values, but if their vision or mission change, and there is no opportunity here for them, they need to go . . . we review everyone every day . . . anyone who violates the culture, seriously violates the culture, we terminate immediately . . . giving them a clearly defined culture of behavior and code of conduct is people who excel.

CEO 3: We are looking for people who, when you talk about problem resolution, they don't think of formulas, these are people with well - developed leadership skills . . . soft skills are critically important, the essential skill is leadership . . . the key is hiring the right people, if their values and behaviors don't align with what has been established for our culture, we have to let them go . . . we must have the same values, not similar values . . . we are looking for someone who is honest all the time, who does what they say they will do . . . we promote people who have proven themselves to be the kind of disciples that we want in our organization . . . we only promote from within . . . we provide ongoing feedback on performance, we discuss it weekly with them, there are no surprises . . . we make sure that our growth is supported by the appropriate personnel development and that means people that are consistent with our philosophy . . . we provide the proper oversight to ensure that we have made a good hire . . . we look for consistency in conformance with our philosophy and beliefs.

CEO 5: They need to accommodate if they want to work with us . . . I do not want to rush the hiring process . . . we give existing employees an opportunity for promotion first . . . we hire for tolerance of other cultures . . . we worked with an employment agency to do hiring and were not impressed, we had expectations, requirements and needs and they did not understand . . . you narrow it down to people that are truly committed . . . we require a two year commitment when we hire people . . . I make sure we hire the right people.

CEO 1: People did not come to work for the company accidentally, they knew about us, they heard about us, they talked to us, it attracted people who had a shared value system . . . people do not have to change when they come work for us . . . when I interview people I want to know about their family, where they are coming from, if they want to work with us because we do what we do and are who we are and so culture is very important . . . we are not trying to sell people on our culture, we live our culture and people feel it and sense it. Our people want to work here . . . I have made a long term commitment to make it a great workplace . . . we have been able to accommodate employees who have changes in their life demands while working here.

CEO 2: We are looking for the mindset of serving others . . . we really spend a lot of time during interviews looking for that servant leadership attitude . . . if we select and surround ourselves with the right people and help them reach their goals our company goals would be blown out of the water . . . we teach our employees to make decisions based on our core objectives . . . we want our employees to be independent and empowered, those are the people we are hiring . . . our belief is that your people are your number one asset . . . if you are surrounded by the wrong people and you are treating them in the wrong way, we don't think that you are going to be able to grow or sustain growth . . . if you have the right people but don't create the right environment they are going to leave you . . . they walk in already wired, already with the value system, the belief system that leadership is meant to serve others . . . keeping our culture alive as we grow is dependent on hiring the right people . . . we have surrounded ourselves with these driven, growth oriented people who want to serve . . . surround yourself with top talent as the number one objective, we are looking for like-minded people . . . our people are wired to achieve but we do it in a way that engaging and fun, they are wired for both . . . if you are just looking for a job, don't come here . . . we train, define and talk about culture, it does not just happen . . . we select people just to fit the culture, selection is important, culture is important . . . finding people with the same shared values is important, this is what drives business growth . . . we have shared values and philosophies, similar wants, desires, assets, values, passion and beliefs . . . a shared set of ethical beliefs that are non-negotiable . . . we cannot give to people what they do not already have in them . . . we are not trying to convince anybody to do it our way, we are just looking for people who see the world in the same way we do . . . we promote people after they do the job . . . selecting the right leaders is the key to growth . . . it took almost nine months to get hired.

CEO 4: Hire people that are happy at what they do every day . . . the emotion that we look for in our own people is empathy and compassion, you either have it or you don't . . . we hire the heart . . . we do lots of behavioral interviews, how do they make a connection . . . focus first and foremost on own people and get them to be loyal . . . we make it hard to become an employee . . . difficult to train for caring . . . escort those out who don't fit . . . employees are advocates . . . critical to find people that buy into the culture . . . when someone is

> not living up to expectations it is not their fault, it is ours . . . as a leader I need to make sure that the right people are in the right seats at the right time . . . as a leader you have an obligation to weed the garden . . . you always have to evaluate the talent and they have to evaluate you . . . hiring is about fit and skill . . . we want to try and grow people within the company.

In addition to having a disciplined process to hire for “fit,” these organizations focus on financial performance and the founder/CEOs have a high value for financial discipline. These companies have no debt. They have cash reserves and they put money back into the business and not into their pockets. They share profits with their employees in a variety of ways. These founder/CEOs do not see money as a motivator, but they do feel strongly about paying a fair wage and providing good benefits. They pay salaries and benefits competitive within their industries, but are not at the top end of the scale. As demonstrated in a preceding section they maintain modest facilities and do not have extravagantly sized or furnished offices. They do not have large advertising budgets as they build their companies based on their reputation for excellence. They prefer to invest in their people, their products and services and they do that consistently. They describe themselves as premium providers and typically charge higher fees for their services than their competitors. They manage their money responsibly and accountably and they are transparent with their employees about their finances. This creates trust in the employees and gives them a sense of security about their jobs. They know the financial status of the company on a real time basis and understand the implications of their work on the bottom line. This gives the employees a sense of ownership in the company and its long term future. They see that the company is solvent and is prepared for economic slow times.

Company 6 has implemented the *Great Game of Business* by Jack Stack, and the employees are actively involved in managing the costs and revenues for the business. The year it was implemented there was a 142% increase in revenue. Everyone in the company was oriented to the game and everyone is actively involved. Teams have leaders who represent them at the weekly “huddle” where performance is reviewed. This has led to an unprecedented amount of transparency about financials and according to the founder/CCO has helped grow the profitability of the company. The employees have taken on responsibility for both costs and revenues and the impact has been impressive. Now, the drivers even act as scouts for new business and have engaged in identifying potential new clients or services. People take the financial metrics seriously, for they know that how the company performs financially will directly impact their salary and bonus: “How much in sales is under contract allows everyone to know where there future is . . . they know when sales increase, their salaries will increase, that is how transparency helps our company.”

Company 3 is financially conservative as are most of the other companies. The founder/CEO of Company 3 states that the company has zero debt with cash reserves that are extraordinarily high. The importance to the founder/CEO is not just that the company is well situated in case of a downturn, but that the company can “go a long time and not have to lay people off." He states that he chooses to "leave the money in the company and not take it out." When the recession hit "I told our employees we were not going to participate." His employees are aware of their strong financial position and "everyone knows we are very, very cash strong, everybody knows the company is not for sale." His long term goal for 2020 is to have paid at least $10 million out in bonuses over the next seven years. He is proud that his company is financially stable, that they can project to employees a sense of security because of the financial health of the Company and that there is a concerted effort to do financial planning not just for the short term, but for the long term.

Company 5 is financially secure and is a self-funded company that is wholly owned by the founders. They practice financial discipline and use common sense when spending their money. They don't owe money, they don't borrow money, and they do not have a line of credit. The founder/CEO states that they are very proud of the fact that they always pay their employees, their contractors, and vendors on time. She states that a business has to make money to provide employment and to cover expenses, but money is not the goal. She states that "success can be measured in many ways." They have been very successful financially and are able to put the money back in the company for growth.

Company 1 is 95% owned by the founder, with two employees holding the other 5%. He has been conservative in his approach to managing finances and states "we avoided the big mistake, we never missed paying a bill and we never bounced a check." Company 1 is also debt free. They have maintained a profit over the years, and survived the difficult downturn in the mid 2000s. When they had a newly opened restaurant close because of the downturn, all debts were paid in full and employees were given financial support to give them time to find new employment. The founder/CEO puts money back into the company rather than take profits for himself. During the latest financial downturn he decided to hire great talent rather than lay off people—He put money into his human resources. His goal is to have the best human resources program in the country to include the best people, paying competitive wages, having great benefits including healthcare and giving people growth opportunity by building their own business within the company.

Company 2 has grown in the double digits for the past 15 years. This past year they had approximately 20% growth. Since they have implemented their key pillars of service, they have achieved consistent and significant growth, a range of 9–28%. They manage their finances by managing the types of clients they contract with. They consider the profitability of a client, versus the revenue generated by the client. Along with the attention paid to service and client satisfaction, they see a direct relationship between the involvement of their employees in the financial goals of the company and their profitability. They make expense decisions conservatively and are cautious and cost conscious about the money they put into opening new offices. Their employees are very involved in understanding the finances of the company as their own personal financial goals are tied into the financial success of the company. They measure everything on a monthly basis and the finances are posted on the company's intranet. Again, the financial success of the employee is a direct result of their behavior and contribution to the success of the company; everyone is tuned into the performance of the company and takes ownership in its results.

Company 4 is also financially stable and uses profit for employees to have better tools and resources to do their job. They charge 40% more for their services than their next closest competitor but have managed to show a profit every year. They share their financials with the employees and put profits back into the business. When they purchased a building in Dallas to relocate their call center, the ownership company funded the building; Company 4 was able to purchase the building from them in two years. Last year Company 4 had $40 million in revenue. They see profits as a result of their culture, which are happy employees leading to better customer service, which results in happy customers and continued or more business. Even when years were lean, Company 4 returned profits to the employees in the form of bonuses.

In addition to the discipline required for hiring and development and for managing finances, discipline is also necessary to reinforce the culture. There are a set of rules that must be adhered to in order to fit the culture of these organizations. There is an expectation that people do their jobs, they treat others respectfully, they participate in the purpose and goals of the organization and they behave in a way that reflects well on the company in their external relationships. Accountability and responsibility are reflections of that discipline.

Accountability and responsibility are two attributes that these founder/CEOs have built into their organizations to achieve discipline. These organizations have work processes that support the employees being able to do their work efficiently and effectively. They have continuous improvement processes to continuously assess these processes and improve them. They are clear about expectations and goals with employees. Job responsibilities are clear and there are communication and feedback mechanisms to ensure that goals are met. These systems ensure that the employee meets their goals and this contributes not only to their personal success but to the company's success. Combined, this result in a more engaged and motivated workforce.

Discipline is also required for the work that needs to be done. All of the founder/CEOs have a strong work ethic and have that expectation of their employees. They see hard work as necessary to achieve their vision and goals. They have all been actively involved in their businesses and all have grown their businesses from the ground up, doing the majority of work in the beginning. They are role models for their employees when it comes to a work ethic. They are seen as being available, working hard and pitching in when needed.

The founder/CEOs are adamant about giving the employees the tools they need to be successful, but in return, they expect the employee to get the work done. They support and promote work-life balance, so do not have a “sweat shop” mentality. They see their employees going the extra mile-for the company, for themselves, for each other, for the clients, and for the community. Hard work returns dividends to the employees as well as to the company. Employees feel they are contributing, they feel they are part of the success of the company, they gain self-satisfaction when they know they are contributing, they gain satisfaction when clients provide positive feedback and do more business with the company and they appreciate the acknowledgement and gratitude they receive from their colleagues and bosses. All of this gives employees a reason to come to work. They understand the difference their work makes.

Discipline, contributes to the survival of the company by reinforcing its cultural traditions, by providing security, ensuring consistency or conformity in the values that are held and by promoting achievement. Discipline ensures self-protection while putting in place mechanisms that promote growth, another paradox within the circle of motivational values.

Theme 8: Lead from a commitment to your values and reinforce the culture to achieve growth and stability (collaborate, control, compete)

A theme that emerged as these founder/CEOs spoke was about their perspective on leadership and how they perceive their role. They all see their primary leadership role as reinforcing their culture by example.

The founder/CEOs discussed their own leadership, but except for Company 2, did not put a descriptor on their style. The founder/CEO of Company 2 established the company with a value for servant leadership and this is reinforced through selection criteria for all employees, orientation and training of all employees and behavioral expectations of all leaders. All the founder/CEOs see their most important leadership task as preserving the culture. After preserving the culture they discussed responsibility for driving the vision, ensuring financial stability, mentoring, and providing for the long term. These are leaders that bring their passion to their work; they walk around, talk to all of the employees, and always think about how to be better and stronger, monitor financial performance of the company, and continue to build personal and professional relationships that are long lasting. They involve themselves in quality control, take a role in supporting new product/service development, continue to explore ways of building the culture and supporting employees and actively participate in interviewing potential new hires. They know their employees well and they keep a close eye on the organization. They are visible and approachable. Their leadership commitment is to ensure a viable organization which maintains a culture based on shared values.

> **CEO 4:** I set vision for the company and articulate it to everyone . . . I execute on the vision by empowering people to be themselves . . . culture and engagement is about leadership, engaging leaders to engage their teams . . . as a leader the job is to make sure that we are focused on the individual visions and passions of our people, if they understand the business we are in, we can connect their passions to the business and the results will come . . . I exist to enhance the lives of the people that work here . . . as a leader I need to make sure that the

right people are in the right seats at the right time . . . as a leader you have a responsibility to weed the garden . . . spend time on people issues . . . repeat, repeat, repeat what you say in formal and informal ways . . . connect with the vision constantly . . . listen and learn, give feedback . . . we have to serve each other first . . . you have to build a great team . . . you have to evaluate the talent and they have to evaluate you . . . build long term relationships.

CEO 2: I think the key component of our culture is our leadership team, the servant leadership mentality . . . we work for our employees, we are there to serve them . . . we look for those indicators of servant leadership, that servant attitude . . . I have this inner feeling about what I want to be as a leader, what I want to achieve . . . the challenge of how we continue this culture is the number one thing I work on and I think about . . . we want to make sure that every leader we promote or bring into the company has that servant leadership mentality . . . the belief system that leadership is meant to serve others . . . we make sure leaders understand what a leader is and that it is consistent throughout every office . . . my main focus is to set the vision, cast the goals, work with our leaders in leadership development training, be involved in recruiting and hiring and get our message out . . . number one objective is to surround yourself with top talent that are like minded, my job is to cast that vision in a wide net that brings them to the company . . . not only do I directly train but I am also the accountability person to make sure others are held accountable for maintaining the company way of growing our company . . . my job is to go to work and create this environment where people can hit their goals . . . as leaders you are the drivers of the culture and as we continue to grow we are going to rely on the leaders to teach and train and hold accountable and demonstrate by example what the culture looks like, you are going to carry the torch . . . get out of people’s way . . . leaders lead whether or not they have the title . . . selecting the right leaders is the key to growth.

CEO 1: I get to dream and then take those dreams and make sure they are going to work . . . don’t stand in people’s way, let them grow . . . I have made a long term commitment to make it a great workplace . . . people keep me in line, people have mentored me . . . I like growing but it is frustrating that I don’t know everybody as well as I wish I could, if I had my ideal situation I would be servicing every client, I would be serving all the food, I would be making all the food, I would be doing all the billing, I would be doing everything because I miss it . . . I care, I really want to make you happy . . . keeping in touch with people is more important than keeping in touch with customers for me because my employees are really the ones that stay in touch with the customers . . . my job is to touch people that work here, I walk around and kibitz, asking about the family, telling the people what a great job they are doing . . . my purpose is to just thank them . . . nurture relationship . . . I better care about them, otherwise they can't pass that along . . . I made everything from scratch, just like they do today . . . I want to have the best HR program in the country . . . I brought to the table the ability to deal with people honestly, they trusted us . . . do what you say you are going to do.

CEO 5: Humility is the ability to look within yourself and recognize where there are areas in which you can improve . . . I want to leave a legacy . . . lead by example . . . appreciation, respect, admiration for others, grateful, kindness to all, congeniality . . . you want to have dreams but don't want to set goals that are unachievable . . . I wanted to do what I know best and what I liked and everything else was a bonus . . . always trying to improve processes . . . I believe in the hands on approach where I definitely want to have a say so . . . I stay very involved in quality control . . . I am a language aficionado . . . follow through . . . do what you committed to . . . I make sure we hire the right people . . . participate on Boards in the community, we want to give back.

CEO 3: The essential skill is leadership . . . one of the key values of the organization is nurturing and we reinforce it through communication and leadership behavior . . . I was the person communicating with the organization about what we claim to be and what our values are . . . my decisions and my behavior need to be very, very consistent with the values . . . what you do is what you believe is right . . . I believe that we can continue to strengthen this culture . . . I have always believed that if you can earn someone's trust and loyalty that is the real power of leadership, and it is sustaining power . . . I behave in accordance with values on an ongoing basis . . . you have to do the right thing . . . I feel a great affection for those who I work with . . . I am not willing to pay for someone else's sins . . . I take a lot of pride in being able to stand in front of anyone and say that I cannot be bought . . . I believe that it gives them peace of mind knowing that they and their families are well taken care of . . . I would say that the company's honesty and integrity leads the way . . . you have to be consistent always . . . sometimes it is the little things, sending out a note or making a phone call, I do it not out of obligation but because it is what I believe is right . . . it is much easier for us to be able to manage the philosophy of caring in an environment where people understand what is expected of them . . . you are building, with each step you are taking potential, leadership potential and increasing it . . . I did not want any restrictions in creating the kind of culture I wanted . . . linking into culture was part of my persona . . . it is about one brick at a time, getting people inspired . . . gain people's respect, trust and outwork them . . . lead by example . . . I choose to leave money in the company and not take it out.

CEO 6: I approach life and businesses as being a team project . . . leaders have to have the psychological capital . . . a successful sustainable organization starts with leadership and then it trends down to culture. What is the culture in a leader, what does a leader believe in, what is the leader's behavior and how do they hire human capital to follow what the leader believes in . . . I will change if you help me . . . if you make sure the culture is enforced, you don't need a CEO . . . I had to do what Schumpeter (creative destruction) said and I had to destroy what I was doing because I extended and defended what I did so long and it was meaningless . . . I learned the value of communication from the bottom to the top, from peer to peer . . . right from day one we want leaders . . . leaders understand responsibility . . . take disruptors out of their life and give them recognition for what they do well . . . use values statements to make decisions and take action . . . it is my responsibility to manage the culture . . . leadership is a way of life and we train everybody within our company the value of leadership in all areas of life . . . my job is to make sure that everyone in the company is whole, everybody in the company's needs are met . . . leadership is based on anticipating, communicating, delegating and motivating . . . transparency, communication, recognition and reward . . . we stress hiring leaders . . . I say hi to employees every day and have a chat with them or I ask someone to lunch, get a feel for where they are at, and if they are not on track, counsel them . . . the majority of my time is being involved with people, talking to people, walking around . . . leaders are emotionally involved with their followers . . . the benefit of empowering and believing in people and giving them a clearly defined culture and a code of conduct is people who excel . . .

leaders love systems and processes, it helps them just to coach their staff . . . 432 people depend on me, my brothers and the leadership team.

These leaders are focused on their people and culture for growing business. They spend their time developing people and putting resources into the systems and processes that support the people being successful. These leaders, although they hold a high value for the client/customer and service to them, spend very little time in that sphere. Like a laser, they focus on leading by being integrated in the organization at all levels. They take personal responsibility for their behavior and their relationships just as they expect every one of their employees to. Respect and trust pervade these organizations, promoting an environment of stability because of predictability. These founder/CEOs are humble about their role in the organization, rather than separating themselves from the employees through behavior, they do just the opposite; they embrace the interactions that they are able to have every day because of who they have brought into the organization.

These are risk-taking entrepreneurs who are passionate about what they do and are passionate about the people that are with them on their journey.

Theme 9: Do succession planning to ensure the continuance of the company and its culture (control, compete)

To continue the vision, the founder/CEOs recognize the need for succession planning. Understanding how to maintain the culture that has led to the company's success is a key component of that planning. Each of the founder/CEOs is approaching succession planning differently, but all with the same goal—to keep the company and its culture alive. These founder/CEOs are beginning the investment for the future in the next generation. Some already have the second generation engaged in a meaningful way, and others have a plan in place and are in the process of executing it. Ensuring continuance of the vision, culture, and values by investing in the future contributes to long term stability for the organization and sends a message to the employees that they will have a job to come to in the future, a job that they love. This also contributes to stability in the work force, a work force that already understands and lives the culture and values of the organization. If succession is done well, the transition should be seamless. Several of the companies have begun the transition and revisiting these organizations' in the future will tell an interesting tale of culture survival.

Company 5 founders' son and daughter are already in senior executive positions and are gradually taking over the reins of the organization. They have worked in a variety of roles within the organization over the course of their lives and have been mentored in the culture of the organization by their parents for all of their lives. They are as passionate about retaining the culture as their parents were in creating it: "[My daughter and son] embrace what we do and who we are as a company. I am confident that either could run the company. . . . They have good personalities and like to lead by example. I think that it is important that they work through their differences, learn to work together." To better strengthen their relationship and to ensure consistency across the organization her son and daughter are going to share an office so they can better communicate. Her son and daughter were instrumental in contributing to the decision to have the values of the company stenciled on several of the walls at the company. Her son and daughter are senior vice presidents and have different responsibilities, he runs operations and human resources and she is responsible for finance and the remaining areas. The founder/CEO remains as the CEO until she feels they are ready to take over the company. Her son and daughter are passionate about their work and the company, but most importantly about the values and the culture created by their parents. They have been involved at the company long enough that they know the employees and clients well and have the standing to follow in their parents' footsteps. That bodes well for the long term survival of the company.

Company 6 has several second generation children and their friends in senior leadership roles at the company. These young people are passionate about the culture and in fact were the instigators of the current culture at the company. The son has shown a strong entrepreneurial orientation as well as a strong knowledge of operating a business. He is currently the Chief Financial Officer, but he has also created some new businesses at the company. The other young person responsible for instigating the action toward a new culture is currently running one of the other businesses that spun out of Company 6. The founder/CCO's daughter is also involved in business development at the company. This younger generation is keenly aware of the importance of culture and taking care of employees. They have supported and encouraged employees being involved in decision making at the company and in being educated about the business side of the company. Although young, they already show promise of being competent, values driven leaders. The founder/CCO recognizes the importance of a plan of succession and is laying the groundwork now: "I looked at them and thought, I am old, this is my future, this is my escape plan, I have known these kids since they were young and they are the best of the best and the brightest of the brightest, I could not afford to lose them." He also recognizes the importance of bringing in new people. The company works proactively on developing and mentoring young talent. He feels confident that as they reinforce their culture with these younger people and promote employees and support employees' tapping into their own entrepreneurial spirit, they are laying a strong foundation for the long term future of the company:

> A successful, sustainable organization starts with leadership then trends down to culture. What is the culture in a leader, what does a leader believe in, what is the leader's behavior and do they hire human capital to follow what the leader believes about culture.

The founder/CCO is providing the leadership to develop the right people to take over the company.

Company 3 has a formal succession plan in place and there are funds set aside to ensure that it will happen. The leadership has been mentored internally and is being grown into the role. Specific people have been identified to continue the organization:

> A goal for this company is to celebrate its 100th anniversary. And I am obsessed with that. By putting the right foundation in place, this company can achieve that. We put in a succession plan that is backed financially with appropriate insurance and appropriate legal documents so that regardless of what happened to me the company would be able to go on. I have the right people in place to make sure that first and foremost the culture remains. If something should happen to me the CFO would become CEO, she has been with me since the beginning, Vice President of Operations also. The good Lord would have to call a lot of us back before the company would miss a beat.

Company 1 is using two strategies. The founder/CEO has identified internal people that he thinks may be the right ones to carry on the culture. He is meeting with this group individually on a regular basis and having in-depth conversations to gain more insight into their goals and concepts about culture and the business. He is also considering establishing an advisory committee to assist him in thinking through strategies. His goal is to ensure that his employees have a long term place of employment that retains the culture they love and are passionate about. One of the ways he sees long term viability occurring is through internal growth. He sees the employees starting businesses within company that will keep the company going and growing over the long term. He is confident about the growth and expansion. He sees linking into the community as another strategy for establishing the company as important to the community. He is comfortable that within the current organization there are the leaders that will carry on the culture and have the same commitment to the employees as he has.

Company 2 has not addressed succession at this time, although their strategy for growth and success over the long term is through the employees and their management of their personal, professional and financial goals. The current leadership team is mid-career and they have been busy growing and developing leaders within the organization that are committed to the culture and values of the company. The company has as its 2020 goal to be at $100 million and have 40 offices in 20 states with 500–750 employees. They see their future dependent on continuing the culture in combination with strategic planning and objectives:

> Our purpose at the company is not to grow just for a year or two; we are here to create a long term opportunity for everybody involved in the company. You have to take care of your people in order to have long-term growth in your company. We need to help the employees achieve their goals, again directly tied to business results, to revenue growth, to margins, customer satisfaction and employee engagement scores, that is the payoff. This is the best strategy to grow the business.

Company 4 has been acquired; the transaction was just completed in the fall of 2013, so there is no information available on how this is working. The founder/CEO states that the acquiring company was enthusiastic about retaining Company 4's culture and in fact made him the Chief Culture Officer. He says that he did it for the employees. He has been thinking about transitioning out of the company to do more with speaking and writing and did not have anyone internally to take over the business. He saw this as the best option to continue the company over the long term.

Conclusion on second-order themes

Returning to Schwartz's model of universal values (Schwartz, 2012) and placing those values next to the themes that emerged from the study, as demonstrated in Table 6, provides a framework with which to look at how values are applied to these behavioral themes. Multiple universal values can be attributed to each theme. Within most of the themes, the values are both congruent and contradictory; for example creating a purposeful culture and reinforcing it has values of both growth and self-protection, and a vision for the organization is both self-transcendent and self-enhancing. The themes that emerged from the study demonstrate paradox and the universal motivational values that apply to the themes also demonstrate paradox.

Table 6. Themes and Universal Motivational Values

Theme	Universal Motivational Values
1. Create a purposeful culture, manage it, reinforce it and embed it into the company	Growth, self-protection, self-direction, security, tradition, conformity, stimulation, benevolence, achievement and power
2. Love and care about people, they are the most important resource a business has	Self-protection, benevolence, tradition, conformity, security, achievement, power
3. Have a vision that is long term, other focused and has no finite timeline and gives purpose to the work of the organization	Growth , self-protection, self-transcendence, self- enhancement conservation, stimulation, achievement, self-direction, power, tradition, conformity, security and universalism
4. Expect excellence and deliver more	Growth, self-enhancement, conservation ,

Theme		Universal Motivational Values
	than promised	achievement, stimulation, security and benevolence
5.	Grow from within. Grow the Company by growing the people and encouraging them to be creative and open to new ideas	Growth, openness to change, conservation, stimulation, achievement and security
6.	Encourage fun at work	Openness to change, self-enhancement and hedonism
7.	Have discipline related to systems and processes to maintain culture and promote growth and stability	Self-protection, conservation, conformity, tradition and security
8.	Lead from a commitment to your values and reinforce the culture to achieve growth and stability	Self-enhancement, conservation , self-direction, conformity, security and power
9.	Do succession planning to ensure the continuance of the company and its culture	Self-protection, growth, tradition, conformity, security, benevolence, achievement and self-direction

Inherently these universal values are neutral-they do not carry a positive or negative connotation. What gives these values attributes of positivity or negativity is context. We see that hedonism as existent in these organizations builds cultures of fun and laughter, the founder/CEO's stated they want their employees to have fun while doing their work. When hedonism is paired with benevolence the motive is positive, even though these two motivational values are juxtaposed in the circular model. Hedonism paired with its adjacent value of achievement is self-centered satisfaction, which can be seen as more negative. So in looking at these values, the context of positive, caring cultures impose positive outcomes on these values. If indeed, these themes are a reflection of the founder/CEOs values, and these themes and their underlying motivational values demonstrate paradox, then this may very well be the link to the long term viability of their company. This finding supports current work on organizational viability and strategic paradox, the foundational work done by Cameron and Quinn (2011) regarding competing values and their contribution to high-performing and sustainable organizations, and the findings of Collins and Porras (1994) as discussed in their book *Built to Last*, where they found organizations that survived over the long term did so because of their ability to continuously evolve while maintaining allegiance to a singular core purpose: the paradoxical motivational values of growth and self-protection.

Chapter 5: Discussion

Founder /CEO Values and Their Contribution to Business Viability—Is There a Connection?

This study answered the overarching research question and the overarching hypothesis for this study.

The research question

The study answered the research question—How do a founder/CEO's values contribute to the long term viability of the business?—and its subset themes of (1) What do the cultures of these companies look like; are they similar? (2) Are there similar sets of values that are held by the founder/CEOs across the six organizations? (3) How do these values influence those factors that are considered indicators of success, i.e., employee satisfaction, client satisfaction, financial viability, growth, external recognition? (4) How do their values effect long term vision for the company? (5) How do these values influence succession?

The study demonstrated that founder/CEO values contribute to the long term viability of the company because of the way in which they manage paradoxical tensions in the organization that support growth and stability. The cultures of these companies are similar as a result of the similar values that are held by the founder/CEOs. The findings clearly demonstrated that the way in which these founder/CEOs lead and manage their companies—based on their values, results in high employee satisfaction and retention, high client satisfaction and retention, financial independence and financial stability, overall long-term growth, and internally-driven growth—resulted in new businesses and services and multiple recognitions by outside agencies for excellence and performance.

These founder/CEOs demonstrate a value for a vision that is long term and other centered, and they are actively involved in planning for the future of their companies by planning succession that will support continuing their cultures based on their core values.

The overarching hypothesis

The overarching hypothesis for this study is that founder/CEOs who manage their businesses based on their values create cultures that support long-term viability. This hypothesis was supported by the study. The company cultures created by the founder/CEOs based on their values, as well as the systems and processes that they have built into their businesses based on their values, are the foundation upon which their companies have survived over the long term.

Although this hypothesis was supported, additional findings from the study give us additional information about how founder/CEOs values relate to the long term viability of their company. The remainder of this chapter will demonstrate the relationship of the theoretical propositions to the themes found in the study and expand on the concept of organizational paradox and paradoxical tension.

Theoretical propositions

The findings in this study support all the theoretical propositions. The nine themes in Chapter 4 support one or more of the 13 theoretical propositions demonstrated in Table 7.

Table 7. Alignment of the 13 Theoretical Propositions with the Supporting Themes

	TP1	**TP2**	**TP3**	**TP4**	**TP5**	**TP6**	**TP7**	**TP8**	**TP9**	**TP10**	**TP11**	**TP12**	**TP13**
Th1	x	x	x	x	x	x	x	x	x	x	x	x	x
Th2	x	x			x		x	x		x	x	x	x
Th3	x	x	x		x	x	x		x	x	x	x	x
Th4	x	x	x	x	x	x	x		x	x	x	x	x
Th5	x	x	x	x	x	x	x	x	x	x	x	x	x
Th6		x					x			x	x	x	
Th7	x	x	x	x	x	x	x	x	x	x	x	x	x
Th8	x	x	x	x	x	x	x	x	x	x	x	x	x
Th9					x							x	x

Note: TP=Theoretical propositions discussed in this chapter**;** Th=Themes discussed in Chapter 4.

This grid demonstrates the strong relationship between the theoretical propositions and the themes from the findings. Themes 1, 3, 4, 5, 7, and 8 strongly supported the theoretical propositions. The discussion related to each follows. See Appendix E for the Schwartz Value Model that is part of this discussion.

<u>Theoretical Proposition 1: Founder/CEOs will demonstrate a high achievement motivation.</u>

This attribute is demonstrated in the Schwartz Value Model as self-enhancement (power, achievement) and openness to change (self-direction, stimulation), and in the

Competing Values Framework in the quadrants of compete (Schwartz, 2012; Cameron et al. 2006).

All of the founder/CEOs demonstrate high achievement motivation, which also reflects in decision-making choices that support high performance. Achievement motivation is recognized as one of the most identified motivations of entrepreneurs (Jain, 2011; Johnson, 1990; Kets De Vries, 1977). Achievement motivation is a desire to achieve or accomplish goals for self, not others. People who are achievement motivated plan for the present and the future by seeking out learning opportunities. These founder/CEOs clearly meet these criteria. Their motivation for achievement can be found in their purpose for their businesses, their ability to establish and maintain successful businesses, their creation of cultures that are recognized for being high performing, their commitment to having a highly satisfied workforce, and their vision for the future.

<u>Theoretical Proposition 2: Founder/CEOs will demonstrate decision making choices that support performance.</u>

This attribute is demonstrated in the Schwartz Value Model as self-enhancement (power, achievement), openness to change (self-direction, stimulation) and conservation (conformity), and in the Competing Values Framework in the quadrants of compete, control and collaborate (Schwartz, 2012; Cameron et al. 2006).

The founder/CEOs demonstrate decision making choices that support performance as measured by growth, profitability, and outcomes (Jain, 2011). All the founder/CEOs articulate the need to have performance expectations for their employees, measure performance, establish expectations for high performance and service delivery, and focus on strategies that will continually support performance of the individual and the organization. Their decision making is based on adhering to core values and purpose. The founder/CEOs articulate that strategic decisions are made by first asking whether the ideas put forth support or enhance the existing core values and goals of the organization. To advance with new ideas or strategies, they must meet that test. The founder/CEOs have reinforced this decision making approach with their employees and expect their decision making to be aligned with this philosophy. The result of these decision making choices has been profitability, high growth, and performance outcomes for their companies. The performance outcomes are reflected in their reputation for excellence, low turnover rates that result in work-force stability, high customer retention rates, and financial stability and growth.

Theoretical Proposition 3: Founder/CEOs will demonstrate motivation foci of self-efficacy.

This attribute is demonstrated in the Schwartz Value Model as self-enhancement (power, achievement) and in the Competing Values Framework in the quadrants of compete and, control (Schwartz, 2012; Cameron et al. 2006).

The founder/CEOs demonstrate the motivation foci of self-efficacy. Self-efficacy has been demonstrated to have a significant effect on venture growth (Baum & Locke, 2004). These founder/CEOs have backgrounds that contribute to their being able to organize and act to achieve their goals. All of the founder/CEOs brought to their companies experience, both good and bad, that gave them the skills and credibility to build the companies they built. Except for Company 4, the founder/CEOs had work experience that gave them knowledge and skill in the subject of their business. The Company 4 founder entered his business with his brothers and learned from his brothers about entrepreneurship and business. He brought his legal expertise as an attorney, but more importantly his passion for a greater purpose and people. These founder/CEOs had a grounded belief in themselves and what they could accomplish. They believed they could succeed and were motivated to do so. They embraced challenge as demonstrated by their starting their businesses and they continue to look for new and better ways to do things. When a problem arises they meet it head on, seeing problem solving as a key to continuously improving performance. Their self-efficacy has led them to be engaged in what they do and committed to their purpose and their stakeholders. Their self-efficacy has supported them in being resilient during the tough times. They believe in what they do, they believe in the cultures they have created, and they have demonstrated their skill at managing multiple foci at one time.

<u>Theoretical Proposition 4: Founder/CEOs will demonstrate new resource skills.</u>
This attribute is demonstrated in the Schwartz Value Model as self-enhancement (power, achievement) and openness to change (self-direction, stimulation) and in the Competing Values Framework in the quadrants of create and compete (Schwartz, 2012; Cameron et al. 2006).

All of the founder/CEOs have demonstrated their command of new resource skills. They have shown that they are able to identify and acquire needed resources to organize and run their companies and to seek out new opportunities for growth. They encourage innovation and creativity among their employees to build new programs and services. These companies have created either new business within the existing business, significant service expansion, or multiple offices in different regions of the country—behavior that demonstrates tapping into new resources. Since their founding, they have identified what resources they need to operate and how to organize those resources. As with most entrepreneurial companies, the process of organizing and acquiring new resources has changed throughout the history of the company. They have maintained steady but managed growth and have placed a priority on having the resources required to support a successful business. They have ongoing, long term relationships with vendors and use vendors that reflect and share the same values. This approach to resources has allowed their companies to grow without compromising values and while maintaining fiscal discipline.

Theoretical Proposition 5: Founders/CEOs will communicate vision and goals.

This attribute is demonstrated in the Schwartz Value Model as self-enhancement (power, achievement), openness to change (self-direction, stimulation), self-transcendence (benevolence, universalism) and conservation (conformity), and in the Competing Values Framework in the quadrants of create, compete, control and collaborate (Schwartz, 2012; Cameron et al. 2006).

Clearly they all communicate vision and goals. They see this as one of their primary responsibilities in keeping their employees engaged with the company. Their vision and goals are clear, they are written, and they are continuously reinforced. The vision and goals are a part of orientation and training in every company, and employees are expected to make decisions based on the vision and goals. The vision held by these companies has a universal flavor that supports a long term focus. Employees set their own goals to support the success of the company and themselves. Vision and goals are a way to organize everyone around a common purpose, which contributes to employee engagement and organizational achievement.

Theoretical Proposition 6: Founder/CEOs will have intentionality that is opportunistic.

This attribute is demonstrated in the Schwartz Value Model as self-enhancement (power, achievement), self-transcendence (benevolence and universalism) openness to change (self-direction, stimulation) and conservation (conformity), and in the Competing Values Framework in the quadrants of compete, control, create and collaborate (Schwartz, 2012; Cameron et al. 2006).

These founder/CEOs have intentionality that is opportunistic. The opportunistic entrepreneur builds and leads organizations that are based on their vision and goals and understands how to harvest and use resources. These founder/CEOs have companies that reflect their vision and goals and that understand how to best use resources for success. These founder/CEOs are open to new ideas and focus on opportunity as a mechanism for growth.

Theoretical Propositions 7 and 8: Founder/CEOs will demonstrate both relation oriented behavior and initiation oriented behavior. The founder/CEOs will have ambidexterity as a component of their leadership style.

This attribute is demonstrated in the Schwartz Value Model as self-enhancement (power, achievement), openness to change (self-direction, stimulation), self-transcendence (benevolence) and conservation (conformity) and in the Competing Values Framework in the quadrants of compete, control, create and collaborate (Schwartz, 2012; Cameron et al. 2006).

The founder/CEOs have both relation oriented behavior and initiation oriented behavior which reflects ambidexterity in their leadership style. They clearly demonstrate a high value for creating and maintaining relationship and see relationship as a key mechanism for achieving success and growth. They know how to set goals and have systems and logistics that are focused on supporting the achievement of tasks to get the work of the organization done efficiently and effectively. These founder/CEOs are comfortable with both relationship and task orientation. They use relationship and task orientation synergistically: They do not focus on one at the detriment of the other, and they see both as important in achieving the goals of the organization.

Theoretical Proposition 9: Founder/CEOs will demonstrate an entrepreneurial orientation.

This attribute is demonstrated in the Schwartz Value Model as self-enhancement (power, achievement), openness to change (self-direction, stimulation), self-transcendence (benevolence and universalism) and conservation (conformity, tradition, security), and in the Competing Values Framework in the quadrants of compete, create, control and collaborate (Schwartz, 2012; Cameron et al. 2006).

These founder/CEOs have an entrepreneurial orientation (EO) as compared to a customer orientation (CO). These leader founders demonstrate values of autonomy, risk taking, proactivity, competitive aggressiveness, and innovation. Again, they do not focus on one or the other, but incorporate all of the values into their behavior. They maintain their independence by continuing to own their own companies. They have certainly taken risks throughout the existence of the company, but they use a positive, proactive approach to running their businesses and dealing with problem solving. They are aggressive competitively in that they seek to be the best in their industry and they encourage and support innovation and creativity, which they themselves demonstrate and which they encourage in their employees.

<u>Theoretical Proposition 10 & 11: (10) Founder/CEOs will demonstrate paradoxical values of openness to change and conformity and self-enhancement and self-transcendence, and (11) Founder/CEO values will be reflected in the culture of the organization.</u>

The values reflected by these behaviors are reflected in the Schwartz Value Model as self-transcendence (benevolence, universalism), openness to change (self-direction, stimulation and hedonism), self-enhancement (achievement, power) and conservation (security, conformity and tradition), and in the Competing Values Framework quadrants of collaboration, create, control and compete (Schwartz, 2012; Cameron et al. 2006).

This theoretical proposition reflects on the founder/CEOs as having values that are opposing as well as congruent, these values reflect paradox. These founder/CEOs have demonstrated these values from the time that they founded their companies and have infused them in their cultures. Without question they are benevolent in the way they cherish and respect their employees, customers/clients, vendors, and communities. Universally, their core purpose is not about them but about contributing to society and the world at large; their core purpose is other focused. They demonstrate openness to change by just being entrepreneurs. Their drive comes from within themselves, and they are motivated to achieve. They manage resources conservatively and appropriately, allocating resources in a way that supports their employees' success and high performance, which then create a high-performance, successful company. They value innovation, creativity, and learning, and they encourage and support their employees in sharing those values. But they value and promote tradition and conformity through hiring for fit, managing their finances conservatively, establishing and reinforcing their culture and values, and expecting adherence to them. They relate company history to new employees to reinforce tradition and they, through meetings, outings, and other activities, promote the creation of new tradition—a way to build relationship and create loyalty. Without doubt, they all like to see their employees enjoying their work. They encourage fun and they themselves love their work and see it as fun and a joy. These founder/CEOs bring a balance to all these aspects and have been able to incorporate these values in their companies in an energizing and synergistic way.

Theoretical Proposition 12: Founder/CEOs will make decisions based on their values.

The values reflected in the Schwartz Value self-enhancement (achievement, power) and conservation (security, conformity and tradition) and in the Competing Values Framework quadrants of collaboration and control (Schwartz, 2012; Cameron et al. 2006).

The founder/CEOs reinforce and expect that their decision making and their employees' decision making is a reflection of the values of the organization, which are a reflection of the founder/CEOs values. The founder/CEOs have made decisions over the years that have demonstrated to their employees and customers/clients that values drive decision making. When employees have compromised values, they have been asked to leave. When potential customer/clients do not share values, they are not considered viable clients. When a choice is made between making money and compromising values, the values win. The consistent adherence to values for decision making creates trust and loyalty both within and outside of the organization. Employees and customer/clients appreciate the predictability of behavior based on values. The founder/CEOs see this as contributing to the growth and viability of their companies.

Theoretical Proposition 13: Founder/CEOs have a core ideology, based on core values and purpose, which promotes stability, growth and renewal of the organization.

The values reflected by these behaviors are reflected in the Schwartz Value Model as self-transcendence (benevolence, universalism), openness to change (self-direction, stimulation and hedonism), self-enhancement (achievement, power) and conservation (security, conformity and tradition), and in the Competing Values Framework quadrants of collaboration, create, control and compete (Schwartz, 2012; Cameron et al. 2006).

The founder/CEOs have a core ideology for their companies, formed based on their values. Each ideology represents a company purpose that is other focused and contributes to the betterment of people and society. These leaders are humble, and they look at others as the reason for their success. To be true to their ideology, these founder/CEOs have continually reinforced the greater purpose for their organizations, giving employees a purpose. The founder/CEOs have passion for their purpose and they have a workforce that shares their passion. As a result, they have created an environment that is stable, but also seeks out growth and improvement. They all see that if they continuously improve and renew, they will keep the company going. Keeping the company going serves many different purposes; it keeps people employed, it supports families, it provides a needed service to the community, it generates new products and services, it helps employees have pride in what they do, and it supports other businesses surviving.

The founder/CEOs achieve stability by adhering to their values. Stability is found in the workforce and financial conservatism. Stability is created by having a work force that is aligned with the company’s core ideology; if employees are not aligned with ideology, they do not remain. A stable workforce is found to be higher performing and cost effective. The company must be financially stable in order to meet its present obligations and pursue future opportunities. The founder/CEOs are proud that they own their companies, have no debt, have cash in the bank, and have been consistently profitable.

These founders are generative. Growth and renewal are found in the founder/CEOs value for moderate risk-taking and creativity which leads to innovation. They constantly look for new and better ways to achieve their purpose. Their ideology drives them in a direction that allows them to support their purpose through growth strategies that key in on their people and support education, learning, and openness to new ideas.

These founder/CEOs create businesses that are stable and generative, from a frame that is positive. They are optimistic, hopeful, resourceful, resilient, caring, and forgiving. These values pervade and energize their organizations. Survival of their organization will support their pursuing their core purpose.

Discussion

The founder/CEOs in this study credit their upbringing and life experiences as being the foundation of their values. Based on those values, they have created cultures for their organizations that place priority on having a disciplined, happy, satisfied, and competent workforce, which in turn drives their companies to be high achieving and viable. They have adapted a leadership style that reflects and reinforces their values.

These founder/CEOs come from different backgrounds and parts of the country, but they share common values. Those common values translate into their having created similar cultures and in having similar leadership approaches. These founder/CEOs envision a higher purpose; they have a purpose for their organization that transcends them, and is universal and timeless. Their organizations' core ideology holds within it their core values and purpose and is concise and clear. Their core ideology and core values resonate with their employees because they have hired those employees for fit to their ideology and underlying values. Because these employees are aligned with the purpose of the organization and values of the organization, which are the founder/CEO's values, they are engaged and motivated; they are comfortable in the organization and are committed to perform to achieve success in the organization. According to Collins and Porras (1994), having a core ideology with uncompromising values and purpose is one part of the equation in creating the long term viability of a company.

In a sense, these leaders parent their companies. They are passionate about what they do and the people they do it with. They use love and discipline to create an organization they call family, and they care about their employees, now and for the future. They are most interested in having a strong moral and ethical foundation for their companies and they put this into action by having employees who share their values and agree with how they conduct business. They want to surround themselves with people who appreciate and are happy to work in an organization that lives these values. They value people who want to work with others who share their values and are reliable, trustworthy, loyal, hardworking, ethical, moral, caring, reciprocal, honest, respectful, flexible, have integrity, and have a sense of humor—values of the founder/CEOs.

The founder/CEOs are high performing and hard-working and they expect high performance through hard work in return. The founder/CEOs are respectful of their employees, and they expect respectful behavior in return. The founder/CEOs are loyal to their employees, and they expect loyalty in return. The founder/CEOs are caring, and they expect their employees to be caring in return. They are ethical, moral, and honest; they have integrity, and they expect their employees to mirror these values. The founder/CEOs want employees who respect the individual and the group, and who contribute as individuals to the group. These are the values of the founder/CEOs. These values in action have contributed to a workforce that sees their company as a family and that is committed to the core ideology, values, and purpose of the organization.

The value for hard work and high performance demands discipline, and discipline requires structure. Just as good parenting requires discipline within the family, so do these founder/CEOs require discipline in their organizations. These founder/CEOs value excellence and have high expectations of themselves and their employees, and along with their cultures of caring they have created cultures of discipline. They measure performance with a host of metrics, and financials are one of the key measurement tools. They share their financials with their employees to engage them in understanding performance today and projecting performance for the future. They look inward at their people as generators of financial success and therefore provide the systems and logistics to make sure employees can perform successfully, they establish performance expectations and measure them, then share that information with employees. They are tolerant and forgiving of mistakes if they are made honestly, and expect that those mistakes provide an opportunity for learning. But, a mistake is made because of ignoring or not adhering to core values is cause for a quick exit out of the company. Lackluster performance is not acceptable and non-performers are quickly asked to leave. This paradox of caring and discipline is one of the tensions that exist in these organizations. The caring and reciprocity that occur within these organizations generate a workforce that loves to come to work and is committed to seeing the company be successful; when the company is successful, they are successful and vice versa. Discipline provides structure for stability, performance, and security. The turnover in these companies is low and they have a core of long term, stable employees. A stable, high performing workforce is an experienced workforce that contributes to company success and stability.

The founder/CEOs value learning and education, and they see education as a path to growth. They commit resources to their employees for learning and education. Several of the founders/CEOs have established educational institutions. There is openness and willingness to look at new and better ways of doing things, and a value for the creativity and innovation that typically follows. They put effort into growing organically and tapping into opportunities identified by employees and clients. They have all focused on growing their company from within and have used expansion of their products and services as a mechanism for growth. They do not pursue acquisitions, outside investors or other means of growth. Their growth is aligned with their values and purpose. Decisions regarding new products or services typically are grounded in the core values and objectives of the organization. The founder/CEOs themselves are continuously learning, with the purpose of improving themselves or their organization. Transparency and communication are values that support employee learning. These founder/CEOs want their employees to grow and see this growth as contributing to the success and stability of the organization.

In addition to learning and growth, there is a value for tradition and conformity. The founder/CEOs are proud of how they started and the history of their organizations. They share this pride through communicating with employees both formally and informally. Stories about individuals as well as the company are shared to create relationships to the company and its purpose. Traditions are reinforced, and new traditions are started. The founder/CEOs feel this understanding contributes to strengthening the relationship between the company and the employee.

Conformity is expected from employees. Although growth and creativity is encouraged, it does not imply a lack of conformity. Employees are expected to follow the rules. Systems, processes, and logistics have been put in place to ensure high quality work and high quality products and services. There is continuous follow up via feedback loops to monitor compliance. These feedback loops also provide a mechanism for improving the systems and processes. But, unless there is an agreed to change, it is expected that existing policies and procedures are adhered to. This expectation provides discipline and predictability within the organization, and it contributes to stability. Value of tradition and conformity, learning, innovation, and creativity creates another tension in the organization, one between growth and expectation of stability.

These founder/CEOs have a passion for what they do and get joy and happiness from their work and from the people they work with. They value a work-life balance and having fun is part of that balance. They promote and support the employees having fun at work and they see the results of fun in building camaraderie and relationship, both contributing to happy employees that want to remain with the organization. This sense of joy promotes a tension between fun and high performance.

These are leaders who lead by being who they are, driven by their values. Their values, embedded in their organizations through the culture and behaviors they reinforce, are values that promote caring and discipline, high performance, and fun.

Growth and stability and have created companies that are resilient; they have beaten the odds and survived long after others have gone out of business. These founders were purposeful in creating their cultures, not knowing at the beginning what the result would be. They have learned that their values—consistently reinforced and embedded in their organizations through behavior, processes, systems, and reinforcement—have proven to be a successful formula for longevity.

Values and Paradoxical Tensions

When looking at the values and behaviors embraced by the founder/CEOs it is clear that they have created cultures that have paradoxical tension and they manage this tension in a way that creates synergy. The way they manage this tension may be the underlying driver of their success. These paradoxical tensions can be found in seeing their values in action. Using the Schwartz model of universal motivational values we can identify these values and their relationship to each other. There is a value for conservation through the values of conformity, tradition and security (metrics, rules, company stories, wages and benefits, culture of caring, predictability, accountability, responsibility) but a paradoxical value for openness to change through the values of self-direction, stimulation and hedonism (growth, creativity, innovation, education and learning, fun) . There is a value for self-transcendence through benevolence and universalism (caring, doing for others, purpose larger than self, environmental sustainability, humility, community service) while the value for self-enhancement is demonstrated through achievement, power and also hedonism (financial success, achieving goals, external recognition, management of resources, fun) (Schwartz, 2012).

In other organizations these values might be conflicting; in these organizations these values are paradoxical. These founder/CEOs have created their cultures with these paradoxical values embedded in their culture and they are the foundation upon which they lead and manage their companies. The relationship between paradoxical values and outcomes is on its face neutral—it takes action of some type to manage the relationship of these values in a way that achieves desired outcomes. This study surfaces that the founder/CEOs in these organizations manage these paradoxical tensions in a way that creates energy and synergy, generating survival mechanisms for a business.

When we look at the Competing Values Framework, a similar pattern emerges using competing values quadrants of collaboration vs. compete and create vs. control (Cameron, et al., 2006). Collaboration includes building relationship, communication, caring, teamwork, development of human capital, cooperation, and community. The competing quadrant of compete would include customer relationships, speed, intensity, results, and competitiveness. The quadrant of create would include innovation and entrepreneurship, future thinking, improvement and change, creativity, flexibility, and agility. The competing quadrant of control would include information clarity, metrics, reliability, processes, measurement (Cameron & Quinn, 2011). The Competing Values Framework is based on the premise that both organizational and personal tensions exist in an organization and that these tensions (opposing values) can create energy and synergy, or they can be destructive, depending on the motivation and context in which they reside. Using The Competing Values Framework helps leaders identify those tensions and “provides a theory of effective leadership and value creation through managing those tensions” (p. 159). The Competing Values Framework helps leaders understand the synergies created through managing competing values and predicts that the synergy created by these competing values leads to successful and long term viable organizations. They propose that alignment and a purposeful balance across all the quadrants will support organizations in effective performance and value creation. This way of leading and organizing promotes both/and thinking as compared to either/or thinking. This is congruent with the Schwartz value theory, which also suggests that even opposing values should be looked at not as good or bad, but as creating a dynamic based on how they are related to each other. In both of these models, synergy can be a lever to drive performance, behavior and organizational viability.

Both of these constructs are based on a concept of paradox. Opposing or juxtaposed values create tension, either good or bad, and drive organizational and individual behavior. When these paradoxes are harnessed with positive intention or motivation, then creation, innovation and survival result.

These founder/CEOs have knowingly or unknowingly created cultures that inherently have values tension. They have paradoxical values of (1) growth and conformity, (2) learning and tradition, (3) fun and discipline, (4) present and future focus, (5) caring and achievement. They have established culture's for their organization's that are generative while being stable. They have organized around paradox, and they manage paradox comfortably. By positively managing these paradoxes they continually re-energize their organizations.

Management of Paradoxical Tensions and the Relationship to Organizational Viability

Smith and others (Smith & Lewis, 2011; Smith, Lewis, & Tushman, 2012) have studied paradox in organizations and have found that understanding and managing paradox appears to support the long term viability of business. Smith and Lewis (2011) comment that "at its core paradox presumes that tensions are integral to complex systems and that sustainability depends on attending to contradictory yet interwoven demands simultaneously" (p. 397). Smith and Lewis offer a theory of paradox, with a model for organizing, the Dynamic Equilibrium Model, shown in Figure 4. They evolved this model after an in depth review of the paradox literature in which they found a lack of consensus on a theory of paradox. They define paradox as "contradictory yet interrelated elements that exist simultaneously and persist over time . . . two components of paradox: (1) underlying tensions-elements that seem logical individually but inconsistent and even absurd when juxtaposed, (2) responses that embrace tensions simultaneously" (p. 382). They propose that their dynamic equilibrium of organizing "suggests tensions are inherent and persistent and . . . purposeful and cyclical responses to paradox over time enable sustainability—peak performance in the present that enables success in the future" (p. 382).

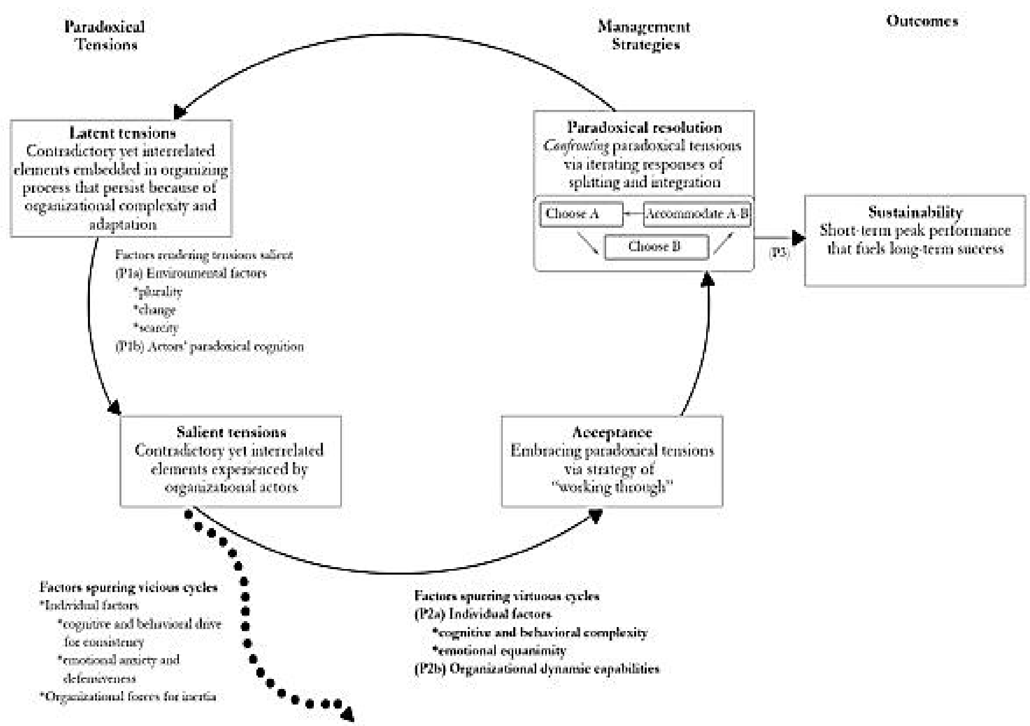

Figure 4. A Dynamic Equilibrium Model of Organizing

Primarily, the study of paradox is a study of tensions; they can be societal, cultural, organizational, group or individual. These tensions exist all around us. In nature, we see the need for plants and trees to lie dormant for a period in order to renew themselves and return to bloom, we have winter juxtaposed to summer and day to night. The perspective on studying these paradoxical tensions has historically been based in contingency theory and those studying it explored how “contexts influence the effectiveness of opposing alternatives” (Smith & Lewis, 2011, p. 381). For Smith and Lewis, using contingency theory to study paradox was limiting. Those using this theoretical underpinning were looking at what drove choices between paradoxes; “cooperative and competitive, exploitive and exploratory, mechanistic and organic, and centralized and decentralized” (p. 381).

Contingency theory promotes looking at paradox as a problem to be solved, a choice that needs to be made. According to those who have done the work in this area, the problem—paradoxes—requires leader’s to make strategic decisions for their organizations on how to focus the organization. The contingency theorists propose that resolving the tensions between these paradoxes requires the organization to make an either/or decision between such paradoxes as exploitation and exploration. The organization has to decide whether to pursue strategies related to exploitation or exploration, seen as separate and opposing but not in any way integrated or interrelated. To relate this to Schwartz’s universal motivational values model, it would mean making a decision whether to pursue growth (exploration) or self-protection (exploitation), but not both. Once the organization makes the decision, then resources (time, people, money, and energy) and organizing were devoted to pursing that specific path and the tension of paradox is eliminated. The contingency theorists suggest that those either/or decisions are driven by context, but context is temporal.

So, although this approach had some merit for the short term, context can change and strategies that made sense in an earlier context might not be relevant or successful when the context changes, as a result, organizations can find themselves irrelevant for the long term. Selecting to pursue either/or decision making is myopic, and it promotes rigidity in organizations, a cycle that results in stagnation.

Another theory that looks at decision making related to choices is the Regulatory Focus Theory as developed by Higgins (2002). This theory, which is found in the psychology literature, postulates that the self-regulation foci of promotion and prevention determine how decisions are made. A promotion focus “is concerned with the present and absence of positive outcomes, with advancement, aspirations, and accomplishment” (p. 178). The means of goal attainment with this focus is eagerness, “eagerness means ensure the presence of positive outcomes (look for means of advancement) and ensure against the absence of positive outcomes (ensure against errors of omission, do not close off possibilities)” (p. 179). Prevention focus is “concerned with the absence and presence of negative outcomes, with protection, safety, and responsibilities” (p. 178). The means of goal attainment with this focus is vigilance, to “ensure the absence of negative outcomes (ensure correct rejections, be careful) and ensure against the presence of negative outcomes (ensure against errors of commission, avoid mistakes)” (p. 179). Multiple studies have been conducted using this theory to study decision making (Ashley Fulmer et al., 2010; Higgins, 2000, 2002; Manczak, Zapata-Gietl, & McAdams, 2014; Zou, Scholer, & Higgins, 2014). These studies have found consistency between regulation focus and how people make decisions. Those with a promotion focus were attracted to decision options that tended to be positively focused with achievement, openness to risk. Longer-term outcomes were valued, creating energy and optimism for the individual. Those with prevention focus were attracted to decision options that were oriented toward security, stability, and reliability. They valued outcomes for safety, which in turn supported the decision maker in having decreased anxiety. This theory demonstrates the paradoxical values of growth (promotion, anxiety free) and self-protection (prevention, anxiety avoidance). The studies do not offer an opinion about either/or and both/and thinking in decision making. And in most cases they suggest that a temporal overlay as well as social context will influence the decision maker. This supports a contingency theory perspective. But, in the most recent study published on this topic (Zou, et al., 2014) one finding suggests that those with a "promotion motivation, not prevention motivation , determines risk preferences in the domain of gain" (p. 199). Those with promotion motivation (focus) were both risk averse and risk seeking. This may imply both/and decision making rather than either/or decision making. This is a new finding in this field of study, and it might have implications regarding those with a promotion focus in decision making being better able to manage paradox.

Smith and Lewis (2011) take a different stance than contingency theorists. They suggest that "tensions are integral to complex systems and that sustainability depends on attending to contradictory yet interwoven demands simultaneously" (p. 397). They suggest that rather than view paradoxical tensions as a problem to be solved, they view paradoxical tensions as synergies to be harnessed, "enhancing creativity and performance" (p. 397). They identify four categories of organizational tensions, not too dissimilar to Cameron and Quinn's (2011) competing values framework or Schwartz's universal motivational values, these categories are learning, belonging, organizing and performing.

Table 8. Organizational Tensions Compared to the Competing Values Framework and Schwartz's Universal Values

Categories of Organizational Tensions	Competing Values Framework	Schwartz's Universal Values
Learning	Create	Openness to change
Performing	Compete	Self-enhancement
Organizing	Control	Conservation
Belonging	Collaborate	Self -transcendence

Smith and Lewis (2011) suggest that these tensions have a dynamic relationship: "Tensions operate between as well as within these categories" (p. 384). The importance of this concept is the contribution it makes to businesses as a model upon which to build long term success:

> Paradox studies adopt an alternative approach to tensions, exploring how organizations can attend to competing demands simultaneously. Although choosing among competing tensions might aid short-term performance, **a paradox perspective argues that long-term sustainability requires continuous efforts to meet multiple, divergent demands.** (p. 381)

The paradox literature reinforces the concept of the two tensions that exist in organizations, the maintenance of current high performance and culture (alignment) and the opportunities for growth and reinvention that are needed to survive (adaptability). In their model, Smith and Lewis (2012) add a new dimension to the concept of working within a paradoxical framework, the concept of Dynamic Equilibrium. The key features of the model are “the persistence of conflicting forces and purposeful cyclical responses over time that enable sustainability” (p. 386). They see the paradox in organizations as creating synergy, which drives organizations to continually move forward. Synergy consists of a system of interrelated tensions. In this model, latent tensions exist in the organization, and when activated they become salient tensions. The organization can accept these salient tensions and create forward action as a result of that acceptance and continually renew their organizations. The authors refer to this as a virtuous cycle. When those salient tensions are rejected and ignored, organizations do not change and therefore will suffer decreased performance and eventually their demise. The authors refer to this as the vicious cycle. The key to having a virtuous cycle is acceptance. The virtuous cycle is reliant on acceptance and resolution strategies.

Embracing the virtuous cycle requires a leader to be clear about organizational purpose and values, to create an organization that supports that purpose and operates from those set of values, to have a workforce that meets the needs of the organization by creating a sense of belonging, and to ensure that there is learning that allows individuals to expand their thinking and grow along with the organization. The leader needs to be attentive to paradox and manage it in a way that is generative and that continuously renews the organization. According to Smith and Lewis (2012), "attending to competing demands simultaneously requires cognitive and behavioral complexity, emotional equanimity, and dynamic organizational capabilities" (p. 391).

Organizations make choices. Those choices are made by leaders, and the leader, through operational and strategic initiatives, decides where to put the emphasis in their organization. It is the choice the leader makes that can support long-term business success. It is how they balance and encourage dealing with paradox from a framework of acceptance for the challenge, embracing the present as well as the future. It is how they transform their values into culture and leadership. Writing about strategic paradox, Smith et al. (2012) look at strategic paradox as:

> Competing organizational agendas, including expectations to explore new opportunities while exploiting existing capabilities, achieve profits while engaging people and the planet, connect globally while responding to local demands, manage competition while enabling cooperation, and prioritize employee engagement while ensuring customer satisfaction. (p. 799)

Their major theme is that in order to survive "achieving peak performance today while creating conditions to thrive tomorrow depends on leveraging strategic paradox" (p. 799).

In other work on paradox (Smith & Lewis, 2011; Smith, et al., 2012), ambidexterity was identified as effecting positive performance outcomes (O'Reilly III & Tushman, 2011, 2013; Smith & Lewis, 2011; Smith, et al., 2012; Tushman, Newman, & Romanelli, 1986; Tushman & O'Reilly III, 1996). Tushman et al. (1986) did a review of the literature, asking why some companies survive and others do not. What they found was that successful companies maintained stability in the present (workable equilibrium) while being able to initiate or create change. This balance positioned the companies for the long term (reorientations). Essentially, they discovered that successful companies, although in the present were well run, generated profit, and had excellent reputations, understood that survival over the long term required them to continually renew or reenergize the company through new products, services, or ideas. They saw leaders that "managed this pattern of convergence punctuated by upheaval" (p. 29). The convergent times reflected an organization that was stable and had confidence in their business model because it was successful. Why change what works? They saw this attitude as a blessing and a curse. What they found over time was that a successful business model became a burden and created stagnation, possibly the effect of either/or thinking:

> These self-reinforcing patterns of behavior, norms, and values contribute to increased organizational momentum and complacency and, over time, to a sense of organizational history . . . a proud history often restricts vigilant problem solving and may be a source of resistance to change. (p. 35)

Tushman et al. (1986) found that successful companies broke out of the pattern by reforming their mission and core values, altering the power status, reorganizing, revising interaction patterns, and bringing in new executives. This reenergizing of the organization and its mission became a key to their remaining a viable business. Flexibility and vision provided by the leader of the organization were important in having this model of growth and change.

Later studies showed a similar dynamic, and Gibson and Birkinshaw (2004) studied the antecedents, outcomes, and mediating role of ambidexterity. They defined organizational dexterity as the “capacity to simultaneously achieve alignment and adaptability at a business unit level” (p. 209). Some of those antecedents included those identified by Ghoshal and Bartlett’s (1994) findings from a study on organizational context. This study identified stretch, discipline, trust, and support as four attributes that framed organizational behavior contributing to quality outcomes. These attributes can be found within the behaviors of alignment and adaptability. Gibson and Birkinshaw (2004) found that when alignment and adaptability were done in a simultaneous manner successful performance followed. Their findings led them to understand that when alignment occurred around adaptability, even greater success happened. As a result, they offered another concept for incorporating ambidexterity into the organization. They did not suggest creating structural units to manage ambidexterity, which had historically been the solution to having an ambidextrous organization. Rather, they suggested integrating the concept of alignment and adaptability at the individual level, giving people autonomy in choosing between the two: “Encouraging a supportive organizational context that generates simultaneous capacities for alignment and adaptability may be a key source of competitive advantage for leaders in the 21st century” (p. 223). Interestingly, their findings support the both/and approach and the integration of the universal motivational values of growth (adaptability) and self-protection (alignment), the competing values model and the dynamic model of organizing around and managing paradox.

There is a consistent theme among the research and the models that have been used in this discussion: The long-term viability of an organization relies on the ability of the leader to manage the organization’s paradoxical tensions in a way that integrates and embraces growth while ensuring stability or self-protection. The three models used are all similar in that they support managing competing or paradoxical values to create synergy.

Founder/CEO values and organizational viability

The founder/CEOs in this study have created organizations that are a reflection of their values. Their values are visible in their cultures and their decision making. Inherent in their cultures are organizational tensions, and these tensions are managed by the way decisions are made to determine strategy and allocate and use resources. These founder/CEOs are both/and decision makers. They have demonstrated over the years their value for growth and stability, caring and performance, fun and discipline, learning, and conformity. They have made both/and decisions to organize around these values, devoting resources, time and energy to all. Based on the interviews, these founder/CEOs see opportunity and possibility evolving from their values-based cultures. They insist that their values for people—developing caring relationships and supporting learning and growth—along with their value for high performance and organizational and individual discipline are catalysts for success. They create synergy and regeneration in their organizations through managing paradoxical organizational tensions. Based on their values, they focus on the internal work of the organization-collaboration and control to achieve success in the external sphere-creation and competition.

Smith and Lewis (2011), Cameron and Quinn (2011), and Collins and Porras (1994) have demonstrated through their work that organizational leaders that understand and manage paradoxical relationships create organizations that constantly renew themselves. The founder/CEOs in this study have demonstrated their ability to endure by beating the odds and having successful business that have survived for 20+ years. According to Smith et al. (2012):

> Sustainable organizations achieve peak performance in the present, while also building resources and competencies that position them to excel in the future . . . sustainable organizations achieve employee satisfaction, motivation, and trust while pushing employees for increased productivity and commitment. These organizations attend to divergent, and often competing, stakeholder needs while managing success across multiple time horizons. (p. 799)

The model in Figure 5 demonstrates the evolution of the relationship*:*

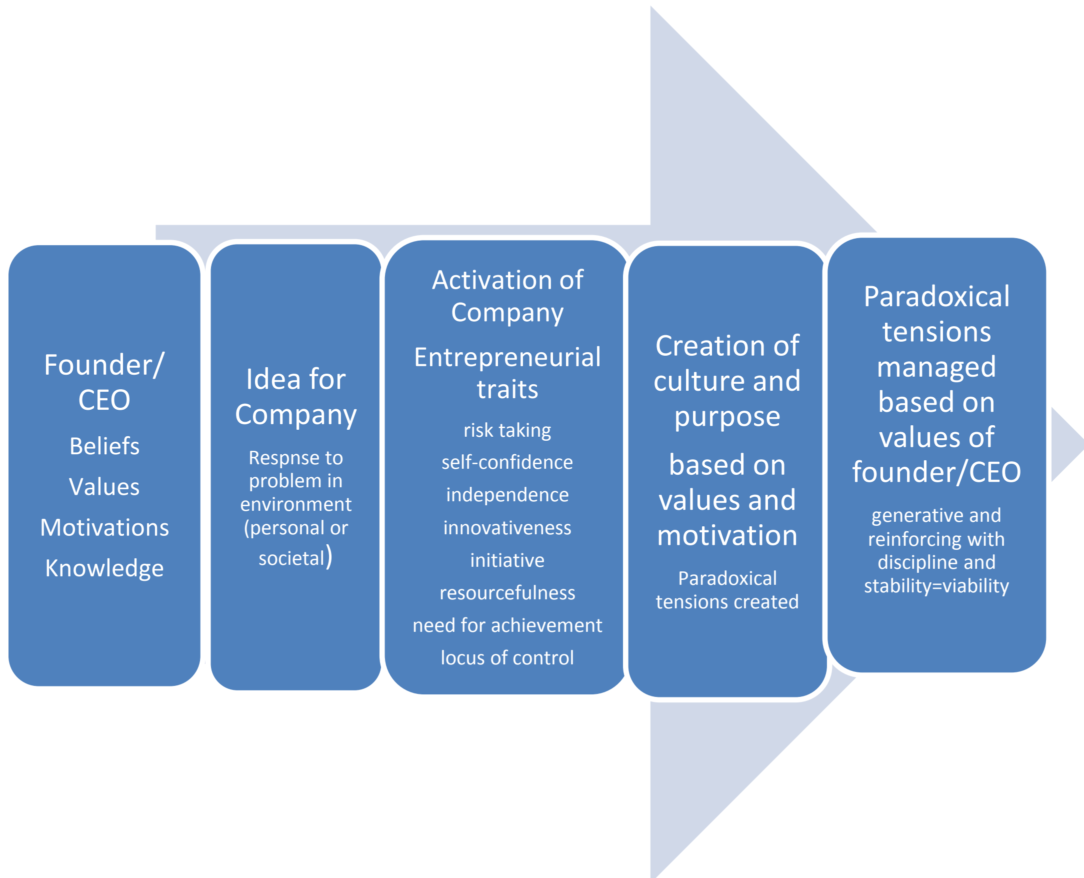

Figure 5. Proposed Model of the Relationship of Founder/CEO Values to Organizational Viability

Conclusion

These founder/CEOs are values driven and they have impressive track records. They:

- Have built companies and created cultures based on their values.
- Have created their vision and strategies based on values.
- Have adhered to their values through economic ups and downs.
- Adhere to their values when making tough decisions.
- Are passionate about people and relationships-two of their key values.
- Insist that only people who share their values are employed by them.

- Select vendors based on shared values.
- Seek clients who share their values.
- Value discipline and expect excellence.
- Value financial independence.
- Live their values.
- Communicate their values.
- Lead from their values.
- Value growth and learning for themselves and their employees.
- Value creativity and innovation.
- Value all stakeholders.

These founder/CEOs want to do it right and they believe following their values consistently and with integrity is the right way to run a business. As a result of driving their businesses based on their values, their companies:

- Are financially stable and independent.
- Have a stable, loyal, happy and highly motivated workforce.
- Have loyal customers and vendors.
- Experience financial growth year over year.
- Experience profitability year over year.
- Are recognized and respected by peers and customers as high performing, service oriented, excellent companies.
- Are effective and productive.
- Are effective problem solvers.

- Are disciplined, flexible, responsible and accountable.
- Are reliable, predictable, consistent and resilient.
- Are caring organizations.
- Continuously renew themselves through organic growth, learning, innovation and creativity.

These outcomes are the result of the way these founder/CEOs lead and manage their companies based on their values. Their leadership has created viable companies that have survived for more than 20 years, and they anticipate their companies will continue long after they are gone. I suggest based on the findings from this study that the link between these founder/CEOs values, their positive organizational outcomes, and the long-term viability of their companies lies in their leading and making decisions by consistently and emphatically using their values to reach positive resolution to paradoxical tensions in their organizations. This decision-making process ensures stability of the organization while continuously renewing the organization resulting in long term viability for the organization.

Two concerns regarding the long-term viability of these organizations

There are two concerns that I have for these organizations, their culture and succession. Currently, these founders/CEOs have organizations that hire and retain employees based on fit with the organization's culture and values. Those that do not fit are quickly exited out of the company. Does this create a culture that is so aligned and so insular that at some point, you have group think and lose creativity and innovation, or does the managing of paradoxical tensions for synergy and generative outcomes override that?

The second concern is succession, and it relates to the first concern. Understandably the founder/CEOs want to leave their organizations in the hands of people that hold the same values and will support the same culture. Values that are universal do not change. Values of the leader do influence the organization. Different leaders can at the same time share values as well as have different values. In the study conducted by Collins and Porras (1994), they discuss culture as an attribute that must continue to evolve. For the present, the cultures that these founder/CEOs have created have contributed to their success, but will these cultures stand the test of time? These organizations do have a core ideology with core purpose and values; those should remain stable. But might these founder/CEOs need to make sure that their successor will evolve the culture to stay viable, or do they see that as necessary? The successors for these organizations will need to be leaders who can manage the organizational tension of openness to change and conformity as it relates to culture. If the successor does not manage this tension with acceptance and willingness to embrace and use the tension for generative purposes, this could lead to a vicious, rather than virtuous cycle.

My Thoughts and Evaluation of the Study and Study Process

My thoughts

I am now convinced that this study found something that might be helpful to other business owners. The idea of linking a founder's positive values to the management of paradoxical tensions in their organizations in order to create long term viability for businesses is interesting. Little did I understand what I would find when this process began, but what I found was exciting and surprising, both for what was present and for what was missing.

First, what was present? These founder/CEOs are amazing. They really walk the talk. You cannot help but be impressed by their passion, their clarity, and their commitment to relationship and people. They were comfortable in "their own skin." They were so immersed in their organizations that they were the organization and the organization was them. These founder/CEOs had focus that transcended themselves and values that were positively focused. I thought about how we harness this focus and bring it into other organizations to make a difference. The founder/CEOs seemed so wise, yet very humble about what they have accomplished, and it is clear they do not take anything for granted. This study was fun and refreshing. It was so nice to hear people talk about how much they loved what they did, where they worked, and who they worked with. I looked forward to reading the transcripts and trying to get inside what they said. They were all so committed to their values and the values of the organization; it was so atypical to see this in companies. This was really something worthwhile looking into. During this study I found myself caring about these people and their companies, because they were so caring. If that is how I felt after reading the transcripts, it must be magnified many times over for those in the organization.

When I went exploring for a good model to think about values, I felt so comfortable with the Schwartz Universal Values Model (Schwartz, 2012). His model helped organize my thinking around values. In fact, it helped so much and clarified so much that all of a sudden everything in the world started to feel different. I started to see people and everyday life through the value lens painted by Schwartz. I found that indeed, when you listen closely enough and watch closely enough you can see the universal values and how they play out in people's behavior and communication, which could be a little unsettling at times. This was why this process became so interesting, because while you were studying these companies and the founder/CEOs you could not help but be changed.

When I looked for a model to think about culture, values and leadership I immediately went to the Competing Values Framework (Cameron et al., 2006). While restudying the framework and its underlying theory I started seeing the similarity between this framework and the Schwartz Model (Schwartz, 2012). This discovery energized me and made me want to do further explorations for what else I might find. I found it in the Collins and Porras (1994) book *Built to Last*. Their model dovetailed so closely with the Schwartz Model and the Competing Values Framework that I realized it was a theme. All of these models had two primary components: growth and stability. I continued to explore the literature, focusing on business viability, and I found the Theory of Paradox. The “aha” moment occurred, could paradox be relevant for this study. Well, indeed, this tied it all together. Each model demonstrated paradox. What did this mean? Returning to the transcripts, I had another “aha” moment: These founder/CEOs not only created paradoxes in their organizations, but they also spoke paradox comfortably. They somehow knew that by having the “yin and the yang” they would be successful. I am not sure it ever occurred to them that they would fail. These organizations “hugged” you, but they did not let that get in the way of performance, which requires discipline.

I was surprised at the discipline in these organizations, because they are so caring and seem to be so “soft.” But their hiring processes are rigorous and very well focused to cull out those that do not fit their culture. I am convinced that hiring for culture and value fit is one of the key factors in their success. It is also clear that they do not compromise when it comes to performance, they expect superior performance and they get it from their employees, another key factor in their success. It was also impressive that they were so fiscally sound. How many companies can say that they have consistently been profitable, do not have debt, and have a strong cash position?

I also think the focus on organic growth vs. outside growth is interesting. They have really strengthened their organizations by putting faith in their employees coming up with ideas for new services and businesses. I think this gives the employees a stake in the future, and surely motivates them.

But what I found most appealing was the fact that these founder/CEOs just keeping thinking about the future. They have so much faith and confidence (trust) in their employees and the work they do that they have the time and energy to put into future thinking. You did not get the sense that these founder/CEOs spent a lot, if any, time on managing chaos or crisis. They talk about maintaining a stable company and culture while thinking about new ventures; they see the two as intimately intertwined. Their thinking about the future is paradoxical thinking.

There were a few things I expected to find but did not find. Most importantly, I did not hear a singular focus on one or another aspect of the company. None of the companies sat just in the control quadrant, the compete quadrant, the create quadrant, or the collaborate quadrant. I thought that each company would demonstrate a strong focus in a specific quadrant. These companies certainly had strong collaborate quadrants, but they had a nice balance with the other three, this became an indicator of managing paradox.

I expected to find a strong customer focus/orientation, yet they did not demonstrate that as a separate focus. They almost intertwined employees and customers; you could not separate the two. Their value is investing in their employees as though they were the customers. This was an interesting twist for me and I think a very winnable strategy.

I expected these founder/CEOs to have a stronger ego and sense of importance and to be primarily externally focused. They all seem very humble and other oriented and the founder/CEOs still maintain a very close relationship with their employees and are “in house” a significant amount of time. Interestingly, they did not have impressive strategic plans. Their strategies were fairly simple and focused and primarily based on their core purpose and goals. Several of the companies indicated that they had been through a more formal process related to developing a strategic plan, but realized it just was not who they were.

The more I think about this study and the findings, the more convinced I become that managing paradox is an important factor in thinking about how to create viable organizations. It amazes me that this emerged from the study; it certainly was not what I expected. This study propels me to further explore paradox in organizational settings and in leadership decision making and to think about how to bring this into entrepreneurial businesses.

Evaluation of the study and the study process

I first started this study, I was not sure that I would find a relationship between founder/CEO values and the long term viability of their companies. I am still not sure that the question has been answered, because it is difficult to take a complex person, a complex organization, and an outcome and determine what exactly created that outcome. But I do think that I have raised an interesting question: Is there a relationship between how these founder/CEOs handle organizational paradoxical tensions based on their values, and the long term viability of their company?

The subjects

Studying six founder/CEOs gave the study some substance and I think it was meaningful that these founder/CEOs were very similar and shared the same values. There was significant alignment in how they used their values to create cultures that are similar and create processes and systems that have commonalities. This was one of the strengths of the study, and it contributed to new information emerging from the study. It was also a weakness of the study. These six founder/CEOs were identified as having high performing values driven organizations and therefore were more likely to have similar types of organizations. It might have been worthwhile to do a comparison of founder/CEOs that have dissimilar cultures, to find what values they share and what values they do not, and how they manage paradoxical organizational tension.

The research approach

Grounded theory was a good research approach for this study. With grounded theory, you enter the research with an open mind and allow the results to emerge from the data. This study was true to the grounded theory approach. In an attempt to answer the research question, results emerged that revealed the paradoxical values of the founder/CEOs and paradoxical tensions in the organization. This was the “aha” moment that resulted from the grounded theory approach. If I had used a different approach to this study, this finding may not have emerged. This emergent process is the reason for using a grounded theory approach.

Because findings related to paradox came out of the study, it required my returning to the literature to explore the subject of paradox and its relationship to organizational performance; this is expected when using grounded theory. With grounded theory, the literature review typically occurs after the findings emerge. The findings in the literature about paradoxical tensions and organizational viability piqued my curiosity and required me to return to the data using a lens of paradox. When I looked at the data through the lens of paradox, it was clear that there were multiple paradoxical tensions in these organizations and that the founder/CEOs values also were paradoxical. Thinking about this relationship generated new questions and a desire to return to founder/CEOs to do additional exploration to answer the new, but related questions. Unfortunately, the shortcoming of this study was that we were not able to reengage the founder/CEOs as a condition of conducting the study; therefore further exploration on this topic was not possible. As a result of using this approach to conduct the study, I can now understand how a lifetime of study could result from starting with one question, as multiple new questions continued to arise.

Limitations

I think this study would have been stronger if it were a mixed method study. If I were to repeat this study, I would give the founder/CEOs the Schwartz Value Survey

(Schwartz, et al., 2012), the Leadership Competencies Survey (Cameron, et al., 2006), and the Five Factor Model of Personality (Zhao & Seibert, 2006) to identify their values and understand their personality traits prior to conducting the interviews. I think having this data would lend more credibility to the study and ground the values discussion.

Another weakness of this study was obtaining company information on financials, performance measures, and employee and customer survey results that were comparable across companies. Each company gave us enough information to allow us to come to a finding, but they were not as extensive as we might have hoped
We did not interview customers/clients or vendors. We relied on input from the organizations about those relationships. It would have added to the study if we had had that input to bring more depth to the study.

The study questions were focused on the ROV research question and not on longevity. If I were to do this study again, I would not do it as a part of another research project. It seemed like a good idea at the time, but it made me wonder whether more information would have been forthcoming had it been a separate study. That being said, using the appreciative inquiry approach for the interviews elicited an abundance of information. Without my particular question being the focus of the interview questions, it was quite interesting how much information on my research question came out of the interviews. Obviously if I repeated this study other questions would probably elicit a greater amount of information to answer the research question.

Conclusion

Understanding how to manage paradox in an organization can lead to a high performing company and a company that survives over the long term. The founder/CEOs in this study understand how to manage paradox transforming the common into the unique. These founders understand how to create viable organizations by managing paradoxical tensions from a framework of positive values. Their values and cultures transform how business is done and provide workplaces that allow people to do extraordinary things. Their ability to manage paradoxical tensions based on being grounded in their values leads to their companies surviving for the long term. These founders understand the power of harnessing the energy that flows from paradoxical tensions. They create synergy from this energy, synergy that renews their organization over and over again.

This study did not intend to look at paradox, but it found it. Therefore it provided the “what” for further research, but not the “why” or “how.” But what I do know from this study is that when organizations are managed from a consistent construction of reality derived from a set of core values, there is a degree of predictability and consistency, real and perceived, of resolution of paradoxical tensions. This creates an approach to business that leverages intangible assets for the long term viability of a business.

Chapter 6: Implications

This study has implications for both the practitioner and the researcher.

Practitioner Applicability

This study provides leaders of organizations some insights into how they can lead their organizations to achieve long term viability. Those insights are:

- Create a core culture based on a core set of positive values and embed the values in the company to create stability. At a minimum those values should include honesty, integrity, respect, reciprocity, caring, learning, discipline, tradition, excellence and fun.
- Consistently and emphatically adhere to those values for decision making, communication, relationship, behavior and to create systems and processes.
- Create and embrace cultural paradox that has the motivational values of growth and self-protection as reflected in the values of openness to change, conservation, self-enhancement and self-transcendence.
- Identify and manage paradoxical tensions to achieve synergy through the paradoxical action values of collaborate, create, control and compete.
- Maintain financial independence.
- Be focused and uncompromising in hiring people that share the values of the organization and support its culture.

- Grow from within; promote learning and education for employees and support creativity and innovation.
- Do succession planning that promotes growth and stability for the organization from a commitment to core values and an understanding of managing paradoxical tensions.

Research Applicability

This study supports the work of Collins and Porras (1994), Smith and Lewis (2011) and Cameron and Quinn (2011). It identifies an area of potential study in the area of leader values, paradoxical tensions and company viability.

This study adds to other work that has found that positive values in a leader matter, and creating cultures that reflect and reinforce those values matter. This study was limited in its exploration of the key finding, that is, that managing paradoxical tensions from a foundation of core values contributes to the long term viability of a company. This study should be replicated based on suggestions in the preceding chapter. It is worth further exploring this finding, if for no other reason than to validate it. If indeed it is validated, then looking at the how and why would be helpful to advance the study of how leaders can impact the long term viability of their company by managing paradoxical tensions.

This study furthers the discussion about the role of paradox in organizational life. It also reinforces the importance of leaders understanding the role of paradoxical tensions and the outcomes associated with managing them. This study has implications for studies in organizational paradox, entrepreneurial values, entrepreneurial decision making, leadership and succession planning. Succession planning remains an important issue for entrepreneurial companies and if there is a relationship between values, managing paradoxical tensions and longevity this may be helpful for entrepreneurs who are deciding on who should succeed them.

As this study was conducted by a novice at research, I am not sure what other implications I can suggest. This study could be redone based on suggestions in the previous chapter and would probably provide a more meaningful look at the subject of founder/CEO values, management of paradoxical tensions and business viability.

Any information that can help entrepreneurs achieve success and have viable, high performing companies would be welcome in the entrepreneurial community. We rely on these entrepreneurs to drive our economy in so many ways; providing employment, providing goods and services, purchasing goods and services, innovating and creating and contributing to their community. The special founder/CEOs that I studied are role models for other entrepreneurs. Their willingness to share who they are and how they do what they do is a significant contribution to the field, and they are owed our appreciation.

Providing any kind of insight into how organizations remain viable gives practitioners an opportunity to test those ideas in their own organizations. There are many entrepreneurial organizations that have survived for the long term and their founder/CEOs may not share the study founder/CEOs values. If that is the case, what is it about their values and decision making that supports their companies being successful? This is a question of interest to many, and will continue to be studied in a myriad of ways. Unravelling the mystery of business success is a challenge, there are so many variables, but each insight provides a building block for the next study and this is the function of research.

Appendix A: ROV Interview Questions

Questions for Your Company

What Attracted You to Your Company?
To begin, I'd like to learn a bit about your personal story. Think back to when you first decided to join your company, what attracted you? What were your initial excitements and impressions? What do you find most meaningful, valuable, challenging, and exciting about your work?

High Point Experience
During your time with your company, I'm sure you've had some ups and downs, some peaks and valleys, some high points and low points. I'd like you to reflect for a moment on a high point experience, a time when you felt most alive, most engaged, most proud of your involvement . . . tell the story. What happened? Who was involved? What brought it about? What role did you play? Why was it significant to you? How is this unique in the sense of being different from other you've been involved with?

Possible Probes: What made the experience possible?
What was it about you that made it a great experience (e.g., your skills, values, commitments, relationships)?

Who were significant others and what was it about them that made it a high point?
What was it about your company as an organization that made the experience possible?

What were some of the twists and turns in your story? For example, what was the biggest obstacle or challenge? How did you or others overcome any obstacles or challenges? What resources and strengths did you or others draw on to get through the rough spots?

Positive Impact
Consider for a moment the impact of this experience on you as an individual, on your company, and on others such as coworkers, customers, your local community or society. How do you personally measure the impact of the experience? How would you describe the tangible impact of this experience on others? How would you describe its impact on your company as an organization? Have you seen any financial, cultural, or social indicators of impact?

Motivation and Purpose

Nearly every action or activity is motivated by a philosophy or set of beliefs about what is right and good. What were the motivations behind the experience you just described? What values, beliefs, or assumptions about people, business, organizations, and society were fundamental to the actions and activities in your story? What do you think were the motivations of others? Where the decision makers at your company involved? If so, what do you think were their motivations? Were there specific events or actions that are indicators of their motivations?

Valuing

Taking into consideration the whole picture, what do you value most about your company as an organization? Can you give some examples? What is the core factor that gives life, health, and vitality to your organization (without it the organization would cease to exist)?

Lessons Learned

Think about the lessons you have gained from the story. What do you think others can learn about building a great company from your story? What message would send to people who are inclined to build a business like your company?

Images of the Future

Imagine that tonight you fall into a deep relaxing sleep, and you don’t wake up until the year 2015. When you awake, you see that a miracle has occurred. Major changes have taken place, and your company has become everything you ever hoped it could be. You can truly say, without reservation, that this is the organization of your dreams. What do you see? What does it look like? What’s going on around you? What’s happening that’s new and different? What do you see in terms of purpose, values, systems, people, ways of working, fiscal performance, others?

Appendix B: Summary of the Number of First-Order Coding Items by Company and Title

Position	CO1	CO2	CO3	CO4	CO5	CO6	Total
CEO/Founder	55		186	249	90	226	806
President		263					263
Senior Executive	103	71	58	120	246	123	721
Vice President	293	81	149	72		117	712
Middle Management	159	40	157	46	261	44	707
Staff		205	67	101	15	93	481
Total	610	660	617	588	612	603	3690

Note: CO=Company

Appendix C: Universal Values Compared to those held by the Founder/CEOs in the Study

Universal Values	Founder/CEO					
	1	**2**	**3**	**4**	**5**	**6**
Self -direction: **Independent thought and action; choosing, creating, exploring**						
Creativity	x	x	x	x	x	x
Freedom	x	x	x	x	x	x
Choosing own goals	x	x	x	x	x	x
Curious	x	x	x	x	x	x
Independent	x	x	x	x	x	x
Self-respect	x	x	x	x	x	x
Intelligent	x	x	x	x	x	x
Privacy						
Hedonism: pleasure or sensuous gratification for oneself						
Pleasure	x	x	x	x	x	x
Enjoying life	x	x	x	x	x	x
Self-indulgent	x	x	x	x		x
Achievement: personal success through demonstrating competence according to social standards						
Ambitious	x	x	x	x	x	x
Successful	x	x	x	x	x	x
Capable	x	x	x	x	x	x
Influential	x	x	x	x	x	x

Universal Values	**Founder/CEO**					
	1	**2**	**3**	**4**	**5**	**6**
Intelligent	x	x	x	x	x	x
Self-respect	x	x	x	x	x	x
Social recognition	x	x	x	x	x	x
Stimulation: excitement, novelty and challenge in life. Optimal positive level of activation						
A varied life	x	x	x	x	x	x
An exciting life	x	x	x	x	x	x
Daring/risk taking	x	x	x	x	x	x
Power: social status and prestige, control or dominance over people and resources						
Authority	x	x	x	x	x	x
Wealth	x	x	x	x	x	x
Social power	x	x	x	x	x	x
Social recognition	x	x	x	x	x	x
Preservation of a dominant position	x	x	x	x	x	x
Preserving public image	x	x	x	x	x	x
Security: safety, harmony and stability of society, of relationships and of self						
Social order	x	x	x	x	x	x
Family security	x	x	x	x	x	x
National security	x					
Clean	x	x	x	x	x	x
Reciprocation of favors	x	x	x	x	x	x
Healthy	x	x	x	x		x
Moderate sense of belonging		x	x	x	x	x

Universal Values	Founder/CEO					
	1	**2**	**3**	**4**	**5**	**6**
Conformity: restraint of actions, inclinations, and impulses likely to upset or harm others and violate social expectations or norms						
Obedient	x	x	x	x	x	x
Self-discipline	x	x	x	x	x	x
Politeness	x	x	x	x	x	x
Honoring parents and elders	x	x	x	x	x	x
Loyal	x	x	x	x	x	x
Responsible	x	x	x	x	x	x
Tradition: respect, commitment, and acceptance of the customs and ideas that one' s culture or religion provides						
respect for tradition	x	x	x	x	x	x
humble	x	x	x	x	x	x
devout	x	x	x	x	x	x
accepting my portion in life						
moderate					x	
spiritual life	x	x	x		x	x
beliefs	x	x	x	x	x	x
norms of behavior	x	x	x	x	x	x
Benevolence: preserving and enhancing the welfare of those with whom one is in frequent personal contact						
affiliation	x	x	x	x	x	x
voluntary concern for other's welfare	x	x	x	x	x	x
helpful	x	x	x	x	x	x

Universal Values	Founder/CEO					
	1	**2**	**3**	**4**	**5**	**6**
honest	x	x	x	x	x	x
forgiving	x	x	x	x	x	x
responsible	x	x	x	x	x	x
loyal	x	x	x	x	x	x
true friendship	x	x	x	x	x	x
mature love	x	x	x	x	x	x
sense of belonging	x	x	x	x	x	x
meaning in life	x	x	x	x	x	x
spiritual life	x		x	x	x	x
Universalism: understanding, appreciation, tolerance and protection for the welfare of all people and for nature						
broadminded						
social justice						
equality	x	x	x	x	x	x
world at peace						
world of beauty						
unity with nature						
wisdom						
protecting the environment				x		x
inner harmony	x	x	x	x	x	x
spiritual life	x	x	x	x	x	x

Note: CEO=founder/Chief Executive Officer. Appendix B company numbers correspond to Appendix C CEO numbers, that is, CEO1 is the CEO of Company 1.

Appendix D: Values Cited by Founder/CEOs

The founder/CEOs most frequently cited the following values:

- People
- Family
- Opportunity
- Hard work ethic
- Passion
- Dignity
- Respect
- Loyalty
- Pride in work and self
- Personal growth and learning
- Education and training
- Excellence
- Autonomy
- Discipline
- Long term vision
- Add value
- Make a difference
- Achievement
- Optimism

- Goal setting
- Fiscal discipline
- Fun
- Happiness
- Help others
- Responsibility
- Accountability
- Trust
- Honesty
- Integrity
- Transparency
- Availability
- Relationship
- Alignment
- Leadership
- Service
- Work-life balance
- Competency
- Collaboration
- Collegiality
- Expansive thinking

- Relish challenges
- Learn from mistakes
- Take reasonable risk
- Exceed expectations
- Base decisions on values
- Winning
- Mentorship

Appendix E: Founder/CEO Values Organized with the Schwartz Value Model

Universal Value	Founder/CEO Values
Self-Direction-thought, action	Hard work, passion, pride in work and self, autonomy, long term vision, learn from mistakes, take risk
Power	Fiscal discipline, leadership, mentorship
Achievement	Opportunity, personal growth and learning, education and training, excellence, achievement, goal setting, competency, exceed expectations, winning
Hedonism	Fun, happiness
Stimulation	Optimism, excellence, expansive thinking, relish challenges
Benevolence	People, family, make a difference, help others, service
Universalism	Add value, integrity, transparency,
Humility	Humility
Face	Dignity
Tradition	Family, relationship, work-life balance
Conformity	Respect, loyalty, discipline, responsibility, accountability, honesty, collaboration, alignment, collegiality, base decisions on values
Security	Fiscal discipline, trust

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