CREATING A QUALITY MANAGEMENT CULTURE

Focusing on values and leadership

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Östersund December 2012

Pernilla Ingelsson

IV
ABSTRACT

When applied successfully, the QM initiatives TQM and Lean enhance an organization’s ability to meet and exceed the expectations of the customers as well as co-workers and other stakeholders. There are however also QM initiatives that fail and one reason for this is the organization’s inability to create a supportive culture, a culture that rests on a number of values which aim at improving the quality and thereby customer satisfaction. Even though this is known by both practitioners and researchers, little has been written on how to achieve a QM culture in practice and there are not many methodologies and tools designed directly with purpose of creating this culture. In addition, the measurements used for monitoring organizational success focus mainly on ‘hard’ process or financial measures such as lead-time reduction and operating income.

The purpose of this thesis has been to ‘examine how a strong organizational culture can be created and to contribute with knowledge about how to create and measure a QM culture’. To fulfill this purpose, a number of case studies have been carried out and a questionnaire has been developed in order to measure the presence and importance of a number of QM values.

The research presented in this thesis reinforces the fact that culture is an important factor to take into account when applying QM initiatives. A structured way of working with culture and the development of a strategy on how the culture in the organization will be changed is needed. This in combination with methodologies and tools aiming directly at enhancing a QM culture. The research also shows that the relationship between organizational culture, values and behaviors needs to be considered when working to create a strong QM culture. Most of the methodologies and tools found in the case studies aim directly at reinforcing the ‘right’ behaviors in the organization, hence enhancing the underlying values. For instance, the way an organization works with selection, e.g. recruitment and promotion, based on behaviors rather than documented merits is one methodology found in the research. The leadership was found to be important when it came to building or strengthening the culture. Managers are considered key players and need to act as role models, displaying the desired behaviors themselves. The managers need to be present among their co-workers and aware of how their own actions affect the possibility to build a strong QM culture.

VI
Another conclusion drawn is the need to measure the ‘softer’ side of QM. One starting point when applying a QM initiative should be the assessment of the existing culture in the organization as a complement to the ‘harder’ measures. The research presented in this thesis suggests that the questionnaire that has been developed could be an appropriate tool for this purpose. If the existing culture in an organization does not support the values within QM, the behaviors of managers and co-workers that are needed to improve quality and thereby customer satisfaction could be hard to achieve.

Keywords: Quality Management, Organizational culture, values, leadership, Lean, TQM
SAMMANFATTNING

Framgångsrika tillämpade kan kvalitetsledningsinitiativ (QM initiativ) som TQM och Lean förbättra organisationers förmåga att möta och överträffa kundernas likväl som medarbetarnas och andra intressenters förväntningar. Det finns dock QM initiativ som misslyckas och en av anledningarna är oförmågan att skapa en stödjande kultur. En kultur som vilar på ett antal värderingar med syfte att förbättra kvaliteten och därmed kundtillfredsställelsen. Även om detta är känt av både praktiker och forskare så finns det inte mycket skrivet om hur man uppnår denna kultur i praktiken. Dessutom finns få utvecklade metoder och verktyg som syftar direkt till att skapa en QM kultur. Förutom detta så är de flesta måtningar som används för att följa organisationers utveckling främst av det hårda slaget, dvs. finansiella eller processorienterade måtningar t.ex. ledtidsreducering och löreskapital.

Syftet med den här avhandlingen har varit att ”undersöka hur en stark organisationskultur kan skapas och att bidra med kunskap om hur man kan skapa och mäta en kvalitetsledningskultur”. För att uppfylla detta syfte har ett antal fallstudier genomförts och en enkät har utvecklats för att mäta förekomsten och betydelsen av ett antal QM värderingar.

En slutstats som dras är att det finns ett behov av att mäta de ”mjukare” sidorna av QM. Utgångsläget vad gäller den befintliga kulturen när man ska tillämpa QM initiativ bör mätas för att komplettera de ”härdare” mätetalen. Forskningen som presenteras i avhandlingen visar att den enkät som utvecklats skulle kunna användas som ett verktyg för att göra dessa mätningar. Antingen för att mäta utgångsläget innan man börjar tillämpa Lean eller TQM eller som ett sätt att kontinuerligt följa upp och behålla fokuset på värderingar och kulturen i en organisation. Om kulturen som råder i en organisation inte stödjer QM värderingar kan det vara svårt att få de beteenden från chefer och medarbetare som krävs för att förbättra kvaliteten och därmed kundnöjdheten.

Nykkelord: Kvalitetsledning, organisationskultur, värderingar, ledarskap, Lean, TQM
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This thesis is mainly based on the following seven papers, herein referred to by their letter:

Paper A
An earlier version of the paper was published in the Proceedings of 10th QMOD International Conference, Quality Management & Organizational Development, June, 2007, Helsingborg, Sweden.

Paper B
An earlier version of the paper was published in the Proceedings of 10th QMOD International Conference, Quality Management & Organizational Development, June, 2007, Helsingborg, Sweden.

Paper C
An earlier version of the paper was published in the Proceedings of 10th QMOD International Conference, Quality Management & Organizational Development, June, 2007, Helsingborg, Sweden.

Paper D
Paper E
Published in the Proceedings of 13th QMOD International Conference, Quality Management & Organizational Development, August/September, 2010, Cottbus, Germany.

Paper F

Paper G
1 INTRODUCTION

The purpose of this chapter is to introduce the reader to the scope of the thesis and present the purpose, the research questions and the delimitations of the research. In this chapter the structure of the thesis will also be presented.

1.1 Background

In the survey ‘Management Tools and Trends 2011’ 86% of the interviewed managers agreed with the statement that ‘Culture is as important as strategy for business success’ (Rigby & Bilodeau, 2011). If managers realize this, why is it that many Quality Management1 (QM) initiatives seem to fail just because of the lack of focusing on organizational culture (see, for instance, Kotter, 1996; Shin et al., 1998; Bhasin & Burcher, 2006; Achanga et al., 2006 and Kollberg et al., 2006)? One answer might be that organizations nonetheless underestimates the power of the culture in their organization (Dale, 2003 and Hellsten & Klefsjö, 2000) in combination with the fact that there seems to be a shortage of information and guidance on how to make a cultural change (Dale, 2003). Organizational culture is built on a shared set of values within an organization. O’Reilly et al. (1991) state that ‘If there is no substantial agreement that a limited set of values is important in a social unit, a strong culture cannot be said to exist’. The values need to be shared, and conformed to, by many in the organization for the culture to be considered strong. Henri (2006) states that even though other factors, such as environmental uncertainty, strategy and size, are important, culture is a universal factor which affects almost every aspect of organizational interactions. According to Chatman & Eunyoung Cha (2003) and Grönfeldt & Strother (2006), a strong organizational culture improves the performance of the organization in two ways: it energizes the employees by appealing to their higher ideals and undefined values, and it shapes and coordinates behaviors and decisions.

Consequently, values are important as they are the foundation of the culture in an organization and many QM initiatives are founded on values. When applying2 any of these initiatives it is crucial to address values in connection with creating the desired organizational culture.

1 The term Quality Management is in this thesis used as an overarching term for improvement initiatives with the focus of improving quality and thereby customer satisfaction, e.g. TQM and Lean. The term is further elaborated in Chapter 2.

2 In this thesis the term apply QM initiatives will be used since it is the writers belief that QM is applied and constantly evolving and can therefore not be an end state as indicated by for instance the word implement.
TQM for instance is seen by many to rest on a number of values and applying TQM effectively means that these values are well accepted, practiced and deployed within an organization (Hendricks & Singhal, 1999; Dayton, 2001 and Shin et al., 1998). The definition and labeling of these values vary slightly from author to author and a summary can be found in Lagrosen (2006). However, the similarities are striking and the values ‘customer focus’, ‘people focus’, ‘committed leadership’ and ‘continuous improvements’ are recurrent. Since Lean, in the same way as TQM has its values, rests on a number of principles (which in this thesis is seen as synonyms to values) it is reasonable to assume that these values should be present in an organization when applying Lean (Achanga et al., 2006 and Bhasin & Burcher, 2006). Lean values do not differ much from the values within TQM. Within Lean customer focus is very apparent as well as the focus on people and continuous improvement and present leadership (see, for instance, Liker, 2004 and Emiliani, 2007). Within both of these QM initiatives, leadership is pointed out as important and the same is valid for creating a strong culture. Schein (2004) states that culture creation and management are the essence of leadership. Managers have great influence on which culture will be predominant in their organization and how the manager acts and behaves influences the attitudes and behaviors of the rest of the employees.

It appears that the QM initiatives TQM and Lean can enhance an organization’s ability to meet and exceed the expectations of the customers as well as co-workers and other stakeholders when applied successfully (see, for instance, Hansson & Eriksson, 2002; Hendricks & Singhal, 1999 and Bursström et al., 2012). Measurements of organizational success have primarily been focused on financial numbers or hard measurements such as cost of quality, reduced inventory, turn over and delivery dependability (Motawi, 2001; Hansson & Eriksson, 2002 and Hendricks & Singhal, 1999). Therefore, a measuring of the ‘softer’ sides of QM in terms of organizational behaviors and organizational changes is needed as a compliment to the traditional measures (McNabb & Sepic, 1995 and McAdam & Bannister, 2001), in order to be able to focus more on the side of QM that deals with cultural change.

Taking all of this into account, it appears that when applying any QM initiative in an organization one big challenge is that of creating a strong organizational culture focusing on improving quality and thereby customer satisfaction, a culture based on respect for the individuals and continuously working with improvements. This challenge appears to be poorly addressed when it comes to QM initiatives and the tools, methodologies and measurements used for success.
1.2 Purpose and research questions

The purpose of this thesis is to examine how a strong organizational culture can be created and to contribute with knowledge about how to create and measure a QM culture.

With this in mind the following research questions (RQ) were formulated:

RQ 1  How are organizations working to create a strong organizational culture in practice?
RQ 2  How can QM culture be measured in an organization?
RQ 3  How can QM initiatives be applied to increase the focus on creating a strong QM culture?

1.3 Delimitations

The research has been delimited to focus on values in connection with QM, namely the values needed to create a culture for focusing on quality and thereby creating value for the customer.

1.4 Connection between RQ:s and the appended papers

The RQs are connected to the appended papers in accordance to Figure 1.1. Paper A is seen as a prerequisite to Paper C and B and is therefore not connected directly to any of the RQs.

![Figure 1.1](image)

The relation between the research question and the appended papers.
1.5 Thesis structure

The thesis is structured as shown in Figure 1.2. In Chapter 1, the reader is introduced to the area of this thesis and the purpose and research questions are presented. Chapter 2 presents a theoretical frame of reference relevant to the scope of this thesis. The chapter covers the areas: Quality and Quality management; organizational culture; values and leadership in general and in connection to QM and finally a brief passage about commercial experiences. In Chapter 3, my research journey is described and the methodology of the research is presented both in relation to the studies carried out and in general. A discussion about validity, reliability and generalization ends this chapter. In Chapter 4, a summary of the seven appended papers is presented as well as additional result from Case Study 2. In Chapter 5, the results are presented and analyzed as well as a discussion about methodological choices made in this thesis. Chapter 6 contains the conclusions drawn from the research and some thoughts about future research are presented.

![Diagram of thesis structure]

Figure 1.2 The structure of the thesis.
2 THEORETICAL FRAME OF REFERENCE

This chapter aims at giving the reader an understanding of the theoretical frame that forms the basis for the thesis.

The purpose of this thesis has been to examine how a strong organizational culture can be created and to contribute with knowledge about how to create and measure a Quality Management (QM) culture. Accordingly, this chapter of the thesis will be focusing on the concept of organizational culture and its implications on QM, alongside with values and leadership in connection to creating a strong QM culture. I will start with a short passage on Quality and QM, though, since this is the starting point of this thesis.

2.1 Quality and Quality Management

The word quality raises a lot of different associations and expectations. There have been numerous definitions of the concept of quality over the years, for example Juran (1951), who defines it as ‘fitness for use’ and Deming (1986), who claims that ‘quality should be aimed at the needs of the customer, present and the future’. According to Dale (2003), the fact that the customer makes the quality judgment seems to be something present in most definitions. The definition that forms the basis for this thesis is the one given by Bergman & Klefsjö (2010) ‘The quality of a product is its ability to satisfy, or preferably exceed, the needs and expectations of the customers’.

The evolution of the quality concept

The evolution over time of quality is often described as taking place in four stages (Dahlgaard et al., 2002 and Bergman & Klefsjö, 2010); see Figure 2.1. The first stage, ‘Quality Inspection’ meant that faulty products were sorted out after production to be scrapped, reworked or sold at a lower price. The second stage, ‘Quality Control’, was developed when statistical tools started to be used in production. The aim was to detect signs of faulty products earlier in the manufacturing process in order to adjust the process itself. The realization that providing good conditions before starting production to avoid faults led to the third stage, ‘Quality Assurance’. The fourth stage, ‘Total Quality Management’ (TQM), includes the understanding and adoption of quality values throughout the entire organization, in every aspect of the business. Dale (2003) also describes the evolution in a similar way in his four-level model.

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3 “Product” here refers to an article or a service, or a combination of the two.
In this thesis the term Quality Management (QM) is used to describe the view on the fourth stage of quality concept evolution and is used as an overarching term for improvement initiatives with the focus of improving quality and thereby customer satisfaction. The focus of this thesis has been on the QM initiatives TQM and Lean so the theoretic frame of reference will be given in connection with these two initiatives.

**Total Quality Management**

Total Quality Management (TQM) has been described in various ways by different writers and over time (see, for instance Dahlgaard et al., 1998). TQM includes a number of subgroups of quality tools and methodologies. Dale (2003) looks at TQM both as a philosophy and a set of guiding principles for managing an organization to the benefit of the stakeholders.

Harnesk & Abrahamsson (2007) claims that TQM has become an umbrella for several concepts and tools, such as Six Sigma. Given the definition of QM in this thesis, TQM is seen as one initiative within the overarching term QM alongside with initiatives such as Six Sigma and Lean. TQM has been applied in large parts of the world and in different organizations and sectors for several decades.

Criticism has been expressed that effectively applying TQM is difficult. One obstacle for the success of TQM is according to Hellsten & Klefsjö (2000) the fact that most of the existing definitions are rather vague and that there is an absence of a clear definition of TQM. Something that is strengthened by Zeithaml & Bitner (1996) that claim that there is no universally accepted definition of TQM, nor a set of common guidelines concerning the strategies applying the concept. TQM has also been criticized for having a shallow theoretical framework (Foley, 2005).
Lean

Lean originates from the shop-floors in Japan and in particular from the Toyota Car Corporation (Hines et al., 2004). Since the mid-twentieth century, Toyota has developed their productions system (TPS) as an alternative to traditional mass production and the production system has enabled the manufacture of high-quality, reliable cars at a low production cost (Osono et al., 2008). In the mid-1980s the Massachusetts Institute of Technology (MIT) started a research project, the International Motor Vehicle Program (IMVP) in which car manufacturers from all over the world were compared. This resulted in the book ‘The Machine that Changed the World’ by Womack et al. (1990) which showed the performance gap between Toyota and other car manufacturers. After 1990, the concept widened to incorporate more than shop-floor focus. A summary of this evolution can be found in Hines et al. (2004). Lean is, in the same way as TQM, viewed by many as a system. Emilian et al. (2003) for instance define Lean as a ‘management system designed to be responsive to the needs of humans in business and deliver better outcomes for key stakeholders’. Today Lean, in the same way as TQM, is being applied in many different kinds of organizations other than manufacturing, like for instance healthcare (Pokinska, 2010 and Mazzocato et al., 2010), education (Emilian, 2005) and the public sector (Radnor et al., 2006 and Seddon, 2008).

According to Hines et al. (2004), Lean has been criticized for its ability to cope with variability, the lack of consideration of human aspects and the narrow focus on the shop-floor. But at the same time he claims that most of these aspects have been or are being addressed since Lean is constantly evolving (ibid). Pettersen (2009) claims, after a reviewing literature on Lean production, that Lean, like TQM, seems to lack a clear definition. He further claims that this can cause confusion both on a theoretical level as well as on a practical level when organizations are aiming to apply Lean (ibid).

Different writers use different terms for the work of applying TQM or Lean in an organization. Terms like ‘implement’ (see, for instance, Hines et al., 2004 and Hansson, 2001) and ‘transform’ (see, for instance, Bicheno & Holweg, 2009; Rago, 1996 and Kotter, 1996) are the most common ones used. In this thesis, the term to ‘apply’ QM initiatives, used by for instance Radnor et al. (2006), Womack & Jones (2003) and Martinez-Lorente et al. (1998), will be used since it is my belief that initiatives within QM are applied and then constantly evolves and can therefore not be an end state as indicated by, for instance, the word implement.  

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*Since my knowledge and awareness has developed during my research journey in some of the earlier papers the term implement has been used.*
2.2 Organizational culture

According to Henri (2006), culture is a universal factor which affects almost every aspect of organizational interactions. Alvesson (2002) views culture broadly as ‘a shared and learned world of experiences, meanings, values and understandings which inform people and which are expressed, reproduced, and communicated partly in symbolic form’. Alvesson (2002) further states that culture is significant for how managers and co-workers relate to and interact with e.g. customers. Schein (2009) defines culture as ‘a pattern of shared tacit assumptions that was learned by a group as it solves its problems of external adaption and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems’.

Schein (2009) further argues that the organizational culture exists on different levels where level means the degree to which the cultural phenomenon is visible to the observer; see Figure 2.2. The first level being ‘artifacts’: that which can be observed on the surface, e.g. language, products, clothing, stories told about the company and organization charts. These can be easily discerned but are hard to decipher. Underlying the artifacts are ‘espoused values’ e.g. strategies, goals and philosophies. They often leave large areas of behavior unexplained and to get a deeper understanding you have to understand the ‘underlying assumptions’, which are the third level of organizational culture. These ‘underlying assumptions’ are unconscious and taken for granted, and as such they tend to be very hard to change.

![Figure 2.2](attachment:image.png) The Three Levels of Culture (Schein, 2009).
Establishing a new or modified organizational culture is a long-term process. Sinkula et al. (1997) claim that even though modifications of organizational structures can be made rather quickly, creating a shared understanding of the organization’s vision and values may take longer.

### 2.2.1 Organizational culture and QM

According to Hildebrandt (1991), changing the corporate culture is increasingly recognized as one of the primary conditions for successfully applying TQM. However, there are no simple methods or tools by means of which we can work with culture and quality culture in practice (ibid). Dale (2003) argues that changing the culture is a key element in TQM and that is has implications for the whole organization.

One definition of TQM is: ‘A corporate culture characterized by increased customer satisfaction through continuous improvements, in which all employees in the firm actively participate’ (Dahlgaard et al., 2002). Another by Hellsten & Klefsjö (2000) is that it is a management system consisting of values, methodologies and tools that together aim to increase external and internal customer satisfaction with a reduced amount of resources; see Figure 2.3.

![Figure 2.3](image)

**Figure 2.3** Three components of TQM, according to Hellsten & Klefsjö (2000).

Hellsten & Klefsjö (2000) and Bergman & Klefsjö (2010) emphasize the importance of looking upon the management system as an open system, interacting with and being influenced by the surrounding world. Consequently, the meanings of the values will, for instance, change somewhat over time.
Not creating a conductive culture is pointed out as one main contributory factor for failure when applying TQM (Dayton, 2001 and Shin et al., 1998). Dale (2003) claims not only that TQM provides the opportunity to influence behaviors and attitudes but also that there is a shortage of information and guidance on how to make this cultural change. According to Stone (1996), the degree to which a new culture is developed depends on issues such as, for example, training and the commitment of senior management.

Seddon (2005) states that organizations that apply Lean have the same overall needs, to reach ‘perfection’. To be able to change the system, you need to change the way you think first (ibid). Henderson & Larco (1999) state that, among all parts (or elements) in an organization, perhaps the most important is the culture. It is the organization that creates a great product not the opposite: a great product does not create an outstanding organization (ibid).

According to Liker (2004), applying Lean needs a deep cultural transformation rather than simply implementing a set of Lean tools and Hines et al. (2004) states that making a detailed plan when applying Lean does not always bring about cultural change. Bhasin & Burcher (2016) and Achanga et al. (2006), for instance, point out cultural changes as one critical factor for success. Radnor et al. (2006) conclude after studying results from applying Lean in the public sector that the success of Lean is dependent on organizational and cultural factors. Henderson & Larco (1999) state that it’s important to cater for different needs, the production flow needs technical support e.g. tools and the people in the organization need cultural support e.g. the overall concepts. As much as fifty percent of the input can be needed for supporting the employees (ibid).

Drew et al. (2004) argue that applying Lean is not a project but a ‘journey’ and that there’s is no one right way to apply Lean in an organization. According to Bicheno (2004), all journeys are different and applying Lean is a constantly ongoing process or as Karlsson & Åhström (1996) states ‘Lean should be seen as a direction, rather than as a state to be reached after a certain time’. It is a long-term commitment and organizations expecting short-term effects may focus on tools and not on changing the culture since that often takes a long time. A medium-sized company will need a minimum of three to five years to start practicing a Lean philosophy (Bhasin & Burcher, 2006). According to Emiliani (1998), it will take five to ten year for an organization to practice sustained Lean behaviors.
2.3 Organizational culture and values

Chatman & Eunyoung Cha (2003) define organizational culture as a system of shared values and according to O’Reilly et al. (1991), shared values are the very essence of cultures and of organizational cultures in particular. O’Reilly et al. (1991) further state that ‘If there is no substantial agreement that a limited set of values is important in a social unit, a strong culture cannot be said to exist’. Pinder (1998) reinforces this by claiming that a strong corporate culture implies that there is uniformity among the employees regarding, for example, values. Chatman & Eunyoung Cha (2003) state that a strong organizational culture is based on two things: a high level of agreement among employees about what is valued and a high level of intensity about these values. According to both Chatman & Eunyoung Cha (2003) and Grönfeldt & Strother (2006), a strong organizational culture improves the performance of the organization in two ways: it energizes the employees by appealing to their higher ideals and undefined values, and it shapes and coordinates behaviors and decisions.

Rokeach (1973) defines a value as ‘an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to its opposite or converse mode of conduct or end-state of existence’. According to Pinder (1998), values are something held by us as individuals, thus organizations do not possess values. So organizational norms and values are a group product; even though all members of the group would not have the same values, a majority of active members would agree on them and members of the group would be aware of the group’s support for a given value (Katz & Kahn, 1978) and (Wiener, 1988).

A value can also be described as a type of social cognition that facilitates a person’s adaptation to his or her environment, and values have implications for his or her behavior (Fishbein & Ajzen, 1975 and Wiener, 1988). A value is consequently something that guides us in our choices, governs our actions and helps us adapt to our environment. Pinder (1998) argues that there is a relationship between the values we hold and the way we behave in different situations; see Figure 2.4. McNabb & Sepic (1995) claim that because performance and productivity improvement is often the goal of TQM, it makes sense for training to target behavior change aimed at improving the level of support managers give employees.
Accordingly, there is a relationship between organizational culture, values and behaviors where the values affect both the culture in the organization and the behaviors of co-workers and managers. A strong culture means that the values are shared by many in the organizations and the members are acting in accordance to the values.

2.3.1 QM values

Many QM initiatives are said to be built on values. Effectively applying TQM, for instance, means that the values are well accepted practiced and deployed within a firm (Hendricks & Singhal, 1999). Many companies that have succeeded in applying QM values have received quality awards, e.g. the American Malcolm Baldridge National Quality Award and the European award EFQM Excellence Model. These quality awards are based on values that are widely considered to be the building blocks of effectively applying QM (Hendricks & Singhal, 1999). Hansson & Eriksson (2002) found a relationship between successfully applying TQM and financial performance. The link between TQM and financial performance is maintained by several other researchers (see, for instance Eriksson et al., 2003; Hendricks & Singhal, 1996 and Hendricks & Singhal, 1997).

When it comes to TQM, the definition and labeling of these values vary slightly from author to author and a summary can be found in, for instance, Lagro"oen (2006). However the similarities between the values are striking. The values ‘customer focus’, ‘leadership commitment’, ‘the participation of everybody’, ‘continuous improvement’, ‘process focus’ and ‘base decisions on facts’ seems to be agreed upon by researchers. One example of looking at the values within TQM is the cornerstone model by Bergman & Klefsjö (2010); see Figure 2.5.
Figure 2.5  The values or cornerstones, which according to (Bergman & Klefsjö, 2010) are the base of TQM.

Lean can also be seen as being founded on a number of principles and values\(^5\) (Liker, 2004; Womack & Jones, 2003 and Emiliani, 2010). Lean should, in the same way as TQM, be seen as a conceptual and physical system not a toolbox and Lean initiatives are often depicted as a house or a temple where the foundation most often consists of the values of the organization; see Figure 2.6.

![Diagram](image)

Figure 2.6  The Lean Enterprise House, according to (Bicheno & Holweg, 2009)

A short description of values within the QM initiatives TQM and Lean is presented below and categorized in accordance with the values from the cornerstone model by Bergman & Klefsjö (2010). In addition the values ‘system view’, ‘long-term thinking’ and ‘eliminate waste’ are also presented as values from Lean that are not

\(^{5}\) In this thesis principles and values within Lean are treated as synonyms.
so articulated within TQM. The described values will be referred to as QM values in this thesis.

**Focus on customers**
The value of customer focus and creating value for the customer is central in both TQM and Lean. Understanding what the customer really needs and what builds customer value in an organization is essential for business success. Customer value is even considered by some as the source of all other values in an organization (Heskett et al., 1994 and Hammer, 1996). Delivering customer value requires a clear understanding of exactly what kind of value is desired by customers. Importantly, customer value is not inherent in products or services themselves; rather it is experienced by customers as a consequence of using the supplier’s product and services for their own purposes (Woodruff & Gardial, 1996). Customer value is as your customers perceive it, and so every organization must find ways of finding out from customers how they see value, both now and in the future (ibid).

Focus on customers is a central value in TQM and should be supported by the other values that work as a system. Here, the concept of customer includes both external and internal customers. Internal customers are, for instance, co-workers at different departments within the organization, the co-workers as a group, or the co-workers as individuals (Bergman & Klefsjö, 2010). Emiliani (2010) states that the reason for applying Lean has to be for the benefit of the customer, not for internal company reasons. Looking at a number of books on Lean, Bicheno & Holweg (2009) extract 25 common themes where the number one is the external customer. According to Womack & Jones (2003), the critical starting point for Lean is value and value can only be defined by the ultimate customer as the whole offer to the customer, not as optimizing part of the delivery.

**Committed leadership**
Leadership commitment is a requirement for succeeding with QM and is a very important value in both TQM and Lean (see, for instance Dale, 2003; Hansson, 2001; Holbeche, 1998 and Emiliani & Stec, 2005). Since managers and leadership are important both within QM and in relation to creating a QM culture this it will be further elaborated in Section 2.5.

**System view**
According to Bicheno & Holweg (2009), a system approach is the very essence of Lean. They define a system approach as focusing on the organization as a whole before paying attention to the parts (ibid). Lean emphasizes the supply chain, where the production within the organization is a part of a value stream from the
sub-suppliers to the ultimate customer (Womack & Jones, 2003). Seddon (2005) claims that managing the organization as a system is amongst other things to have an outside-in perspective and has a design based on customer demand, value and flow. Deming (1994) defines the system as a network of independent components that work together to try to accomplish the aim of the system. There has to be an awareness and understanding that functions and activities are held together in processes (ibid). Bergman & Klefsjö (2010) state that system thinking on a long-term basis is necessary to achieve success and see it as the ability to view things holistically and see how different components affect each other.

**Long-term thinking**
Liker (2004) describes Lean through 14 principles divided into four parts of a pyramid, the ‘4 P’ model, influenced by Toyota’s internal training document ‘Toyota Way. The bottom of this pyramid and the most important factor for success is the value ‘Long term thinking’ (ibid). According to Bicheno & Holweg (2009), this value is incorporated in one of The Toyotas Ways core values ‘challenge’, where this value stands for ‘maintaining a long-term vision and strive to meet all challenges with courage and creativity needed to realize that vision’.

**Focus on processes**
Bergman & Klefsjö (2010) define a process as “a network of activities that are repeated in time, whose object is to create value to external or internal customers”. According to (Egnell, 1999), the advantages of focusing on processes are: decreased risk of sub-optimizing and discrepancy between different functions in the organization, fewer unnecessary activities, higher work satisfaction, reduced costs, clearer aims and higher inclination to do the right thing from the beginning. Modig & Åhström (2012) states that Lean is a change from resource focus to customer focus and that the processes are central for creating value for the customers. They believe that processes are the building blocks of an organization and that the processes need to be defined from the perspective of what flows through them not from the various functions within an organization (ibid).

**Improve continuously**
According to Bergman & Klefsjö (2010), requirements on products constantly change. This leads to a need for continuous improvements to fulfill customer needs and expectations. Deming (1986) states that one should ‘improve constantly and forever the system of production and service’ and advocates the use of ‘the improvement cycle’ (also called ‘the Shewhart cycle’ and ‘the Deming cycle’) with the four stages: Plan, Do, Study and Act. According to Emiliani (2010) the two main values that need to permeate a Lean organization are continuous
improvement and respect for people. Bicheno & Holweg (2009) state that the power of Lean lays in learning from mistakes and to continuously improve, to continuously learn. The top of Liker’s (2004) 4P pyramid is Problem Solving (Continuous Improvement and Learning) which is the final step where the organization is continuously solving root problems which in turns drives organizational learning.

Let everybody be committed
For a quality strategy to be successful it is essential for everyone in the organization to participate. According to Bergman & Klefsjö (2010), the keywords for creating these conditions are communication, delegation and training. All of these elements aim to give the co-workers knowledge about their place in the organization, where the organization is going and how capable it is of carrying out the necessary improvements (ibid). An assumption in the TQM philosophy is that people want to take responsibility and participate in the organization’s activities (Deming, 1986 and Hackman & Wageman, 1995). Rother (2010) also reflects this view as he claims that one of the basic assumptions within at Toyota is that people are doing their best and you need to focus on the process instead of blame in order to make people want to participate and be committed. In a study carried out in the public sector, Radnor & Walley (2008), identified that all five principles of Lean defined by Womack & Jones (2003) were represented when Lean was applied, but different sites had different levels of focus on the principles. The focus on the principles was shown as changes in attitudes towards e.g. employee involvement, teamwork and more acceptances among the employees of customer needs (Radnor & Walley, 2008).

Base decisions on facts
It is important not to let random factors rule the way decisions are made so one of the cornerstones is “base decisions on facts”. Bergman & Klefsjö (2010) state that data of both a numerical and verbal nature is needed as well as systematic tools for the structure and analysis of these data. To improve products and processes it is also necessary to have knowledge of variation and of how to separate random causes of variation from systematic causes. Within Lean this value is not so outspoken even though many of the Lean tools do build on collecting facts before applying them. For example calculating lead time, takt time or dimensioning a Kanban system (Bicheno & Holweg, 2009).
**Eliminate waste**

Waste reduction is something many people associates with Lean. According to Bicheno & Holweg (2009), value is the converse of waste and waste elimination is seen as a means to achieve Lean – not an end in itself. The elimination of waste is closely linked to creating flow in an organization’s processes (Likert, 2004 and Womack & Jones, 2003). Bicheno & Holweg (2009) list the traditional seven types of waste defined by Taiichi Ohno as: overproduction, waiting, unnecessary motions, transporting, over processing, unnecessary inventory and defects. Very often an eighth type of waste is added, that of untapped human potential.

In this thesis the QM values are viewed, in the same way as Bergman & Klefsjö (2010), as corresponding to the level of ‘espoused values’ (Schein, 2004). This since the values within QM can be translated into strategies and goals for an organization. The relationship between values and methodologies and tools is looked upon in the same ways as Lagrosen (2006); see Figure 2.7.

![Diagram](image)

**Figure 2.7** Levels of quality management, compared with Schein’s (1992) levels of culture (Lagrosen 2006).

A strong QM culture is, in this thesis, viewed as a culture based on shared values by many in an organization, values that aim at improving quality and thereby customer satisfaction.

### 2.4 Creating a strong organizational culture

Chatman (1989) states that there are two ways of achieving homogeneity of values in an organization: selection and/or socialization. Selection is the set of procedures through which an organization chooses its members. It’s the initial match between individual and organizational values (Chatman, 1991).
Chakravorti (2011), concludes that to enhance customer experience organizations need to recruit and hire on the basis of attitude. Organizational socialization is the process through which an individual comes to understand the values, abilities, expected behaviors, and social knowledge that are essential for assuming an organizational role and for participating as an organizational member (Louis, 1980 and Van Maanen & Schein, 1979). According to Chatman (1989), the strongest results in organizational homogeneity are a combination of the two: first hiring people with the desired values and then maintaining and reinforcing them by socialization. Socialization can be done in many ways for instance through training and teamwork, but the important part is that the employee understands and agrees with the values and, consequently the behaviors of the organization (ibid).

Chatman (1991) states that according to traditional views, selection processes assess job-related characteristics, such as past experience, intelligence, knowledge, skills and abilities, and very little attention is paid to values and behaviors. It helps that people are attracted to organizations with similar values and tend to stay longer with such a company (ibid). Meir & Hasson (1982) claim that when our values and priorities match the values and priorities of a particular organization we are happier and more likely to maintain an association with the organization. Matching the individual’s values with those of the organization helps to avoid hiring an employee with contradictory values. Selection processes may also serve the subtle function of selecting individuals whose values are compatible with organizational values and screening out those whose values are incompatible (ibid).

Bowen & Lawler III (1992) emphasize the importance of the selection process when examining how human resources can contribute to quality orientation in an organization. They state that the selection process should include focus on personal characteristics if it is to support TQM throughout the organization. Ahmad & Schroeder (2002) show in a study that behavior traits of employees are equally important, if not more important, than technical skills when it comes to attaining superior plant competitiveness. Bäckström (2009) shows that awareness of the significance of recruitment based on values is one of the general ways of working found in successful organizations that have also achieved sustainable health. Nevertheless, very few organizations that are applying TQM pay the necessary attention to the importance of recruiting based on values (Snell et al., 2000).
According to Hellsten & Klefsjö (2000) many organizations have faced difficulties in adopting values into their work procedures. A model on how to progress with TQM is described in Figure 2.8.

![Figure 2.8](image)

The model suggests starting by defining the company values. The next step is identifying methodologies that both are suitable to the organization and support the values. The final step is to use suitable tools to support the methodologies. All this is done with the aim of increasing external and internal customer satisfaction with a reduced amount of resources.

Both Bhasin & Burcher (2006) and Achanga et al. (2006) have pointed out cultural changes as one critical factor for success when applying Lean. Within Lean the major way of changing the organizational culture is by doing. Shook (2010) writes about his experiences from the NUMMI factory: ‘What my NUMMI experience taught me that was so powerful was that the way to change culture is not to first change how people think, but instead to start by changing how people behave – what they do.’

In relation to this comment, it should be pointed out that not everyone is convinced that culture can be changed. Prajogo & McDermott (2005), for instance, claim that the existing culture determines the results rather than TQM changing the culture. The view taken in this these is that of e.g. Dale (2003); that the culture can be changed but the issue has to be actively addressed.

2.5 Organizational culture and leadership

The term leadership is frequently discussed by researchers and authors. Yukl (2006) lists a number of definitions of leadership and states that ‘most definitions of leadership reflect the assumption that it involves a process whereby intentional influence is exerted by one person over other persons to guide, structure, and facilitate activities and relationships in a group or organizations’. He further points
out that other than this there seems to be little in common between the definitions. However, there seems to be consensus that leadership is a real phenomenon that is important for the effectiveness of organizations (ibid). Yukl (2006) defines leadership as ‘the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives’. A similar definition to Yukl’s is formulated by Kotter (1988): ‘the process of moving a group (or groups) of people in some direction through (mostly) non-coercive means’.

The discussion about the difference between leaders and managers is also ongoing. A person can be a leader without being a manager and a person can be a manager without leading (Yukl, 2006). According to DuBrin (2004), leadership deals with the interpersonal aspects of a manager’s job, it deals with change inspiration motivation and influence. He also states that the manager’s job is to lead, plan, organize and control and this can be compared to Yukl (2006), who argues that ‘manager’ is an occupational title.

In this thesis, the term leadership is used to describe traits, values, attitudes, and behaviors possessed and practiced by leaders. The term ‘leader’ is used in a more overarching way which includes managers and all formal and informal leaders. The term ‘manager’ will be used for a person who holds the occupational title.

2.5.1 Leadership behaviors

In the early 1950s researchers began to pay closer attention to what managers actually do at the workplace and leaders’ behaviors started to be the focus of these studies (Yukl, 2006). A distinction was then made between task-oriented and people-oriented behaviors. By the 1980s, change-oriented behaviors were implicit in some theories of charismatic and transformational leadership although they still were not recognized as a separate dimension. In the 1990s, Yukl & Fu (1999) and Ekvall & Arvonen (1991) discovered the separate dimension of change-oriented behaviors, a distinct and meaningful metacategory, which extended the earlier research and provided important insights about effective leadership (Yukl, 2006).

According to Kao (2006), the biggest challenge for organizations today is that of ‘unknown unknowns’. To manage this, new models of leadership and organizations are needed (ibid). To be competitive in the future, organizations need to develop their business offers towards more experience-oriented products or services (Pine & Gilmore, 1999). This in turns leads to a need for the co-workers to be in an environment where it is possible to create a unique experience for every customer (ibid). In other words, the importance of creative environments is likely
to increase in the future. Eskildsen et al. (1999) conclude that there is a need for a change-oriented environment for the co-workers if an organization wants to achieve business excellence. Mumford & Licuanan (2004) have also established that there is a new research path expressly intended to look at leadership in settings where creative people are working on significant innovations.

KaosPilots is a school with its background in the FrontRunners, an enterprising group of young people with the motto ‘anything is possible’ which was active in the 1980s in Århus (Christensen & Kirketerp, 2006). The school has changed over the years and has today evolved into an internationally known institution. The approach to leading organizations taught by KaosPilots focuses on entrepreneurship and creative business. The interest in leadership and training as advocated by KaosPilots has increased during recent years as it focuses on entrepreneurship and creative business (Christensen & Kirketerp, 2006). The KaosPilots think that the concept of superior/subordinate will crumble as we come to understand that everyone must constantly lead and follow (Hock, 2006).

2.5.2 Leadership and culture

Schein (2004) states that culture creation and management are the essence of leadership. The managers have great influence on which culture will be predominant in the organization and how the manager acts and behaves influences the attitudes and behaviors of the rest of the employees. By establishing a strong culture, managers can indirectly influence the attitudes and behavior of co-workers (ibid). One of the key roles for a manager is to make sure that all employees understand the values underlying the organizational culture. Grönfeldt & Strother (2006), claims that a major pitfall in implementing or changing that culture occurs when managers fail to ‘walk the talk’ and just pay lip service to these values.

Schein (2004) has listed six primary ways how of influencing culture. These are the embedding mechanisms and are major tools that are available to managers to teach the organization how to behave. They are visible artifacts of the emerging culture and they directly create what would typically be called the ‘climate’ of the organization:

- What managers pay attention to, measure, and control on a regular basis.
- How managers react to critical incidents and organizational crises.
- How managers allocate resources.
- Deliberate role modeling, teaching, and coaching.
- How managers allocate rewards and status.
- How managers recruit, select, promote and dismiss.
2.5.3 QM and leadership

Quality Technology had its early focus on applied statistics for production control since the main contributors to the quality movement, Walter A. Shewhart and W. Edwards Deming, had their background in those areas, (Bergman & Klefsjö, 2010; Garvin, 1988 and Sitkin et al., 1994). At this time leadership behaviors were not in focus. Since the mid-twentieth century, Quality Technology and Management has developed to become a multidisciplinary science and includes areas such as social science, economics and leadership. Although the established English term in the Quality literature for an organization’s approach, way of working or work procedure is methodologies, this has a lot in common with the leadership behaviors within the leadership area.

According to Lakshman (2006) the TQM literature makes three specific contributions to the leadership literature that can be utilized to build a comprehensive theoretical framework of leadership for quality. Firstly, the TQM notion of participation and teamwork is broader and more widespread in the organization than is conceptualized in the leadership literature. Secondly, the TQM philosophy’s concern for customer focus and continuous improvement and its emphasis on the recognition of these elements by the organization’s managers are lacking in the leadership literature. Thirdly, the TQM literature stresses the importance of managers and employees at all levels in the organization, which is also found to be wanting in the leadership literature (ibid).

Although many researchers stress the importance of top management commitment within TQM (see, for instance, Juran, 1989; Bergman & Klefsjö, 2010 and Dahlgaard et al., 2002), not much analysis has been done on the connection between specific leadership styles and TQM policies and behaviors (Sosik & Shelley, 1997). Sosik & Shelley (1997) claim that Deming’s 14 points lists can provide managers with guidance concerning the appropriate leadership style, i.e. leadership behavior to achieve TQM outcomes, such as high product/service quality or customer satisfaction. Rahman (2004) describes the soft factors of TQM as the behavioral aspects of management, such as for instance leadership. Juran (1989) also stresses that management has to accept and embrace the fact that the TQM transformation is dependent on the behavioral style of management.

Managers are crucial to the outcome of applying Lean (Liker, 2004). The manager’s role is to change the culture and this is done by being involved in the actual work of identifying waste and values stream mapping where it occurs (ibid). According to Achanga et al. (2006), who studied the influence of leadership in SMEs, the leadership includes factors such as having a clear vision, good levels of education
and the willingness to support the Lean initiative. According to Liker (2004) Lean managers are both passionate about involving people as well as having an in-depth understanding of the work in addition to general managerial knowledge. Liker et al. (2008) describes the manager as Toyota as someone who are grown within the organization and learns through being moved horizontally to get a broader perspective before climbing higher in the organization. Liker (2008) further describes a manager at Toyota as someone who develops people, focuses on the processes and believes that doing the right thing will lead to the right results.

Seddon (2005), looking mainly at service organizations, argues that leadership is being able to talk about how the work works with the people who do it. Henderson & Larco (1999) advocate five key factors for a Lean success. For example, that management must have a strategic vision of what the organization is moving toward and will become and that there must be strong line managers committed to change. Emiliani & Stec (2005) state that senior managers needs to change in a large number of beliefs, which then needs to result in behaviors that support Lean values. This establishes the basis for wider organizational support of the Lean management system (ibid).

2.6 Measuring organizational culture

According to Brown & Laverick (1994), traditional financial measures do not give a ‘true’ reflection of corporate performance. Stone (1996) states that there is a need for complementing ‘hard’ measures with ‘softer’ ones and that soft measures are more related to behavioral aspects of working life (ibid). But measuring organizational culture is not an easy task since so much of the culture is tacit (Schein, 2009). Schein (2009) further claims that the culture of an organization cannot be measured since surveys and other techniques only ask about behaviors and espoused values. According to Stone (1996), measurement tools can be used to induce change and to identify areas of the organizational life that have previously been neglected. The tool most commonly used to measure the ‘soft’ side of organizational culture is the attitude survey (ibid). Given the classification of QM values as espoused values, according to Schein’s three levels, it ought to be possible to measure these values by means of, for example, surveys; see Figure 2.9.
2.6.1 Measuring QM culture

Even though cultural change is an important factor for succeeding with applying QM, most of the evidence presented on the connection between QM initiatives and success is largely based on hard measures. Based on an extensive survey and synthesis of TQM literature, Motawi (2001) presented a set of critical factors/dimensions and more than 45 supporting performance measures of TQM where none of the supporting measures could be categorized as measuring to what extent the critical factors are present in the organization. Bhasin & Burcher (2006) list a number of studies where Lean initiatives have been successful and where the measurements for this success focus solely on hard measurements. The measures listed were, amongst others, reduction of lead-time, reduction of inventory and cost reduction (ibid). McNabb & Sepic (1995) point out the need for applying soft measures to examine the existing culture in an organization before applying TQM. This is needed to attain a baseline of values currently held by the managers and coworkers. If the measured climate contradicts the TQM philosophy, actions must be taken to change the values and organizational culture before proceeding with TQM (ibid). McAdam & Bannister (2001) show in a study that it is necessary to establish the degree to which TQM values have been implemented before trying to measure the performance. The study also indicates that a wide framework consisting of both hard and soft measures should be used in attempting to measure the effect of successful TQM (ibid). Beatty (2006) points out that commitment to quality by both the individual and the organization are two key areas that should be assessed at the onset when applying TQM. According to Kollberg et al. (2006), this is also valid.
when it comes to Lean. He claims that when adopting the values of Lean it is important to design a measurement system that will reflect the initiatives taken.

Stone (1996) claims that the management literature encourages the use of soft measures in the analysis of organizational progress. These soft measurements can be used in many diverse ways both in monitoring or including cultural change (ibid). Abdullah et al. (2008) have studied the relationship between soft factors and company performance when focusing on applying quality management. The result shows a strong relationship between the soft factors and company performance (ibid). According to Rådeér & Boaden (2008), the evidence of tangible benefits from applying Lean is not always as robust in the public sector as in the manufacturing sector. Intangible benefits include a better understanding of customers, cross-team synergies, and an increase in employee motivation and morale (ibid).

2.7 Commercial experiences – co-creating value

A new type of business offering is currently gaining much attention, a type which in some aspects appears to be distinct from traditional goods and services (see, for instance, Pine & Gilmore 1998; Pine & Gilmore 1999; Voss, 2003; Sundbo, 2004 and Poulsson & Kale, 2004). These offerings are often referred to as commercial experiences and Pine & Gilmore (1999) argue that ‘experiences are a fourth economic offering, as distinct from services as services are from goods, but one that has until now gone largely unrecognized’. Commercial experiences are even predicted to be the foundation for future economic growth and it is argued that experiences provide higher customer value than services as they engage customers in an inherently memorable way (ibid).

Pine & Gilmore (1999) claim that the offering of commercial experiences is a growing business and a major reason for this is ‘...the nature of economic value and its natural progression’. Mosberg (2003) also discusses the progression of economic value when offering a commercial experience where the organizations can charge more for giving the customer an experience. The progression of economic value affects the price of the offer, the competitive position and the needs of the customers (Pine & Gilmore, 1999); see Figure 2.10.
Figure 2.10  The progression of economic value (Pine & Gilmore, 1999).

There are currently very few clear definitions of what a commercial experience really is and the classification of business segments varies between different countries. For an experience to be meaningful, it should be perceived as personally relevant and should include elements of novelty, surprise, learning and engagement (Poulsson & Kale, 2004).

2.7.1 What constitutes a commercial experience?

Successful commercial experiences seem to have one fundamental characteristic in common: they always leave memories in the mind of the customer. Pine & Gilmore (1999) write, ‘While commodities are fungible, goods tangible, and services intangible, experiences are memorable’. It is further stated that ‘the experiences must leave indelible impressions’, which clearly emphasizes that ‘memorable’ in this context means ‘remembered’ rather than ‘likely to be remembered’. The fact that experiences create memories might also be the key to their ability to provide uniquely high customer value. As stated by Smith et al. (2003), ‘A moment’s thought should convince you that memory is the most critical mental facility we possess with regard to our ability to operate as humans. We make almost all decisions about what to do based on memory of one sort or another’. A lot of evidence suggests that a truly memorable event is an emotional event. It is not surprising that there is plenty of evidence proving memories of emotional events have a persistence and vividness that other memories seem to lack (Christianson, 1992).
There are today very few clear definitions of what a commercial experience really is and the classification of business segments varies between different countries. Poulsson & Kale (2004) claim that for an experience to provide meaningful utility, it should be perceived as personally relevant and should include elements of novelty, surprise, learning and engagement. According to Csikszentmihalyi (1990), the optimal experience is when we feel a sense of exhilaration, a deep sense of enjoyment that is long cherished and which becomes a landmark in our memory for what life should be like. Mossberg (2003) describes that experiences should include an element of surprise, of getting something extra and unexpected, a ‘wow-feeling’. This requires something extra from organizations when delivering value to their customer.

Experiences are often described as being co-created between the customer and the company in a situation where the customer has a great impact on the customer value created (Poulsson & Kale, 2004). The co-creation involving the customer is also important when making the experience personally relevant, the co-creation is the basis of creating unique value for each individual customer (Prahalad & Ramaswamy, 2004a). High-quality interactions that enable an individual customer to co-create unique experiences with the company are the key to unlocking new sources of competitive advantage (Prahalad & Ramaswamy, 2004b).

**Storytelling**

In creating a commercial experience, storytelling is a commonly used key word (Mossberg & Nissen Johansen, 2006). In this context, it is more than just ‘telling a story’. Mossberg & Nissen Johansen (2006) describes three different levels on which storytelling can be of use:

- On a corporate level as an explanation of why the business exists and how value is created for the owners.
- In marketing the story explains how the organization differentiates itself not only in terms of its products but also in terms of its stories.
- On a level when it is used by management and co-workers to communicate who they are and how they want to fulfill their visions.

Briody et al. (2012) found that successful organizational culture change can both result from, as well as be sustained by, storytelling. They also claim that stories can have an organizational impact as well as an individual (ibid). A review of research about organizational story and storytelling by Boyce (1996), shows that stories and storytelling clearly express organizational culture. She claims that storytelling can be used along with other techniques to orient and socialize new organizational members as well as to co-create vision and strategy. A challenge identified by
Boyce (1996) is that of changing the culture via storytelling where it is of importance to assess the culture being created and changed all through the organization.

The definition of a commercial experience that has been the guideline for this thesis is the one proposed by Poulsson & Kale (2004) ‘an engaging act of co-creation between a provider and a consumer wherein the consumer perceives value in the encounter and in the subsequent memory of that encounter’. This is because of the way the co-creation of customer value might affect the way organizations need to ensure behaviors within the organization.
3 RESEARCH METHODOLOGY

This chapter describes the research methodology used in the attempt to answer the research questions. The chapter starts with a description of my research journey, the performed studies are then described in more detail and connected to the research purpose and the approach is connected to methodological theories. The chapter ends with a discussion about validity, reliability and generalization.

3.1 My research journey

My research journey began in 2005. I was part of a Case Study at Swedbank with the aim to explore and describe the leadership and methodologies used in an organization that had successfully achieved sustainable health. This was in line with my background within human resources and my own experiences as a manager and organizational developer. As such I have always been interested in leadership in relation to performance and well-being in organizations. The purpose of the study was to relate the findings to the values, methodologies and tools within QM. The study resulted in a research report with descriptions of how the organization worked and how leadership within QM was connected to the leadership within the bank.

At this time, I was given the opportunity to study the experience economy as a new kind of customer offering with great demands on creating a conductive culture within the organization. This is because of the fact that commercial experiences are seen as an offering which is often based on a co-creation between the organization and the customer which in turns leads to a need for working with values and culture to ensure the ‘right behaviors’ when co-creating value with the customer.

Literature studies have been a part of the entire journey and a deeper literature study was conducted regarding commercial experiences to extend my understanding and to serve as a base for the forthcoming case studies. This literature study resulted in Paper A. Some of the results from the Case Study at Swedbank were later used to focus on analyzing leadership behaviors needed to meet new challenges within QM. The results of this analysis were described in Paper B. A Case Study at Disney was carried out by myself and two others. The purpose of this case study was to gain an understanding of how a renowned

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6 The bank was called FöreningsSparbanken AB at the time of the study.
organization works with creating customer value in commercial experiences and my main focus was how they create a strong culture within the organization. This study resulted in Paper C. Together with the literature studies, Case Study 2 gave me a deeper understanding on how organizations can work with creating a strong organizational culture and how leadership and values are connected to this work. With this as an input Case Study 3 was carried out by the research group, at eight organizations offering experiences in the county of Jämtland to see how they work with their customer offers. The purpose of this study was to get a broad understanding of how the managers of these organizations looked at creating customer value as well as to study how they work with values and culture. This study resulted in Paper D. The importance of organizational culture when it comes to applying QM became more and more clear as my research journey continued and the question arose as to whether there can be some way of measuring such a culture. This question led to the development of a questionnaire. The questionnaire was developed in two stages were the first version was tested in a department in an organization (resulting in Paper E) and the second in a manufacturing company (resulting in Paper F). In Case Study 4 at Folk tandvården i Gävleborg the questionnaire was used to see if any changes in the practice and importance of a number of Lean values could be detected in regards to time. This case study resulted in Paper G.

**Figure 3.1** An overview of my research journey.
3.2 The research process

<table>
<thead>
<tr>
<th>Study</th>
<th>Research design</th>
<th>Data collection</th>
</tr>
</thead>
<tbody>
<tr>
<td>A single case study</td>
<td>Qualitative</td>
<td>Interviews</td>
</tr>
<tr>
<td>(Case study 1)</td>
<td></td>
<td>Literature studies</td>
</tr>
<tr>
<td>A single case study</td>
<td>Qualitative</td>
<td>Documents</td>
</tr>
<tr>
<td>(Case study 2)</td>
<td></td>
<td>Direct observation</td>
</tr>
<tr>
<td>A multiple case study</td>
<td>Qualitative</td>
<td>Participant observation</td>
</tr>
<tr>
<td>(Case study 3)</td>
<td></td>
<td>Follow-up questions</td>
</tr>
<tr>
<td>A validation study</td>
<td>Quantitative</td>
<td>Literature studies</td>
</tr>
<tr>
<td>(Questionnaire development)</td>
<td></td>
<td>Questionnaire</td>
</tr>
<tr>
<td>A single case study</td>
<td>Quantitative</td>
<td>Documents</td>
</tr>
<tr>
<td>(Case study 4)</td>
<td></td>
<td>Questionnaire</td>
</tr>
</tbody>
</table>

Figure 3.2 An overview of conducted studies, research design and how data were collected.

3.2.1 Literature study

Throughout the research process and in relation to the purpose of each specific case study, literature studies have been carried out. Book searches have been done in the Swedish national catalogue, Libris and articles have been found in different databases, such as Academic Search Elite (EBSCO), Business Source Premier, Emerald and Google Scholar. Both searching for specific terms like e.g. ‘Experience Economy’ and ‘Organizational Culture’ has been used and after that most often the snowball technique was employed using the reference lists of papers found to further identify relevant sources (Noy, 2008).

3.2.2 Case Study 1

Case Study 1 was performed as a single case study, in 2005 by Åsa Wreder at Luleå University Technology, Ingela Bäckström at Mid Sweden University and Pernilla Ingesson. The results from this study have been used to answer RQ 3.

Analysis unit

The study was performed at Swedbank (the former FöreningsSparbanken). The organization was selected for our investigation as it had received the Alecta Award as ‘Sweden’s best Workplace’ in 2003. The purpose was to identify how the managers had been working in order for the organization to receive the award ‘The best workplace in Sweden’.
Information gathering
Six managers from different levels of the bank were interviewed; see Table 3.1. The same person from the research team asked the questions in all interviews with the purpose of eliminating the effects of different emphasis in the questions. One more person from the research team participated during the interviews to facilitate, intervene to ask complementary questions and to take notes. The interviews were taped and later transcribed.

<table>
<thead>
<tr>
<th>Table 3.1</th>
<th>Summary the levels of examined bank and managers interviewed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Collected data in Case Study 1</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive managers</td>
<td>HR manager and Project manager, one interview each</td>
</tr>
<tr>
<td></td>
<td>Local bank A</td>
</tr>
<tr>
<td>Middle managers</td>
<td>Interview with manager</td>
</tr>
<tr>
<td></td>
<td>Interview with one of the managers</td>
</tr>
<tr>
<td>Lower managers</td>
<td>Interview with one of the managers</td>
</tr>
</tbody>
</table>

The analysis of data
The transcribed interviews were read by the research team members separately and all found methodologies and behaviors were underlined. Via consensus discussions the underlined methodologies and behaviors were written on post-it notes. These post-it notes were then used to create affinity diagrams for each interview in order to organize the large amount of qualitative information into related categories. The affinity diagrams were created in a workshop with an external facilitator who had no information about the studied organization. The aim of applying affinity diagrams in the analysis process was to achieve unanimous and deeper understanding of successful methodologies used by the leaders.

The next step in the analysis process was a study of literature within three different approaches to try to find out what leadership behaviors each approach advocates. The three chosen approaches were: leadership behaviors according to Deming’s 14-point list; leadership behaviors according to change-oriented leadership; and leadership behaviors according to KaosPilots. Deming’s 14 points list was chosen since it can be seen as a description of leaders’ behaviors from a QM perspective (Rahman, 2004) and according to Sosik & Shelley (1997), his 14 points list has also been acknowledged as a source of guidance for managers wishing to adopt the leadership type necessary to achieve QM outcomes, eg. customer satisfaction. Change-oriented leadership was chosen because effective leaders use change-oriented behaviors to reverse objectives, strategies and work processes and facilitate adoption to the external environment (Yukl, 2006). KaosPilots were
chosen as they stand for a new creative way of leading organizations where
everyone must constantly lead and follow (Hock, 2006).

The leadership behaviors from each approach were summarized as ‘the Core
Leadership Behaviors’ which were our interpretation of what was most important
within the message: our understanding of what each approach advocates in terms
of how the leaders should act. These core leadership behaviors were then
compared with each other to find similarities and differences.

The next step was to determine from within which approach the leaders in the
successful bank derived the central point of their leadership behaviors. The aim of
this analysis was to compare the leaders’ methodologies and behaviors to the Core
Leadership Behaviors from the three approaches and decide to what extent they
were consistent. This was done through an open discussion in the research team
where every methodology from the affinity diagram was discussed and compared
with the Core Leadership Behaviors. When consistency was found, an evaluation
was made of the magnitude of this consistency. High consistency gave 9 points,
medium consistency gave 3 points or weak consistency gave 1 point. Every
methodology with consistency was counted and summed up. The same
methodology could match two or all three of the approaches in the ‘Core
Leadership Behaviors’.

3.2.3 Case Study 2
Case Study 2 was performed in order to answer RQ 1 and RQ 3, as a single-case
study. The study was conducted in November 2006 by Maria Eriksson, Pernilla
Ingelsson and Johan Lilja. All three work within the field of Quality Technology
and Management at Mid Sweden University.

Analysis unit
The study was performed at the Walt Disney Company in Orlando, Florida. The
Walt Disney Company is a world-famous company with a long history of
providing commercial experiences. The activities of the multinational group of the
Disney Company range from entertainment and consumer products to parks &
resorts and media networks. The purpose of the study was to investigate how the
Walt Disney Company works to create customer value from different point of
views. There were several reasons for this choice. The well-known book ‘The
Experience Economy...’ by Pine & Gilmore (1999) frequently refers to the Walt
Disney Company as a lodestar not only when describing the experience economy.
The Walt Disney Company is also mentioned in numerous papers and books as a
company known for working with organizational culture and core values, see, for instance, Collins (2001).

**Information gathering**
During the case study, data were collected from different sources of evidence, in order to obtain a broad understanding of the organization: text documents, written reports and articles, direct observations at Disney-owned organizations e.g. the Rosen College of Hospitality and participant observation at hotels, restaurants and attraction parks. The research group was also given the opportunity to partake in several open seminars receiving information about the Disney organization and to ask follow-up questions to both present and former Disney managers and employees. The researchers took individual notes and photographs during the entire stay.

**The analysis of data**
The collected information was examined and read by the research group members separately first and all wrote down answers to the question ‘How can organizations work to create customer value in a commercial experience?’ The members of the research group then compared the ways of working they each had identified and if everyone agreed, it was documented as a way of working for Disney. A deeper analysis of the identified ways of working was then carried out where these where compared with and categorized according to the cornerstone model by Bergman & Klefsjö (2010). This was done in order to see if they correlated to the core values of TQM, focusing mainly on the cornerstones ‘Committed leadership’ and ‘Focus on customer’. Ways of working that were more general ways of enhancing values in the organization were categorized as ‘General ways of working’.

![Figure 3.3](image)

**Figure 3.3** Description of research in Case Study 2.
3.2.4 Case Study 3

Case Study 3 was performed as a multiple case study. The case study was conducted in 2008 by Maria Eriksson, Pernilla Ingelsson and Johan Lilja. The results from this study have been used to answer RQ 1 and RQ 3.

Analysis units

Eight organizations in the county of Jämtland, that offered commercial experiences, were studied (see Table 3.2). The county of Jämtland is located in the centre of Sweden, with 127,000 inhabitants, corresponding to 1.5% of Swedish citizens (SCB, 2006). The decision was made to study local organizations due to the fact that providing experiences is an important and increasing business in the region. Jämtland is pointed out as one of four nodes in Sweden involved in a development project together with the Knowledge Foundation (KK-stiftelsen in Swedish) in order to stimulate the creative industry because of the high and increasing interest in this region (Riksantikvarieämbetet et al., 2009). Furthermore, there is a large number of both small and large organizations offering their customer a commercial experience in this region.

Table 3.2. The studied organizations in Case Study 2.

<table>
<thead>
<tr>
<th>Company</th>
<th>Experience offering</th>
<th>Number of employees</th>
<th>Years in business</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Outdoor activity centre</td>
<td>3</td>
<td>3</td>
<td>Mostly summer season</td>
</tr>
<tr>
<td>2</td>
<td>Outdoor activity centre</td>
<td>6+6*</td>
<td>9</td>
<td>Mostly winter season</td>
</tr>
<tr>
<td>3</td>
<td>Outdoor activity centre</td>
<td>80+500*</td>
<td>8</td>
<td>Mostly winter season</td>
</tr>
<tr>
<td>4</td>
<td>Conference, art and crafts</td>
<td>13+17*</td>
<td>38</td>
<td>Year round activity</td>
</tr>
<tr>
<td>5</td>
<td>Indoor activity centre</td>
<td>15</td>
<td>2</td>
<td>Year round activity</td>
</tr>
<tr>
<td>6</td>
<td>Music and culture arrangement</td>
<td>12+13*</td>
<td>24</td>
<td>Mostly summer season</td>
</tr>
<tr>
<td>7</td>
<td>Small scale food production</td>
<td>22</td>
<td>8</td>
<td>Number one tourist attraction in the municipality, mostly summer activity</td>
</tr>
<tr>
<td>8</td>
<td>Hotel, conference and indoor activity</td>
<td>100</td>
<td>3</td>
<td>Year round activity</td>
</tr>
</tbody>
</table>

*seasonal workers

The main purpose of the case study was to get an insight into how the organizations work when providing a commercial experience to the customer. Organizations were primarily selected based on their type of experience offering, which was in turn guided by the Swedish definition of the ‘experience economy’.
developed by the Knowledge Foundation (KK-stiftelsen, 2003). A secondary basis for selection was the number of employees, years of experience in their business and geographical location.

**Information gathering**

Because of the breadth of the research purpose, interviews were used to obtain as much information as possible and an insight into the respondents’ views and opinions. The interviews were conducted with top managers in the eight organizations because they frequently exert strong influence on the organization.

The top managers of the eight companies were contacted and asked to participate in an interview and all those approached accepted. The top managers received a letter before the interview containing brief information about the purpose both of the study as well as the interview to ensure that the same information was given to all the asked managers involved. The design of the interview (see Appendix I) was semi-opened and based on a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis (Zineldin, 1993), but with the opportunities and threats focusing on the future rather than the surrounding environment. The members of the research group deliberately did not mention the concept of commercial experiences to the respondents since they wanted them to answer as freely as possible. The managers were also asked whether the organization had any overt values and how these values are visible in their day-to-day work. The order in which the interviews were carried out was determined by the availability of the top managers. There were always at least two members of the research team present at the interviews, one leading and one, or sometimes two, facilitating, intervening to ask complementary questions and taking notes. The interviews were taped and transcribed and the transcripts were then used for analysis of the data. In addition official documents about the organizations were collected, such as annual reports and organizational charts.

**The analysis of data**

SWOT analysis (Zineldin, 1993), was used for data reduction and analysis: each one of the research team members read the transcripts individually and identified strengths, weaknesses, opportunities and threats as described by the top managers. The group then discussed the identified strengths, weaknesses, opportunities and threats until the group reached consensus. During this phase of the process, overt values, implied values and ways of working with values were also identified in the same way. The results from the analysis were documented and used when further analysis was carried out.
To obtain an overview of the current situation, and also to see what common and unique strengths and weaknesses the companies had, the results were analyzed further via affinity diagrams. The affinity diagram is one of seven management tools suitable for structuring and analyzing verbal data (Bergman & Klefsjö, 2010). All statements were written down on post-it notes and then categorized into groups of common statements along with the unique statements. The affinity diagram was created by the group together in a workshop. The question to be answered by the affinity diagram was ‘What common strengths/weaknesses do the organizations possess?’ This resulted in two affinity diagrams and the strengths and weaknesses that could not be categorized into a common group were documented as unique or single. Consequently, for a strength or weakness to be identified as common, at least two managers from different companies had to have mentioned them during the interviews.

In order to see if the companies focused on the customer throughout the creation of the offering, the answers were compared with the Gap-model. Each gap was translated into a question and the strengths and weaknesses were then placed under the question they matched.

Do top management consider that the organization has strengths or weaknesses regarding:

1. Collecting information about customer expectations?
2. Developing customer offerings based on customer expectations?
3. Working with company employees in order to secure the customer offering?
4. Communicating their offerings in an accurate way externally?
5. Working to investigate how good actual service performance is compared to customer expectations?
3.2.5 Questionnaire development

In order to answer RQ 2 and RQ 3 a questionnaire to measure the QM culture in organizations applying Lean was developed and tested. The aim was to develop a way of measuring that was not too time-consuming and could have the potential to serve as a tool for working with culture when applying QM initiatives. It was also to be used to get a picture of a whole organization in a rather quick way. Hence the choice was made to develop a self-administrated questionnaire.

The development of the questionnaire was made in two stages where the first set of statements was developed as a part of an existing way of measuring the presence of the values ‘Leadership commitment’ and ‘Participation of everybody’. These sets of statements were then developed further and tested as a way of measuring both the presence and importance of Lean values.

First stage of questionnaire development

A questionnaire with statements about the main values within Lean was developed to further evolve an existing survey used to measure the presence of the values ‘Leadership commitment’ and ‘Participation of everybody’. These values have been identified as the two most important values within TQM in relation to perceived workplace health by Lagrosen et al. (2010). The Lean values that the research group agreed upon after the literature study were: ‘Long-term thinking’, ‘System thinking’, ‘Elimination of waste’, ‘Customer Focus’ and ‘Lean leadership’. Statements for each of the Lean values were designed by each of the researchers based mainly on the literature study. After discussing and comparing the statements, three statements within each value were agreed upon via consensus as
best representing the values. The statements were also read through and commented on by other researchers as well as the Lean coordinator at the organization where the questionnaire was tested. This was in order to make sure that the statements were phrased in the best way for the respondents in an attempt to avoid misunderstandings due to the wording. The questionnaire was designed so that the respondents were asked to rank each statement from 1 to 7 using a Likert scale mark to assess to what extent they agreed that the statements were present in their everyday work. The extremities of the scale were ‘Disagree completely’ and ‘Agree completely’ (see Appendix II).

<table>
<thead>
<tr>
<th>Statement</th>
<th>Disagree completely</th>
<th>Agree completely</th>
</tr>
</thead>
<tbody>
<tr>
<td>31. I know how my work is connected to other parts of the company</td>
<td>1 2 3 4 5 6 7</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 3.5** Example of statement representing the value system thinking in the first questionnaire.

**Information gathering**

The questionnaire was handed out to co-workers at one department within a multinational organization. The department’s main task was to work with customer-unique development projects, both short and long-time and they had just begun the work with continuous improvements based on Lean principles. The purpose was to get a baseline for the group as well as to test the questionnaire. The questionnaire was handed out by the research group and collected on the same occasion and 18 managers and employees participated. The respondents were informed about the purpose of the questionnaire and that it was anonymous. All present answered giving a response rate of 100%.

**The analysis of data**

The data was computed using SPSS and the results were then analyzed by the researchers. Mean and standard deviation for the group were calculated as well as the Cronbach’s Alpha coefficient in order to test the internal consistency reliability for the five factors.

**Second stage of questionnaire development**

Using the results from the analysis of the first questionnaire, a second questionnaire was developed, a questionnaire measuring values within Lean in order to be able to focus on this QM initiative. Since two of the values had borderline internal consistency reliability the statements within these principles needed to be improved. Based on the additional literature study, the research
group also agreed upon adding the value Continuous improvement since this is a central value within Lean. The research group also decided to enhance the value leadership to incorporate more than in the earlier questionnaire because of the fact that the value ‘Leadership commitment’ was no longer covered in the questionnaire. In the same way as designing the statements in the earlier version, statements for each of the values were designed by each of the members of the research team. After discussing the statements, three to five statements within each principle were agreed upon via consensus as best representing the said value. The questionnaire now consisted of 24 statements intended to represent six Lean values: ‘Long-term thinking’, ‘System view’, ‘Eliminate waste’, ‘Continuous improvement’, ‘Customer focus’ and ‘Supportive leadership’. The statements were then read through and commented on by both other researchers as well as the lean coordinator in a service organization and the executive group in a manufacturing company.

In order to not only measure to what extent the respondent agrees that the values are present in everyday work but also if they find them important the questionnaire was divided into two parts. The questionnaire was constructed in such a way that the respondents were asked to rank each statement from 1 to 7 using a Likert scale. First they rated the statement according to their perceived agreement with the statements corresponding with their working conditions (1 equaled totally disagree, 7 equaled totally agree) and then if the respondents considered the statements to be important (1 equaled not at all important, 7 equaled very important). The reason for dividing the questionnaire in two parts was done to reduce the risk of the respondents being influenced by their first answer. The agreement measurement was understood to indicate the presence of the values in everyday work and the importance measurement as an indication of how the respondents valued them. The idea of measuring both is to get an understanding of, on the one hand, how well the values are incorporated in the organization and on the other hand to see if the members of the organization find them important (see Appendix III).

<table>
<thead>
<tr>
<th>31. We have a standardized way of working with improvements in everyday work.</th>
<th>Not at all important</th>
<th>Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 2 3</td>
<td>4 5 6 7</td>
</tr>
</tbody>
</table>

**Figure 3.6**  Example of statement representing the value continuous improvement measuring importance in second questionnaire.
Information gathering
The second questionnaire was tested in a manufacturing organization that had been working sporadically with applying Lean for 5 years. Before the questionnaire was used, they worked in a more structured way through the national Lean initiative ‘Produktionsslyfte’ (PL), for a period of six months. The purpose of the study was, besides testing the questionnaire, to see if there were any differences in regards to the presence and importance of the Lean values depending on organizational belonging, sex or age. The questionnaire was distributed by the Lean coordinator in the organization to all co-workers at their regular department meetings. Time was given to fill the questionnaires in and they were then collected on the same occasion. The questionnaire included an introductory letter to the respondents giving information about the purpose, why they had been asked to participate and that it was anonymous. Out of 107 possible respondents 102 questionnaires were returned and analyzed giving a total response rate of 95%.

The analysis of data
The data was computed using SPSS and the results were then analyzed by the researcher. Mean and standard deviation for the groups was calculated as well as the Cronbach’s Alpha coefficient in order to test the internal consistency reliability for the six modified factors. To examine if there were any differences between the defined groups a one-way ANOVA test was made for all five factors, both regarding presence and importance. A rank test was also done using the Wilcoxon Signed-Rank Test. Post hoc analyses using the Scheffé post hoc criterion for significance was also performed. A report was compiled and communicated to the organization where the results and the analysis were presented.

3.2.6 Case Study 4
Case Study 4 was performed to answer RQ 2 and RQ 3 as a single case study. The case study was conducted in spring 2011 by Pernilla Ingelsson.

Analysis unit
The study was performed at Folkandvården i Gävleborg AB (National Dental Health Service Gävleborg Ltd), since 2008 a corporation within a county council and has approximately 445 employees in 19 clinics spread out over 15 towns and cities.

The organization was chosen since it was at the beginning of a ‘Lean journey’ and had used the strategy to roll out the change process through the start of pilot
groups. The purpose of the study was to investigate the co-workers’ perception about the importance and presence of the Lean values and to see if there are any differences depending on the length of time they had been working with Lean. In 2009 the organization worked with their strategies and decided to apply Lean. The opportunities they saw were that they would get a structured way of working with continuous improvement along with increased commitment and participation from the co-workers.

**Information gathering**

The previously described questionnaire was handed out to six different dental clinics, where two were pilot clinics and had been working with Lean for 18 months, two had worked with it for 9 months and two had not yet started applying Lean. The questionnaires were distributed by the Lean coordinator to the managers of the six clinics and the managers were then responsible for collecting the questionnaires and sending them to the university. The questionnaire had an introductory letter to the respondents with information about the purpose, why they had been asked to participate and that it was anonymous. It also had an information letter to the managers with the same information as well as instructions on how to return the completed questionnaires. The clinics were selected with the help of the Lean coordinator because of her knowledge about what clinics that fall within each of the predefined categories. Out of 137 possible respondents, 94 questionnaires were returned and analyzed giving a total response rate of 70%.

**The analysis of data**

The results from the questionnaires were analyzed using SPSS. Mean and standard deviation for the six clinics regarding all factors, both presence and importance, were first calculated. Since the purpose of the study was to investigate if there were any differences between the clinics as a result of the length of time that Lean had been applied, a one-way ANOVA test was made for all five factors, both regarding presence and importance. A rank test was also done using the Wilcoxon Signed-Rank Test. Post hoc analyses using the Scheffé post hoc criterion for significance was also performed. A report was compiled and communicated to the organization where the results and the analysis were presented.
3.3 Research purpose

Research can be classified based on its purpose. The most common classifications are exploratory, descriptive, and explanatory (Yin, 2003 and Saunders et al., 2000). Exploratory studies are particularly useful when you wish to clarify your understanding of a problem (Saunders et al., 2000). The purpose is to progressively narrow the scope of a research topic and transform the discovered problems into defined ones (Zikmund, 2000). According to Yin (2003), this is probably the best strategy when the research questions deal with 'how' and 'what'. When the research purpose is to describe characteristics of a population or phenomenon, a descriptive strategy is preferred (Zikmund, 2000). The researcher then seeks answers to questions like 'what', 'who' and 'where', 'why' and 'how' (ibid). When studying a situation or problem in order to explain relationships between variables, an explanatory study is preferable (Saunders et al., 2000). Common research questions in explanatory research are 'how' and 'why' (Yin, 2003).

The purpose of my research has been to examine how a strong organizational culture can be created and to contribute with knowledge about how to create and measure a strong QM culture. In order to fulfill the purpose both exploratory and descriptive approaches were used. An exploratory approach was used to investigate how a strong organizational culture can be created and to fulfill the purpose of contributing with knowledge on how to creating and measuring a strong QM culture a descriptive approach was used.

3.3.1 Research approach

The research philosophy chosen depends on how a researcher thinks about the development of knowledge. According to Saunders et al. (2000), two views are found within literature, positivism and phenomenology. If a researcher has a positivistic outlook, he or she assumes the role of an objective analyst who makes detached interpretations about data that have been collected in a way that appears value-free (ibid). A phenomenologist, on the other hand argues that the social world is far too complex to be theorized about based on definite laws in the same way as for instance physical science. Phenomenologist's argue that rich insights into this complex world are lost if it is reduced to a series of law-like generalizations (Saunders et al., 2000).

My prior experience from working with human resources and organizational development has given me a phenomenological outlook on developing knowledge.
Induction and deduction
Traditionally, a distinction is made between induction and deduction. Induction has its starting point in the empirical and deduction in the theoretical (Alvesson & Sköldberg, 2008), deduction is about testing theory and induction about building theory (Saunders et al., 2000). Induction means that the researcher draws general conclusions based on empirical facts and gives theoretical explanations based on empirical findings (Alvesson & Sköldberg, 2008). It is the dominant research approach in natural science since it involves the development of a theory that is subjected to rigorous testing (Saunders 2000). Deduction, on the other hand, takes its starting point in a general rule and claims that this explains a particular case of interest (Alvesson & Sköldberg, 2008).

These two models are usually considered mutually exclusive but there is another possibility presented by Alvesson & Sköldberg (2008) namely abduction. Abduction probably is the most common approach when performing case studies. The method has characteristics from both deduction and induction but it adds new elements, the difference, according to Alvesson & Sköldberg (2008), is that it includes understanding.

Quantitative, qualitative and mixed approach
A quantitative approach is often advocated as the positivistic approach to developing new knowledge and can be described as the systematic collection of empirical and quantifiable data, which often yields statistical results (Creswell, 2003). The data can be analyzed, by for instance, testing hypotheses. Some common ways of conducting quantitative research are experiments, surveys and collecting data on predetermined instruments (Creswell, 2003). Qualitative research is when the researcher studies something in the natural environment and tries to describe and interpret a phenomenon on the basis of a meaning that society has attached to it (Ryen & Torhel, 2004). Qualitative methods include the interview, observation, analysis of documents/texts and audiovisual material (Creswell, 2003 and Ryen & Torhel, 2004). It is also possible to use a mixed approach of both quantitative and qualitative methods. The purpose of the research and the research questions should always be the basis of the choice of method (Ryen & Torhel, 2004).

The research approach in this these have mainly been qualitative when collecting data but for the research question regarding the measurement of QM values a quantitative approach was chosen, via a questionnaire. This was done as the purpose was to develop a way of measuring that was not too time-consuming and could have the potential to serve as a tool for working with culture when applying QM initiatives. During my research studies I have gained the insight that the
posivistic outlook can complement my studies. Even though my outlook still is mainly phenomenological I hope, that using a mix of both qualitative and quantitative approaches when trying to answer my research questions, will give a broader understanding of the research area.

3.3.2 Research strategy

It is essential to consider the research questions when deciding upon the research strategy, i.e. how to fulfill the purpose of the investigation. The research strategies represent different logical ways of collecting and analyzing empirical evidence. According to Yin (2003), the various research approaches can be related to five different strategies; see Table 3.3. They have distinctive characteristics but can indeed be used for different purposes. The ambition is to choose the strategy or strategies most advantageous in a given study. There are three important conditions for differentiating among the strategies: form of research question, the extent of control the investigator has over actual behavior and focus on past versus contemporary events (ibid).

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Form of research question</th>
<th>Requires control of behavioral events?</th>
<th>Focuses on contemporary events?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiment</td>
<td>how, why?</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Survey</td>
<td>who, what, where, how many, how much?</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Archival analysis</td>
<td>who, what, where, how many, how much?</td>
<td>No</td>
<td>Yes/No</td>
</tr>
<tr>
<td>History</td>
<td>how, why?</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Case study</td>
<td>how, why?</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Since the research questions in this thesis are 'how'-questions, all five strategies are plausible. Considering that the aim of the research questions is to study contemporary procedures and that the researcher/s had no control over the behavior of events a case study strategy was chosen.

Case studies

Case studies are considered an exploratory research technique and are in general used to investigate a particular and clearly defined phenomenon. They are also likely to rely on multiple sources of evidence (Zikmund, 2000). Case studies are characterized by their focus on the recognizable facts, descriptions that enhance the understanding of the reader and inductive approaches and can be designed as either single-case or multiple-case studies (Yin, 2003). A single-case study is
preferred when a well-formulated theory is being tested, when the case represents an extreme or a unique case, or when the case is representative or typical, or when the case is revelatory (Yin, 2003). A multiple-case study has advantages and disadvantages compared to a single-case study (ibid). The results from a multiple-case study can lead to a more robust study and augment external validity as it is regarded as more compelling. The rare, critical and the revelatory case can only be designed as a single-case study since these cases cannot be explored by performing multiple-case studies (ibid). Carrying out a multiple-case study usually requires more resources than a single-case study and the decision to design a multiple-case study has therefore to be considered carefully (ibid).

In this research, different designs of case studies have been used and they have been presented in Section 3.1.

3.3.3 Data collection
One characteristic of case studies is that they can rely on many sources of information (Yin, 2003). Yin (2003) discusses six sources of evidence most commonly used in case studies: Documentation, Archival records, Interviews, Direct observations, Participant-observation and Physical artifacts. According to Saunders et al. (2000), questionnaires can also be seen as a source of information when conducting case studies.

Interviews
When deciding on collecting qualitative data, the interview is one of the most frequently used methods (Ryen & Torihell, 2004). An interview can be described as a purposeful discussion between two or more people (Kahn & Canell, 1957 in Saunders et al., 2000). The interview as a way of gathering information is suitable when collecting authentic and real knowledge about a phenomenon (Ryen & Torihell, 2004) and it helps the researcher collect valid and reliable data relevant to the research questions and objectives (Saunders et al., 2000). There are different types of interviews used in research depending on the research purpose and questions. Interviews are commonly categorized as structured interviews, semi-structured interviews and unstructured interviews (Saunders et al., 2000). The structured interview uses a questionnaire based on a predetermined and standardized set of questions. In semi-structured interviews, the researcher has a list of themes and some questions to cover, but there are also some questions that may vary from interview to interview. The order of the questions may vary depending on the flow of the conversation, and additional questions may be required to explore the research questions and purpose. The unstructured
interview is informal. It is used to explore a general area of interest in depth (Saunders et al., 2000).

When analyzing data collected from interviews there are three recommended steps to guide the researcher toward the conclusion. According to Huberman & Miles 1994 from Ryen & Torholl (2004), the analysis consists of: Data reduction; Grouping into categories; and Conclusions. A similar classification is presented by Ryen & Torholl (2004) namely: Categorizing data; Systemizing the data; and Interpreting the material. These three steps have also been the guideline for the analyses done in this thesis.

**Documents, direct and participant observations**
The collection of data from documentation can be based on, for instance, letters, agendas, minutes of meetings, written reports, newspaper clippings and articles (Yin, 2003). For case studies, the most important use of documents is to confirm and complement evidence from other sources, (ibid). The direct observation can produce a detailed record of an event or what people actually do. The researcher has a passive role in the situation and there are no attempts to control or manipulate the situation; an example is observing the direction of a traffic flow (Zikmund, 2000). Participant observation refers to situations in which the observer no longer is passive and therefore gains firsthand knowledge by being in or around the social setting investigated and is generally performed using a combination of observations and interviewing (Zikmund, 2000).

**Questionnaires**
According to Saunders (2000), the questionnaire is one of the most used data collection techniques. It is preferably used for explanatory or descriptive research. Since each person is asked to respond to the same set of questions, it gives an effective way to collect data from a large sample prior to quantitative analysis (ibid). The design of the questionnaire is of great importance and the response rate, validity and reliability can be maximized by (see Saunders 2000):

- careful design of individual questions
- clear layout of the questionnaire form
- lucid explanations of the purpose of the questionnaire
- and pilot testing
In descriptive research, the questionnaire can be used to describe the variability in different phenomena and when used for explanatory research it can be used to explain the relationship between variables. The design of the questionnaire differs depending on the amount of contact the researcher has with the respondents; see Figure 3.7.

![Questionnaire Diagram]

**Figure 3.7** Types of questionnaires (Saunders, 2000)

Four types of data can be collected through questionnaires (Dillman, 1978 in Saunders, 2000) namely attitude, beliefs, behaviors and attributes and it is important to distinguish between them since it will influence how the questions are worded.

The sources used for information gathering in these studies have been documentation, interviews, direct observations, participant observation and questionnaire to get more than one source of information. The data collection in this thesis has been described in Section 3.1.

### 3.4 Validity, reliability and generalization

Yin (2003) discusses four different tests for judging the quality of the research design: construct validity, internal validity, external validity and reliability (see Table 3.4). He also lists a number of tactics available to deal with these tests: tactics that can be used during research design, data collection, data analysis or the compositional phase of the research.

In case studies, the construct validity is about finding the right measurements for the concepts that will be studied and then being able to give a correct picture of the organization. One effort to guarantee validity was to formulate open-ended interview questions to give the respondents freedom to describe their way of working in their own words. Moreover, the research team tested and reviewed the
interview questions, affinity diagram tool and questionnaires in advance in an effort to assure validity.

In all case studies, the members of the research team followed Yin’s (2003) suggestion and used multiple sources of evidence, i.e. triangulation, in order to increase validity.

Table 3.4 Case study tactics for four design tests. Original source COSMOS corporation, as referred to by Yin (2003).

<table>
<thead>
<tr>
<th>Tests</th>
<th>Case study tactic</th>
<th>Phase of research in which tactic occurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construct validity</td>
<td>• Use multiple sources of evidence</td>
<td>• Data collection</td>
</tr>
<tr>
<td></td>
<td>• Establish chain of evidence</td>
<td>• Data collection</td>
</tr>
<tr>
<td></td>
<td>• Have key informants review draft case study report</td>
<td>• Composition</td>
</tr>
<tr>
<td>Internal validity</td>
<td>• Do pattern-matching</td>
<td>• Data analysis</td>
</tr>
<tr>
<td></td>
<td>• Do explanation-building</td>
<td>• Data analysis</td>
</tr>
<tr>
<td></td>
<td>• Address rival explanations</td>
<td>• Data analysis</td>
</tr>
<tr>
<td></td>
<td>• Use logic models</td>
<td>• Data analysis</td>
</tr>
<tr>
<td>External validity</td>
<td>• Use theory in single-case studies</td>
<td>• Research design</td>
</tr>
<tr>
<td></td>
<td>• Use replication logic in multiple case studies</td>
<td>• Research design</td>
</tr>
<tr>
<td>Reliability</td>
<td>• Use case study protocol</td>
<td>• Data collection</td>
</tr>
<tr>
<td></td>
<td>• Develop case study data base</td>
<td>• Data collection</td>
</tr>
</tbody>
</table>

According to Yin (2003), reliability in case studies is a discussion about whether the data collection procedures and analysis work can be repeated or performed by others, with the same result or not. In reality this would be very hard to accomplish because of individual paradigms, perceptions and understandings as well as the research team’s unintentional interventions. Also, the individual personalities of the participants from the studied organizations, the research team, interaction and uncontrollable factors always affect the results in different ways. One precondition for high reliability, which is fulfilled in these case studies, is that the research methods and procedures should be carefully described. However, another research team and different data collection and analysis tools might come to different results.

In regards to the qualitative part and in order to maximize validity, reliability and response rate in accordance to Saunders et al. (2000) criteria’s the statements representing the values have been designed carefully. Each statement has been
designed in co-operation between persons in the research team as well as read through and commented on by persons from different organizations. The questionnaire was tested before it was distributed both in regards to comprehensibility and in regards to wording from an organizational point of view. The internal validity of each value was tested using Cronbach Alpha every time the results were calculated from the different organizations.

According to Yin (2003), a concern about case studies is that they provide little basis for generalization from a scientific point of view. This concern covers both single- and multiple-case studies, but is of particular importance in single-case studies. Yin (2003) also claims that case studies can arrive at broad generalizations; it all depends on the motives of the studies and how they are conducted. According to Creswell (2003), generalizability does not carry the same connotation in qualitative research as in quantitative. The intention of the first three case studies performed has been to identify ways of working to create a strong organizational culture that can be seen as general and not organizational specific. The results from the fourth case study are only valid for the studied organization but the questionnaire can be used in other organizations.
4 SUMMARY OF APPENDED PAPERS AND ADDITIONAL RESULTS

In this chapter a summary of the seven appended papers is presented. In the last section additional results from Case Study 2 will be summarized and the main findings from that case study will be discussed.

4.1 Summary of appended papers

4.1.1 Paper A

Background
A new type of business offering is currently gaining much attention, a type which in some aspects appears to be distinct from traditional goods and services, see e.g. (Pine & Gilmore, 1999; Pine & Gilmore, 1998; Voss, 2003; Sundbo, 2004 and Poulsson & Kale, 2004). These offerings are referred to as commercial experiences and Pine & Gilmore (1999) argue that ‘experiences are a fourth economic offering, as distinct from services as services are from goods, but one that has until now gone largely unrecognized’. Commercial experiences are even predicted to be the foundation for future economic growth. The same authors argue that experiences provide higher customer value than services as they engage customers in an inherently memorable way. The statements obviously spark interest, including the interest of quality researchers since the very aim of TQM can be described as increasing the ability of an organization to deliver superior customer value; see Lilja (2005).

Purpose
The purpose of this paper was to elaborate and clarify the commercial experience concept from a customer perspective. The paper aimed more specifically at elaborating, defining, and distinguishing the commercial experience concept.

Main results and discussion
The distinctive characteristic of commercial experiences appears to be that they are memorable, they leave indelible impressions. Previous findings then suggest that for something to be truly memorable, ‘strongly emotional’ appears as a key. Finally, the two-factor structure of affect, also known as the ‘affect circumplex’ which is supported by an emerging body of evidence, shows that strong
engagement is a critical driver of both strong positive and strong negative affect (Watson & Clark, 1997).

In sum, the conclusion is that while ‘memorable’ is the distinctive characteristic, ‘strongly emotional’ is the key and ‘strong engagement’ the critical driver of commercial experiences.

![Diagram](image)

**Figure 4.1.** How strong engagement drives high affect that is a key to making an event memorable and hence a commercial experience (Lilja et al. 2010).

Furthermore, the following operational definition of a commercial experience is suggested: ‘a memorable event that the customer is willing to pay for’. A definition that we believe is an improvement on the one presented by Poulsson & Kale (2004) ‘an engaging act of co-creation between a provider and a consumer wherein the consumer perceives value in the encounter and in the subsequent memory of that encounter’ as the definition distinguishes commercial experiences from experiences in general and more clearly accentuates that being memorable is the distinctive characteristic for commercial experiences.

### 4.1.2 Paper B


**Background**

Criticism has been raised that effective TQM transformation is difficult, the main reason being a lack of change management (Sebastianelli & Tamimi, 2003). According to (Kao, 2006), the biggest challenge for organizations today is that of unknown unknowns. To manage this, new models of leadership and organizations are needed (ibid). To be competitive in the future, organizations need to develop their business offers towards more experience-oriented products or services (Fiske & Gilmore, 1999). This in turns leads to a need for the co-workers to be in an environment where it is possible to create a unique experience for every customer, (ibid).
Although many researchers stress the importance of top management commitment within TQM (see, for instance, Juran, 1989; Bergman & Klefsjö, 2010 and Dahlgaard et al., 2002), not much analysis has been done on the connection between specific leadership styles and TQM policies and behaviors (Sosik & Shelley, 1997).

**Purpose**

The purpose of this paper was to compare leadership behaviors from two different approaches with leadership behaviors within Quality Management in order to find possible areas for developing leadership behaviors within Quality Management.

**Methodology**

The leadership behaviors from the three different approaches, TQM, Change Management and KaosPilots, were summarized in ‘The Core Leadership Behaviors’ which is the interpretation of what is most important within each approach. ‘The Core Leadership Behaviors’ represent the understanding of what motivates managers to act in each approach. These core leadership behaviors were compared with each other to analyze similarities and differences.

**Main results and discussion**

There are some lessons to learn regarding the traditional leadership perspective within Quality Management. Firstly, focus on creativity and learning according to the KaosPilots is done by asking questions and searching blind, there is no formal education. The unstructured way of learning by asking questions, as applied by the KaosPilots, could stimulate creativity in organizations and probably complement the more structured approaches of Quality Management and Change-Oriented Leadership. Secondly, the KaosPilots state that everybody in the organization bears personal responsibility, and this is not particularly emphasized within Change Management and Quality Management. Handing over responsibilities from managers to everyone in the organization, as the KaosPilots argue for, could lead to a more mutual responsibility. This is in line with those who argue that co-worker participation is important to improve organizational outcomes (Eriksson et al., 2003 and Hendricks & Singhal, 1999). Thirdly, in contrast to Quality Management, entrepreneurship is an important aspect in the KaosPilots and in Change Management. By emphasizing entrepreneurship, traditional organizations could probably better transform themselves into tomorrow’s more creativity-based organizations.
4.1.3 Paper C


**Background**

Total Quality Management, TQM, is generally considered to be based on six core values, also known as the cornerstones (Hellsten & Klefsjö, 2000). The core values should ideally be conformed to by all employees within an organization working successfully with TQM. A model on how to progress with TQM is described by Hellsten & Klefsjö (2000). According to Ahmad & Schroeder (2002), there is little attention paid to the impact of selection of employees on the effectiveness of Quality Management. A common set of values within an organization is often referred to as the company culture or corporate culture. A strong corporate culture implies that there is uniformity among the employees regarding, for example, values (Pinder, 1998). In theory we found two strategies, selection and socialization that combined together provide a tactic for working with shared values to attain a strong corporate culture. According to Chatman (1989), the best way is an integration of the two strategies.

**Purpose**

The purpose of this paper was to discuss the relevance of achieving shared values within an organization and how organizations can work to achieve homogeneity of values. Not homogeneity in the sense of every co-worker being an identical interchangeable clone, but homogeneity in terms of believing in and sharing the same base of core values which in turn leads to desirable behaviors.

**Methodology**

A case study was performed at the Walt Disney Company in Orlando, Florida. The case study was conducted to find, amongst other things, examples of the selection strategy, a strategy with the purpose of achieving common values in the organization.

**Main results and discussion**

Two examples of selection strategies were found at the studied organization. The first example was the company’s recruitment process, which was based on values, behaviors and beliefs rather than on documented skills and education. Before the personal interview, all the applicants are shown a short film, which gives them an indication of what to expect. This is essential information and leads to about 15
percent walking out of the door, feeling that their individual values differ from those of the company, which helps the Disney Company in finding the ones that do fit. During the personal interview, the Casting Center meets with the applicant and can form an opinion on values and behavior.

The second example of the selection strategy is the company’s ‘Leadership Accountability Matrix,’ see Figure 4.2, which was used during a period of weak results. All managers were measured by means of a graph with their business results on the x-axis and their behaviors on the y-axis. They were given one year to improve and the goal was to end up in the upper-right corner of the matrix, where they both achieved positive results and had the desired behaviors. The business result was easily measured for each of the leaders and, in order to demonstrate the desired behaviors, stories were told to exemplify these. When the year had passed, the leaders who did not live up to this mission, did not keep their position as a leader, they were either dismissed or more likely transferred to another position of the company.

![Leadership Accountability Matrix](image)

**Figure 4.2.** The Disney Leadership Accountability Matrix (V. Oberle, personal communication, November 17, 2006) (Ingelsson et al. 2012).

Since the model by Hellsten & Klefsjö (2000) seems to focus on working with the socialization strategy, a development of the model is suggested in Figure 4.3. The proposed development is adding a strategy for selecting members of the organization, with the intention of helping the organization to select people sharing the defined core values. This includes planning which new members to recruit and how to use existing co-workers in a better way, by putting the right person in the right place. This might even include dismissing members of the organization who do not share the selected values.
In order to develop and improve the implementation of TQM in organizations, we suggest a strategy of selection based on defined organizational values. This strategy should be used both as guidance when recruiting new members and when selecting among already existing employees. Since values are difficult to change, we want to point out the importance of beginning by hiring members possessing the desired values.

4.1.4 Paper D


Background

Understanding what builds customer value in an organization is essential for business success. If a company understands value from its customers’ perspective, ways usually can be found to deliver that value to their satisfaction. A far more difficult job is providing extraordinary value and finding out exactly what it takes to satisfy customers (Woodruff & Gardial, 1996). Pine & Gilmore (1999), argue that experiences provide a higher customer value than services as they engage customers in an inherently memorable way.

The commercial experience is often produced as a co-creation between the customer and the organization offering the experience. The behavior of the co-worker co-creating with the customer then becomes an important tool, a behavior that is affected by the culture in the company. Organizational culture is a driver of employee and leader behavior in organizations (Pinder, 1998), and the leadership is instrumental when it comes to creating the organizational culture (Spencer, 1994 and Schein, 2004). The area of commercial experiences is both of financial importance and of increasing interest for many customers, an area where more knowledge needs to be acquired. Delivering a commercial experience requires the organization to know how to create a higher level of customer value.
Purpose
The purpose of this paper was to study how customer value is created when offering commercial experiences described from the leaders’ point of view.

Methodology
Interviews were conducted with top managers in eight organizations delivering commercial experiences to get insight into how they create customer value. Interviews were used to obtain as much information as possible and an insight into the respondents’ views and opinions about the subject. The decision to interview the managers was made because of their, often strong, influence on the organizational culture as well as the members of the organization. The construction of the questionnaire was semi-open and based on a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis (Zineldin, 1993), with Opportunities and Threats focusing on a future state. The SWOT was used for data reduction and analysis whereby each member of a research team read the transcripts individually and identified strengths, weaknesses, opportunities and threats as described by the top managers. During this phase of the process, overt values and ways of working with values were also identified.

To gain an understanding of the current state, and also to see what common and unique strengths and weaknesses the companies had, the results were further analyzed. This was done via an affinity diagram where the question to answer was ‘What common strengths/weaknesses do the companies have?’ In order to see if the companies focus on the customer throughout the creation of the offer the answers were compared with the Gap-model developed by (Zeithaml et al., 2009).

Main results and discussion
The majority of all statements from all the eight companies, both strengths and weaknesses, are situated within Gap 3. This shows that the main focus of the top management, when describing the offer to the customer, is how the delivery to the customer is secured.

Creating a culture that assures co-creation of customer value is of great importance in organizations offering commercial experiences. This calls for securing behaviors rather than just standards and guidelines. Even though all managers claimed to have overt values in their organization, when asked, the majority of them could not describe how they worked with values in the organization in a concrete way or how the values were manifested in the everyday life of the organization. This shows that the stated values are not established in the organization, which is the first step in creating a strong organizational culture (Hellsten & Klefsjö, 2000).
In the majority of the studied organizations, the managers did not mention the connection between values, organizational culture and behaviors. This suggests that the knowledge about the connection between the values held and the behaviors shown was not clear to the manager. This in turn could lead to the managers not ‘walking the talk’ and thereby having difficulty in creating the desired culture (Grönfeldt & Strother, 2006). The two ways of achieving homogeneity of values described by Chatman (1989); recruitment and socialization, become important for creating customer value when the offer is co-created. These are also important ways for the leaders to influence the culture (Schein, 2004) and, even though five of the managers mentioned the co-workers as an important resource, only two of the managers mentioned recruiting based on values. When it comes to socialization, only one of the managers mentioned ways of working with this: using storytelling to elucidate the values via describing behaviors within the organization and having a structured way of translating the organizational values into behaviors within different groups in the organization. This could lead to a failure to consistently deliver customer value since the co-workers need to know and agree upon what behavior is required to enhance the costumer offer.

4.1.5 Paper E

Published in the Proceedings of 13th QMOD International Conference, Quality Management & Organizational Development, August/September, 2010, Cottbus, Germany.

Background

Total Quality Management (TQM) rests on a number of values and implementing TQM effectively means that these values are well accepted, practiced and deployed within an organization (Hendricks and Singhal, 1999; Dayton, 2001 and Shin et al., 1998). Lean has developed from the same roots as TQM (Dahlgard & Dahlgard-Park, 2006) and in the same way as TQM has its values, Lean rests on a number of principles and it is reasonable to assume that these values and principles should be present in an organization when entering the journey towards a successful Lean transformation (Achanga et al., 2006 and Bhasin & Burcher, 2006). The measurements of organizational success, have primarily been focused on financial numbers or hard measurements such as cost of quality, reduced inventory and delivery dependability (Motawi, 2001). Therefore, measuring the softer sides of TQM and Lean in terms of organizational behaviors and organizational changes are needed as a compliment to the traditional measures (McNabb & Sepic, 1995 and McAdam & Bannister, 2001).
Purpose
The purpose of this paper was to examine TQM and Lean in regards to values and principles, implementation problems and measurements for success. The purpose was also to present an approach to measure organizational culture and values as a part of the implementation strategy for TQM and Lean.

Methodology
Literature studies were conducted to examine TQM and Lean regarding values and principles, implementation problems and measurements of success.

With the literature study as a base, a questionnaire with statements about the main principles of Lean was developed to further evolve an existing survey used to measure the values ‘Leadership commitment’ and ‘Participation of everybody’. The added statements were categorized into five principles that were found to be distinct for Lean. Three statements for each of the Lean principles were designed by each one of the researchers. After discussing the statements, three statements within each principle were agreed upon via consensus as best representing said principle.

In order to test the questionnaire it was handed out to employees in a department within a multinational organization that had just begun the work with continuous improvements based on Lean principles.

Main results and discussion
To test the internal consistency reliability for the five added principles the Cronbach’s Alpha coefficient was calculated for each of them using SPSS. Two of the principles did not reach the value of 0.6: the principles ‘Elimination of waste’ and ‘Focus on creating customer value’. The principles ‘System thinking’ and ‘Lean leadership’ showed a high score, over 0.75 and one of the principles; ‘Long-term thinking’ just over 0.6.

To be successful when it comes to implementing TQM or Lean, one of the major factors seems to be the culture that exists within the organization. There are many examples of hard measurements used to verify how well an organization has implemented Lean or TQM but none found that showed soft measurements like measuring values and organizational culture. The questionnaire developed in this paper could, when used together with the existing questionnaire (Lagrosen et al., 2010), be one way of assessing the organizational culture where the mean value of each value or principle could indicate which are the values or principles that needs to be addressed. A high mean value would indicate a strong presence of the value or principle in the organization and a low the opposite. The questionnaire needs to
be developed further since two of the principles had borderline internal consistency reliability so the statements within these principles need to be improved. Furthermore, the questionnaire needs to be tested more before it can be used as a measure of the soft side of TQM and Lean.

4.1.6 Paper F


Background

The focus on improving quality and thereby customer satisfaction, i.e. Quality Management (QM), is a challenge for many organizations. Focusing on organizational culture has been pointed out as a critical factor when applying QM and the failure to focus on culture is often cited as one of the main reasons for not succeeding when applying QM initiatives such as Lean and TQM (Kotter, 1996; Achanga et al., 2006 and Green, 2012).

Many QM initiatives are said to be founded on values and since organizational culture consists of the shared values of the members of the organization, working with values when applying QM becomes important. The QM initiative TQM, for instance, is seen by many to rest on a number of values and applying TQM effectively means that these values are well accepted, practiced and deployed within an organization (Hendricks & Singhal, 1999; Dayton, 2001 and Shin et al., 1998). Lean is a QM initiative which is said to have the same origin as TQM (Dahlgard & Dahlgard-Park, 2006). Lean can be seen as being founded on a number of principles or values (Liker, 2004; Womack & Jones, 2003 and Emilianii, 2010) and in this paper these terms are treated as synonyms. These values should be present and shared by the members of an organization for Lean to be successfully applied (Achanga et al., 2006; Bhasin & Burcher, 2006). The measuring of culture also appears to be lacking within both concepts even though the organizational culture is pointed out as a factor for success (ibid).

Purpose

The purpose of this paper was to show the need to focus on the organizational culture when applying QM initiatives in order to be successful and to present a questionnaire that can be used as a tool for doing so.

Methodology

A questionnaire was developed to measure the presence and importance of QM values in an organization applying Lean. The questionnaire consists of 24
statements intended to represent the six Lean values; ‘Long-term thinking’, ‘System view’, ‘Eliminate waste’, ‘Continuous improvement’, ‘Customer focus’ and ‘Supportive leadership’ and was further developed from an earlier questionnaire (Ingelsson et al., 2010). The questionnaire was designed in such a way that the respondents are asked to rank each statement from 1 to 7 using a Likert scale. First they rate the statement according to their perceived agreement with the statements corresponding with their working conditions and then if the respondents consider the statements to be important. To test the questionnaire, it was handed out to co-workers in one manufacturing organization. Out of 107 possible respondents, 102 questionnaires were returned and analyzed giving a total response rate of 95%. To test the internal consistency reliability for the six values, the Cronbach’s Alpha coefficient was calculated for each of the values, both regarding agreement and importance.

**Main results and discussion**

The results from the organization show that the means for the values are all higher for importance than for presence. The gaps between presence and importance are larger within the values ‘Supportive leadership’ and ‘Continuous improvement’. The mean regarding the value ‘Customer focus’ is lower in relation to the other values both when it comes to presence as well as importance.

A development of the model by (Hellsten & Klefsjö, 2000) is proposed where a strategy for how to handle the values and cultural changes needed to be successful is added along with a prerequisite for the process; see Figure 4.4. The starting point is to understand and acknowledge the link between a strong culture, values and behaviors along with the importance of committed leadership. Since the managers are primary bearer of values, they need to be willing and able to live by the values and behave in accordance with them.

![Figure 4.4](image.png)

**Figure 4.4.** Model for focusing on cultural change when applying QM, inspired by (Hellsten & Klefsjö, 2000). (Ingelsson 2012)
The presented questionnaire can be used as a tool throughout the whole process, in different ways. It can be used for establishing a baseline before applying QM and thereafter to measure the progress. The measurement can function as a way of prioritizing what to focus on in the beginning but also along the way when working with an organization’s value strategy. Any gap between importance and agreement can be seen as an opportunity for improvement and can also be used as basis for prioritization when choosing suitable tools or methods. Results can be measured as changed behaviors in the organization or with the help of the developed questionnaire.

4.1.7 Paper G

Background
Lean has become a well-spread concept in many different types of organizations and not only in the automotive industry from where it originates (Hines et al., 2004). When Lean became known in the west, companies’ focus lay on implementing the tools, i.e. focusing on continuous improvement and reducing cost and many companies have been successful when applying Lean (Drew et al., 2004). Later, many expressed the need for organizational culture change and many manufacturers fail to apply Lean especially in the area of cultural change (Yamamoto & Bellgran, 2010 and Bhasin & Burcher, 2006).

Lean can be seen as being founded on a number of principles or values (Likert, 2004; Womack & Jones, 2003 and Emiliani, 2010). These values or principles are said to be needed in the organization for the successful application of Lean. Despite this, the measurements for organizational effectiveness and success have primarily been focused on financial results or hard measurements, such as cost of quality, reduced inventory and delivery dependability (Motawi, 2001). Therefore, measuring the softer sides when applying improvement initiatives, like e.g. Lean, in terms of organizational behaviors and organizational changes are needed as a compliment to the traditional measures (McNabb & Sepic, 1995 and McAdam & Bannister, 2001).

Purpose
The purpose of this paper was to present the result from a study carried out at an organization, which has recently started applying Lean, to examine changes in the importance and presence of Lean values within the organization in relation to when different parts of the organization started to apply Lean.
Methodology

A questionnaire was further developed from an earlier version used to measure the presence of Lean values in an organization (Ingelsson et al., 2010). The questionnaire consisted of 21 statements intended to represent six Lean values: ‘Long-term thinking’, ‘System view’, ‘Eliminate waste’, ‘Continuous improvement’, ‘Customer focus’ and ‘Supportive leadership’. The respondents were asked to rank each statement from 1 to 7 using a Likert scale. First they rated the statement according to their perceived agreement on the statements being present in their work and then if the respondents consider the statements to be important. The questionnaire were handed to six clinics at Folkandvården i Gävleborg AB (National Dental Health Service Gävleborg Ltd). The organization was chosen on the basis of being in the beginning of their ‘Lean journey’ and had used the strategy to roll out the change process through the start of pilot groups. The assumption being that there is a similar culture within the organization to begin with, so the starting points are reasonably similar. The questionnaire was handed out to six different dental clinics, where two pilot clinics had been working with Lean for 18 months (Group 1, Pilot), two had worked with it for 9 months (Group 2, started) and two had not yet started their Lean work (Group 3, not started). To test the internal consistency reliability for the six factors the Cronbach’s Alpha coefficient was calculated for each of them using SPSS, both regarding agreement and importance. The value Long-term thinking was judged to not meet the set criteria for internal consistency and was not used as a value when further analyses were carried out with the results from the organization.

Main results and discussion

To explore if there were any statistical differences between the groups a one-way ANOVA test was made for all five factors, both regarding presence and importance. The results showed that the only significant statistical differences were regarding the presence of the values ‘Continuous improvement’ and ‘Supportive leadership’. A rank test was also done using the Wilcoxon Signed-Rank Test, which gave the same result. Post hoc analyses using the Scheffé post hoc criterion for significance (sign. level 0,05) indicated that the average was significantly higher regarding the presence of ‘Continuous improvement’ in group 1 (M = 5,78 , SD = 0,82 ) than in the group 3 (M = 4,77, SD = 0,94), p = 0,000. The same was valid for presence of ‘Supportive leadership’; group 1 (M = 5,74, SD = 0,85), group 3 (M = 4,82, SD = 0,95), p = 0,001.
The results show that, regardless of the period of time the importance of the measured Lean values can be considered rather high, with means ranging from 5.87 to 6.44 on the 7-grade scale. The analysis of variance showed no statistical differences between the groups regarding the importance of any of the values. This could indicate that the assumption made that there was a similar culture within the organization to begin with was correct. The difference that could be detected was between Groups 1 and 3 regarding the presence of ‘Continuous improvement’ and ‘Supportive leadership’. This could show that the organization has what is required by Emiliani (2010) to reach ‘Real Lean’ since Continuous improvement and Respect for people can be said to be represented by the two values. The fact that a difference can be detected even after a relatively short period could be explained by the similarity in results from importance of the values and that Lean gave them methods and tools to work with these values.

The presence of ‘Supportive Leadership’ is one of the values where differences could be detected between Groups 1 and 3. This suggests that managers, when starting to apply Lean, are actively working with supporting this work. Since the managers have great influence on what culture will permeate the organization by the way in which they act (Schein 2004), this organization could have the prerequisites for making a cultural change at least in the pilot group. This could also be explained by the fact that the pilot clinics were chosen from clinics that applied for this and the managers in these clinics were more motivated. The assumption was made that importance is a measurement of values held by the co-workers and that presence measures the behaviors in the organization. With this assumption in mind, the results could show that in the pilot group the values have started to manifest themselves in the form of behaviors. This could be explained by the fact that the application of Lean has given the organization tools and methods to work according to their already existing values. Lean seems to fit the organization.
4.2 Summary of additional results from Case Study 2

In this section, additional results from Case Study 2, not addressed in the appended papers, will be summarized. The last section contains the main findings and discussion in regards to the study.

4.2.1 Results from Case Study 2

Case Study 2 was performed at the Walt Disney Company in Orlando, Florida, with the purpose of ascertaining how a successful organization, that offers commercial experiences, works.

Primarily it can be said that almost all of the ways of working found, after analyzing the collected data, can be connected to the enhancement of values within the organization: values that lead to behaviors that fulfill the corporate vision: ‘We create happiness by providing the finest in entertainment for people of all ages, everywhere’. The results will be presented under the heading ‘Leadership’, ‘Customer focus’ and ‘General ways of working’.

Leadership

Managers are mostly recruited within the organization and have already displayed the behaviors demanded. Managers are required to practice ‘Management By Walking Around’. All managers are obliged to do at least one week as a ‘trainee’ in the day-to-day operations of the company a year in order to assure that they gain an understanding of their co-workers’ daily ‘struggles’. When there is high pressure on the business during peak periods, managers and administrators are out in the parks or hotels working. This is called ‘cross U’ which stands for cross utilization.

The managers are considered to be key players when it comes to building the culture at Disney; their main assignment as managers is to train the culture. They are expected to be role models and ‘Walk the talk’.

‘Leaders will get the behavior they demonstrate and tolerate’.

Valerie Oberle, former Vice President at Walt Disney World

Customer focus

Disney describes its organization as being built on customer focus. They listen to the customer and work with measuring customer satisfaction, trying to exceed customer expectations by working continuously with improvements. For example, they discovered that after a day at a Disney park some of the customers did not
remember where they had parked their car. They found a solution by sending customers to park in special areas at certain hours of the day. This worked well since almost everyone remembered approximately what time they arrived.

‘...There are really two words that make it work around here... quality and pride. If you design, build, operate, and maintain with quality, people will take pride in what they do’

Dick Nunis, former chairman of the Disney Theme Parks and Resorts

It is of great importance that the co-worker (internal customer) at Disney is happy and satisfied in order to satisfy the customer. The Golden rule at Disney is: ‘Cast members are treated as they are expected to treat the guest’. The front-line personnel are very important, co-creating the experience with the customer, but also the co-worker behind the scene, off stage, is in focus. One example of letting the co-worker understand their role and importance is to deploy the values of the company and describe them for every individual. For example, creating happiness is the vision at Disney. What is providing happiness for the guests for a person in the basement of a hotel ironing the bed linen? The answer is a smooth, clean and even bed sheet as this will make the customer happy. Every co-worker knows how important they are and their contribution in the organization. The leaders follow up on performance and co-worker satisfaction monthly, or bi-monthly, with personal development discussions. When measuring co-worker satisfaction, they take the word pride as a starting point, i.e. if the co-worker is proud of working at Disney and feels pride in what they do, most other things ought to be in order. If, on the other hand, the sense of pride is low, Disney sees it is a sign that this part of the organization needs to be more closely examined.

‘Quality and pride goes hand in hand’

Walt Disney

Rewarding good behavior and performance of the co-workers is important for Disney. This is a way of strengthening both the individual co-worker as well as displaying to others what will be rewarded. But Disney is also very clear on what they expect from their cast members. If they do not perform despite being given the opportunity, they will be removed from their positions. This goes for managers as well as co-workers.

‘Attention to detail and exceeding guest expectations’

Definition of Quality at Disney
General ways of working

Disney uses storytelling to enhance all values in the organization. It is used internally between leaders and co-workers in order to tell stories about something positive that has happened, they spread the good word and the purpose is to reinforce the values and enhance the corporate culture. If a co-worker or a manager has done something in line with the values, this story will be told and the behavior will be rewarded. Storytelling is of course also used towards the external customer to create and enhance the customer offer; this might be one of the things the Disney Companies is most famous for.

Disney uses a common language as a part of enhancing the corporate culture ‘The Language of Disney’. The purpose is to create a sense of belonging and a clear understanding on how their co-workers and customers are perceived by the company. For instance, customers are referred to as guests and employees as cast members. The company also talks about the co-workers as working ‘on stage’ i.e. meeting and interacting with the guests, or ‘off stage’ enabling the guests experiences but not interacting with them. Both these roles are considered and treated as equally important.

Disney has a clearly defined business model, which it claims is the foundation for their business success. The base consists of the vision/mission and values, which in turns build the company culture and create loyalty leaders. The pillars consists of employee experience, customer experience and business practice. All of these parts lead to employee loyalty + customer loyalty + business practice = profit and growth.

4.2.2 Main results and discussion from Case Study 2

The results indicate that values and organizational culture make up one of the most important building blocks when it comes to giving the customer a memorable experience when visiting the company’s facilities. The identified ways of working could be linked to the core values within of TQM (Bergman & Klesjö, 2010). It seems like most of the identified ways of working aims to reinforce the right behaviors in the organization, thereby enhancing the underlying values as argued by (Pinder, 1998). It was also clear that Disney considered a manager’s main task to be the bearer of values. The managers at Disney are expected to act as role models all the time, they need to spend time out in the organization and be a part of the performance given to the guests. This could be seen as ‘walking the talk’ which is an important aspect when implementing or changing organizational culture (Grönfeldt & Strother, 2006).
One strategy found at Disney that seems to be widely used to strengthen the culture is storytelling. One of the ways new managers are taught the values are by stories being told by older managers, where examples from good leadership behaviors are passed on. Watching the leaders do the right thing as well as hearing stories about both right behaviors from managers and other cast members, strengthens the organizational culture.
5 RESULTS

In this chapter, the results from the research will be presented and analyzed as well as discussion regarding methodological choices made in this research.

The purpose of this thesis was to examine how a strong organizational culture can be created and to contribute with knowledge about how to create and measure a QM culture. This purpose was further pinned down by three research questions (RQs).

5.1 Results

In this section the results will be presented in connection to the three research questions.

5.1.1 RQ 1: How are organizations working to create a strong organizational culture in practice?

Most of the identified ways of working to create a strong organizational culture were focusing on behaviors among both co-workers and managers. The results from Case Study 2 and in part also Case Study 3 provide some methodologies for creating the desired culture in an organization. These methodologies ought to able to be used regardless of business or customer offer. Below the results are listed under the sub-headings leadership, selection and general ways of working.

Leadership

One thing that became clear in Case Study 2 was that the managers are considered key players when it comes to creating the culture. The managers are expected to act as role models to enhance the culture by displaying the behaviors they themselves demand from their co-workers. Another way of constantly enhancing values is by being actively present where customer value is being created to work as much as possible alongside the co-workers to show how to behave and interact with internal and external customers. Structured personal development discussions with focus on behaviors are another way of continuously strengthening the culture, used foremost at Disney, where these discussions were carried out on a monthly or bi-monthly basis.

Selection

One methodology found in Case Study 2 was that of selecting managers within the organization as a way used to ensure the 'right' behaviors. The managers were promoted on the basis of having already displayed the demanded behaviors. In Paper C the recruitment process at Disney is presented as a methodology to work
with the selection of people in order to create the desired culture. The process focuses on selecting people based on values; i.e. focus on applicants’ previous behaviors as well as hypothetical future behaviors. Competence and skills also are important factors when recruiting, but not as strong as having the right values. This way of recruiting was also found in two of the organizations from Case Study 3, is presented in Paper D. A way of using selection at Disney was also to give the aspiring co-workers a chance to select the company by being very clear on what the organization expect of their co-workers before they start interviewing.

**General ways of working**

Storytelling is one methodology, found in both Case Study 2 and in one organization in Case Study 3, as a way of strengthening the organizational culture and translating the values into behaviors. It was used internally between managers and co-workers where stories were told and retold about events in which behaviors in line with the stated values were displayed. Another way used to translate values into behaviors was found in Case Study 3 where one organization had a structured way of translating the organizational values into behaviors within different departments in the organization. This was done since the same value could have different behavioral implications depending on where in the organization you work and what assignment you have.

**5.1.2 RQ 2: How can QM culture be measured in an organization?**

In Paper E, a literature study showed that measuring values and organizational culture appears to be lacking within both TQM and Lean even though the organizational culture is pointed out as a key factor for success. There were many examples of ‘hard’ measurements, such as operating income and lead-time reduction, used to verify how well an organization has applied QM initiatives. However we did not find any ‘soft’ measurements of, for instance, values and organizational culture. Results from the studied organizations only gave one specific example of measuring culture via behaviors: the Accountability matrix from Case Study 2. The matrix was used to measure the managers’ performance during a period of weak results and was not used on a regular basis.

As stated earlier in the thesis, the values within the studied QM initiatives can be seen as equal to Schein’s (2009) second level of values: the ‘espoused values’. As such, the presence of values could be measured with a questionnaire as a way of monitoring the QM culture in an organization. The use of the developed questionnaire presented in Papers F and G where the practice (behaviors in accordance to the values) and the importance (as reflecting the values held by the person) are assessed is one way of measuring the QM culture. The average score of
each value could indicate which values needs to be addressed. A high average score regarding both presence and importance could indicate that the QM culture in the organization is strong since they are both working in accordance with the values (presence) as well as finding the values important. Whereas a low average score could indicate the opposite.

Regarding the manufacturing organization in Paper F, the results from using the questionnaire show that they seem to have a good foundation to build on since the values are rated as important by the co-workers. The gaps between presence and importance indicate that the organization should start by addressing the values ‘Supportive leadership’ and ‘Continuous improvement’ since these are the values with the largest gaps. The results also show a lower mean regarding ‘Customer focus’ when compared to the other values which could also be something that needs to be focused on by the organization. Case Study 4 shows how the results can be used to compare the culture within an organization as presented in Paper G. Here the results show a statistically significant difference regarding the presence of the values ‘Continuous improvement’ and ‘Supportive leadership’ when comparing the pilot clinics and the clinics that had not yet started to apply Lean. This indicates that in the pilot clinics the values have started to manifest themselves in the form of behaviors. This might be explained by the fact that the application of Lean has given the organization tools and methods to work according to their already existing values.

5.1.3 RQ 3: How can QM initiatives be applied to increase the focus on creating a strong QM culture?

When applying different QM initiatives the focus on creating a strong organizational culture could be facilitated by using the model presented in Paper F; see Figure 4.4. A starting point is to understand and acknowledge the link between a strong culture, values and behaviors along with the importance of committed leadership. Since the managers are primary bearers of values they need to be willing and able to live by the values and behave according to them and this is seen as a prerequisite.

The view on leadership found in at Disney and presented under Section 5.1.1 was also found when looking at Lean in Paper E. Leadership described within Lean appears to be a hands-on and constantly present kind of leadership, were managers are obliged to spend time in operations were customer value is created to truly understand what is going on. In addition, Lean promotes cultural change by ‘doing’ rather than formal education and planning; focusing on behaviors rather than trying to make people think in a different way. When looking at the next stage
in customer offerings, i.e. a more experience-based offer there might also be a need for a leadership that promotes a more creative and innovative culture in the organization. The results from Paper B indicate that TQM leadership behaviors could benefit from other leadership behaviors in order to generate more creative environments and thereby more competitive organizations. When examining leadership behaviors from Change Managing and KaosPilots, a suggestion is that TQM could be extended with innovation and entrepreneurship from Change Oriented Leadership and with playfulness and creativity from the KaosPilots.

The next step in the proposed model in Paper F would be to assess to what extent the values are present within the rest of the organization and to make up a strategy how to work with the values and culture in the organization. At this point, how to select members of the organization needs to be taken into account as presented in Paper C. This includes planning as to which new members to recruit and how to use existing co-workers in the best way, by putting the right person in the right place. This might even include dismissing members of the organization who do not share the selected values. To strengthen this work even more the selection strategy should be accompanied by a strategy for socialization. For instance, looking at how the desired behaviors are trained and what tools or methodologies that should be used to enhance the desired values and behaviors. One methodology found in Case Study 2 that is fairly unrecognized within QM is storytelling, a methodology that could be used in a more structured way when building a QM culture in an organization.

The questionnaire presented in Paper F and G can be used as a tool at any stage of the work to establish, change or strengthen the QM culture in an organization. It can be used to establish a baseline before applying a QM initiative and thereafter to measure the progress. The measurement can function as a way of prioritizing what to focus on when working with an organization's value strategy. Any gap between presence and importance could be an area that needs to be addressed by the organization, but in different ways. A gap between practice and importance where the average score is lower in regards to practice the actions needed could be different then if the average score is lower when it comes to importance.

5.2 Methodological choices and consequences

One reflection from Case Studies 1-3 is that obtaining accurate information from an organization may be difficult; they generally like to keep the secrets of their success to themselves and researchers may therefore have limited access to valuable information (Zikmund, 2000). The information provided is controlled by the studied organization, which selects what to reveal. The research group was aware
of this and as an attempt to verify the data we used several sources of evidence. For instance, in Case Study 1 and 2, by asking co-workers follow-up questions confirming the data.

Another reflection is that the interviewed managers in Case Study 1 and Case Study 3 might not give accurate information to the interviewer for a variety of reasons. This phenomenon is theoretically described by Zikmund (2000). The result can therefore be considered to be controlled by the managers and have an effect on the results and conclusions drawn. For instance, in Case Study 3, this risk could have been lessened by an investigation on how the customers both, internal and external, perceived the situation but, given the time, this was not possible within the case study. Also selecting another eight organizations in another region might or might not lead to different results.

Since the studied organizations have been from USA and from Sweden the cultural aspect regarding different countries is of relevance. On one hand, what works in America might not work in Sweden. On the other hand these results might not be applicable in other parts of the world.

The developed questionnaire aims at measuring a number of QM values in connections to Lean. These values could be considered by other researchers as not giving the whole picture of the values needed to successfully apply Lean, but they are seen as a start. It is also important to point out that the developed questionnaire doesn’t aim at measuring the deeper organizational culture. The questionnaire can be seen as a complement to deeper analysis if needed to pinpoint the culture consisting of the underlying assumptions: the third level of values according to (Schein, 2009). The use of the questionnaire to measure the culture in the examined organizations could have been complemented by, for instance, interviews with the leaders and co-workers to get a deeper understanding but this was not possible at the time the questionnaires were distributed.

In sum, the methodological choices during the research process have doubtlessly affected the outcome.

5.3 Analysis

Focusing on organizational culture is important since culture is a universal factor which affects almost every aspect of organizational interactions, according to (Henri, 2006). The need to approach the cultural aspects of QM in a structured way is of importance since not creating a conducive culture is pointed out as one main contributory factor of failure to apply TQM (Dayton, 2001 and Shin et al., 1998).
Liker (2004) states that a deep cultural transformation is needed rather than simply implementing a set of tools when applying Lean. This view is shared by others, for instance Radnor et al. (2006) who conclude after studying results from applying Lean in the public sector that the success of Lean is dependent on organizational and cultural factors.

Most of the identified methodologies and tools to create a strong organizational culture were focusing on behaviors. This is in accordance with the relationship described by Pinder (1998) between the values we have and the way we behave in different situations. It is also enforced by the description of a value as a type of social cognition that has implications for our behaviors as described by Fishbein & Ajzen (1975) and Wiener (1988). The connection between values held by the members of an organization and the culture existing in the organization is supported by many researchers. Chatman & Eunyoung Cha (2003) define organizational culture as a system of shared values and O'Reilly et al. (1991) state that without a substantial agreement on those values which are important in a social unit a strong culture cannot be said to exist.

The methodologies identified to work with selecting people with the ‘right’ values found at Disney and two of the local organizations are in line with the selection strategy described by Chatman (1989, 1991). Both the way in which Disney recruits new members and how they select internally when it comes to promoting managers with the ‘right’ values manifested in behaviors, Liker et al. (2008), describe the manager at Toyota as someone who are grown within the organization and learns through being moved horizontally to get a broader perspective before climbing higher in the organization. This is strengthened by both Meir & Hasson (1982) and Bowen & Lawler III (1992). Bowen & Lawler III (1992) also claim that when our values and priorities match the values and priorities of a particular organization we are happier and more likely to stay with the organization. They further state that the selection process should include focus on personal characteristics if it is to support TQM throughout the organization (ibid).

The use of storytelling as a methodology for creating a strong organizational culture is in line with Briody et al. (2012) who found that storytelling can both change and sustain organizational culture. Boyce (1996) claims that storytelling can also be used when socializing new members of an organization.
The importance of leadership when creating a strong organizational culture is enforced by, for instance, Schein (2004), who claims that the managers in an organization are crucial for creating a desired culture. How managers behave and what they pay attention to alongside with, for example, what they measure are all factors that influence the culture. The behavioral aspect of managers is also raised by Grönfeldt & Strother (2006), who stress the importance of managers who ‘walk the talk’ and do not just pay lip service to these values. Within both TQM and Lean, leadership and managers are considered important for the success when applying the two initiatives. Juran (1989), for instance, stresses that management has to accept and embrace the fact that applying TQM is dependent on the behavioral style of management. According to Liker (2004), the manager’s role is to change the culture and this is done by being involved in the actual work of identifying waste and values stream mapping where it occurs (ibid). The relationship between values and behaviors is also present when it comes to Lean leadership, for instance, Emiliani & Stec (2005), state that senior managers need to change a large number of their beliefs, which then needs to result in behaviors that support Lean values.

When applying QM initiatives the culture is an important factor to take into account according to Dale (2003) who argues that changing the culture is a key element in TQM and that it has implications for the whole organization. Dale (2003) claims not only that TQM provides the opportunity to influence behaviors and attitudes but also that there is a shortage of information and guidance on how to make this cultural change. The lack of ‘soft’ measurements within both TQM and Lean has been commented on by both Motawi (2001) and Bhasin & Burcher (2006), who, when studying performance measures found that none of the measures examined could be categorized as ‘soft’. The importance of measuring the culture before applying TQM or trying to measure the performance are pointed out by both McNabb & Sepic (1995) and McAdam & Bannister (2001).

According to (Stone, 1996) measurement tools can be used to identify those areas of organizational life that have previously been neglected and using an attitude survey is the most common way of measuring the soft side of the organization.
6 CONCLUSIONS AND FUTURE RESEARCH

In this chapter the conclusions drawn from the research are presented alongside with some thoughts regarding future research.

6.1 Conclusions

The research presented in this thesis reinforces the fact that the culture in an organization is an important factor to take into account when applying a QM initiative such as TQM or Lean. Earlier research shows both that successful organizations have the QM values present whereas organizations that have not been so successful in many cases have failed to address the culture. In order to establish the conditions for the creation of a strong QM culture, the organization needs to work with these questions in a structured and recurrent way. One conclusion is that there seems to be a need for a structured way of working with culture and the development of a strategy on how the desired culture in the organization will be created. There also seems to be a need for developing methodologies and tools aimed directly at creating a QM culture, where the developed questionnaire could be one tool used for this. Even though researchers and practitioners both agree on this point, there still seems to be a lack of concrete ways of doing this.

The importance of leadership is also supported by the research in this thesis. In culture creation, the leadership is of great importance and the managers in the organization are key players. The managers need to be present among their coworkers and aware of how their own actions affect the possibility to build a strong QM culture. As a consequence the importance of recognizing the connection between values and behaviors is another conclusion that can be drawn from the research. The managers need to have a clear picture of the values that need to permeate the organization and also the behaviors that they want from their coworkers, their colleagues and themselves. The values need to be translated into behaviors to make them understandable in the organization. This is strengthened by the fact that most identified methodologies and tools are aimed directly at reinforcing the right behaviors in the organization, hence enhancing the underlying values.

The need to measure the ‘softer’ side of QM is another conclusion drawn. The starting point when applying QM should be an assessment of the existing culture in the organization as a complement to the ‘harder’ measures. The research presented in this thesis shows that a questionnaire could be an appropriate tool for this. If the existing culture in an organization does not support the values within
QM, the behaviors by managers and co-workers needed to improve quality and thereby customer satisfaction could be hard to achieve.

Achieving a strong QM culture is not an easy task. It requires a committed and brave leadership, a structured way of working and a tool for measuring progress. It is also important to recognize the fact that a QM culture is not something that is static; the world changes along with the preferences of both external and internal customers. This in turn leads to a need for a constant development of methodologies, tools, value strategies and maybe even the values that will help the organization reach the desired state of a culture for improving quality and thereby customer satisfaction.

6.2 Future research

The research that presented in this thesis has along the way triggered ideas and thoughts on future areas of research.

The creation of a strong QM culture based on shared values within an organization is an area partly covered by the research in the thesis. To design methodologies and tools to achieve a strong QM culture is one area that could be further developed. Both on a higher level in the organization through methodologies for structured ways of working with value strategies as well as on a more hands-on level where concrete tools could be developed. The research shows, for instance, that storytelling is one methodology that can be used to enhance the organizational culture and even though there already seems to be some research on this, it would be interesting to look further at storytelling as a tool to enhance the “toolbox” used to apply QM initiatives.

Investigating the area of ‘soft’ measurements in connection with applying QM initiatives is something to look into further. For instance, to study if organizations that are considered successful when it comes to ‘hard’ measures also have strong presence of QM values in the organization. The research in this thesis has been limited to the developed questionnaire however to broaden the scope and develop other ways of measuring the culture is of interest. For instance, the way Disney evaluated their managers through the ‘accountability matrix’ is one way that could be developed into a general way of measuring behaviors and results. When it comes to the questionnaire from this research there are values it does not currently cover and further development could make it useful regardless of the QM initiative being applied. In combination with the questionnaire, other ways of measuring the QM culture could be developed, for instance the use of focus interviews could deepen the understanding of the QM culture in an organization.
The QM initiative Lean is gaining attention in different types of organizations and to be able to follow an organization that applies Lean and works in a structured way with a value strategy would be very interesting. To use the questionnaire as a way of monitoring an organization over time could be one way of further testing it. Lean seems to be a more hands-on type of leadership that in theory advocates behavioral changes from the managers. To deeper examine Lean leadership behaviors could give more insight into how culture can be created, changed or strengthened.

Exploring leadership in general when creating a strong QM culture is another area of interest. For instance, the effect of leadership communication is one fairly unrecognized area where the relationship between how the managers communicate and the culture in an organization could be investigated. To look further into how managers are selected and to see if there are differences with regard to creating a strong culture depending on whether the managers are promoted within the organization or recruited from outside. The relationship between how the managers are recruited and sustainability is another area worth looking into as regards to leadership.

The concept of adding positive reinforcement when applying QM initiatives in an organization is yet another area of interest. The concept of Appreciative Inquiry (AI) (Cooperrider & Whitney, 2005) could be used as a way of focusing on and strengthening positive pictures and positive behaviors. To study organizations that have used positive reinforcement and compare the results with those that used a more improvement-oriented approach is one study that could be conducted.
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