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Summary

New ventures are essential to innovation and economic growth still they remain short lived, and their growth poorly understood. Start-ups are characterised by a certain culture yet our understanding of the cultural development during periods of rapid growth are limited. In this paper we examine cultural development in rapidly growing firms by doing a qualitative study involving a small Norwegian IT-firm on the brink of crossing the 30-employee threshold. We access subjective experiences and meaning to make sense of the process from founding to present day and how the culture is perceived and have changed over a time of increased growth in employees. We find that, in accordance with the prominent theories on culture, as the culture develops, what remains the same, is often attributed to the founder and CEO, but fragmentation and development of subcultures occur within the dominant culture. While we argue that a prominent culture might aid as a competitive advantage and serve as foundational pillars for growth in a start-up and early growth, there is some reason to argue that preserving culture could have negative effects on growth when reaching a certain level.

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Introduction

After the financial crises the interest in the challenges faced by fast-growing ventures, and entrepreneurship in general, have grown, particularly because of their role as job creators (Monteiro, 2018). Scholars have long examined the economic drivers of entrepreneurship, management and organizational studies, but often neglecting the cultural forces shaping these dynamics. From the little of what has been mentioned in classic literature, culture has been viewed mostly as a constraint to the creation of novelty and not as something facilitating growth and innovation (Lounsbury et al., 2018).

Entrepreneurial issues have been commonly connected to starting successful businesses or ideas, but the literature has pivoted towards the idea that the main entrepreneurial challenges are more directly connected to further growth and transition from the start-up phase, than simply starting the business (Carucci, 2016).

Modern studies of culture have emphasized the way systems shape the behaviour of actors and managed to show how employing cultural materials in practical and strategic ways enable these actors to achieve their goals (Lounsbury et al., 2018). New ventures are associated with having an entrepreneurial, familial culture, while larger established organizations are associated with having a “colder”, more structured and hierarchical culture (Josefy, 2015; Colombo & Grilli, 2013). In between these two, existing literature has paid little focus to the transition in evolving from the one to the other. Founders may find that preservation of the original structure that brought early success (DeSantola & Gulati, 2017), is not necessarily compatible with the increased demand of standardization, hierarchy and more defined structure in growing firms.

This suggests a more rational analysis of how actors interact, within an organization, with a focus on how culture can help shape various forms of co-production. In general, Lounsbury et al. (2018) reveal that a more detailed attention must be given to the development and interpretation of cultural resources, how they contribute to outcomes of interest, and how they grow and change over time.

Organizational culture has two distinct narratives in the literature (DeSantola, 2019). One view is that of a dominant culture, embedded by the founder and reinforced by culture systems that keep the culture relatively stable over time. The other view is that of a more dynamic changing culture, where culture grows and develops more independently of the founder, often forming in subgroups. How and if cultural meanings are crystallized or more ephemeral and dynamic in its nature, and the founder's role in this, remains largely unexplored. In this paper we subsequently seek to understand scaling, in particular the challenges faced by new ventures and the development of culture in the organization. Our research question is as follows:

Research question

How do cultures develop or sustain in rapidly growing entrepreneurial firms, and how does it hinder or enable transition?

To seek answers to this question we have chosen a rapidly growing IT company, with a particularly prominent culture as our subject of study. We aim to use qualitative methods and follow this company over a short period of time, conducting interviews and observation to understand how culture in an entrepreneurial firm develops over time. This research contributes to the exploration of valuable insight in understanding the role of, and how to preserve culture in rapidly growing firms.

Literature review

Scaling

Classic economic theory dictates that business organizations have the goal of growing and becoming as large as possible, meaning they will seek to utilize all the opportunities they have to saturate any available market and business opportunities within their capabilities for the maximum available profit. In the case of small entrepreneurial firms this inevitably means that given the

prerequisites for growth, or rather a rational opportunity for growth, they will expand their operations, or *scale*. This involves something that can basically be described as an expansion of the border of the organization (DeSantola, 2019), a change in what constitutes the organization and the external environment.

With a plethora of challenges associated with rapid growth, failure is more likely than success. A lack of adequate business knowledge and thus business development among the management can make scaling difficult (Marmer et al. 2011), and firms need to allocate their resources in an optimal way to best facilitate scaling (Piaskowska et al., 2021). Rapid growth also needs to happen at the right time, meaning there are certain prerequisites that need to be in place for successfully expanding a business, among them, a market to expand into, and available funding. These prerequisites are often difficult to predict and require, thus leading to premature scaling, which is the major reason entrepreneurs fail (Marmer et al. 2011).

Both intuition and theory support the fact that growth eventually brings more employees, more processes, more money and more material into the organization (DeSantola, 2019). This will inevitably bring managerial challenges, as the organization grows more complex and changes in the internal management must be synchronized with the new requirements.

As companies grow, processes tend to be made more standardized, hierarchical, more structured and bureaucratic, in order to facilitate more effective management (Josefy, 2015; Colombo & Grilli, 2013). Gulati & DeSantola (2016) argue that entrepreneurs often fear introducing such ‘bureaucratic’ structures into their organizations and prefer to keep the ad hoc spirit and control often brought by an entrepreneurial culture, to the detriment of structure and predictable performance. Similarly, entrepreneurs might fear introducing hierarchy, as they often fear ineffective management, although policies and managers provide much needed direction and feedback.

Managing the growth spurt and the pains, chaos, complexities and complications associated with scaling is a daunting task that often falls to the founder. Cultural

development is a major part of managing these challenges and a part of the challenge itself, and entrepreneurial firms represent an opportunity for studying culture in its making and its conscious management according to Pettigrew (1979). He also points out that culture is easily forgotten, but essential in our understanding of peoples shared understanding and operating in everyday tasks and activities. This is thus essential in the pursuit of understanding rapid growth, as everyday belief and understandings could alter quickly with change in tasks, activities and leadership (DeSantola & Gulati, 2017).

Culture

There are a plethora of different definitions and thoughts on what exactly culture is and how it should be studied (Schneider et al., 2012). The blind men and the elephant fallacy is illustrative, where several different theories claim they describe the whole creature, most likely only observing parts of it, blind to the true nature of the beast (Patterson, 2014). However, the view of culture as something shared among a number of people is prominent.

A culture can be understood as a product of common understanding and shared interpretations of the norms and collective activity that are commonly accepted amongst a group (Patterson, 2014). Every culture has a certain set of lenses that determine and colour their understanding of the world, this can be revealed in language, symbols, myths, stories and rituals. Everyday routines and activities in an organization have a shared significance and meaning beyond the basic understanding of the activity. Differentiating between individual reasoning and mental schemas, or pattern of thoughts, and what is cultural reasoning; cultural reasonings and patterns are those that are internal, but *shared* beliefs represented by the artifacts, institutions, or embedded in social interactions.

The thought of culture being shared by *all the members* of the organizations is termed the integrationist view (Schneider et al., 2012). Opposite to this view, the *fragmented perspective*, rejects this notion of shared understanding. It argues that everyone in the organization can hardly have the same experience and create the same meanings due their different backgrounds, positions and personalities. A

compromise of these two opposites is the notion of subcultures, in which people share similar experiences and meanings in each of their subcultures, often composed of people with the same backgrounds, positions and personalities (Schneider et al., 2012). This is the *differentiation perspective* on culture, which can be described as the degree of homogeneity versus the degree of heterogeneity in the organization (Gregory, 1983).

Some argue that all of these views are applicable at the same time, helping to highlight different aspects of the organizational culture and to more fully grasp the dynamics of a culture. This three-perspective cultural view of an organization would propose a shared prominent common culture across the organization and subcultures existing in tandem with it. This perspective would also include the degree of fragmentation, or the cultural strength (Schneider et al., 2012).

Symbols, rituals and myths are thought to maintain elements of the culture, and identity and narrative seems to be important on both an individual level and an organizational level to make sense of different, often conflicting, expectations within a culture and an institution (Suddaby et al., 2010). According to Trice and Beyer (1984), rites and ceremonies are used to build family-like bonds, reduce conflict and enhance personal and collective identity. In performing these rites or ceremonial activities groups often use customary outfits, ritualized behaviour and specific artifacts to strengthen the expression of a shared meaning appropriate to the occasion.

Physical artifacts and environments are made, and or informed, by mental schemas, but also affect and form mental schemas when perceived (Patterson, 2014). Similarly, behaviours are informed by scripts, pre-defined sequences of actions, learned, thus shared, and behaviours where interactions result in new knowledge shared between two or more people. In this view one can argue that culture changes, or is sustained, based on its 'usefulness' in human interactions and its match to the context it exists in, while at the same time it also provides the context and basis for human interactions.

A culture is theorized to be held stable as individuals consolidate and validate their personal interests with that of the culture, supported by the group (Patterson, 2014). Similarly, any interaction requires a certain common understanding, the common schemas, thus culture and any interaction would require some sort of conformity to a common shared understanding, in a given time (Pettigrew, 1979). The existing structure is also maintained by individuals and groups bending the rules towards practicality in everyday use (Patterson, 2014). This might be most prominent where there are strict institutionalized and formal rules that might not be optimal in everyday situations. Informal rules can at extremes contradict the formal values, but still 'fit' into the formal rules as the dissonance are explained away by some complex reconciliation logic. Patterson (2014) puts forward proper police conduct and guidelines versus "street smarts" as an example. Behaviours thus, conscious or not, go through the "filter" of approval and are adopted, or rejected, into the culture and thus the culture changes incrementally or remains stable. Culture can then almost be seen as a commonly agreed upon rulebook, or toolkit as Swidler puts it (1986), to interpret underlying interactions, behaviours and artifacts.

These rules and identity of the organization are created by interpersonal interaction and can be compared to scientific paradigms, where there is a consensus on what is acceptable science and not (Smircich, 1983). This rule book is then constantly tested against reality and either behaviour is modified to fit the rules, the rules are altered incrementally or rationalized in a new light, removed, or altered entirely if the discrepancy is too large. If the rules cannot be altered easily, then behaviour is detached from the formalized book, and a new informal book is made in tandem.

Culture can also be viewed as a social control system (O'Reilly & Chatman, 1996), whereas the common understanding determines what is appropriate behaviours and attitudes. Central to this is norms that determine what is the common expectation of what is the right behaviour in a certain situation among the group (Patterson, 2014). Norms can either be prescriptive, formal, or observational, informal, giving a rule to a certain situation or inductively learned from observed behaviours in the group. This control system is the same in

organizations as in religions, it determines what is important and how individuals are supposed to feel and behave, just like individual identity dictates what behaviour is good or bad (O'Reilly & Chatman, 1996). What is good and bad behaviour is then determined by the culture, ideally this is in line with the organizational goals as well.

In this view O'Reilly and Chatman (1996) argues there are similarities between organizations, particularly entrepreneurial firms, and cults; they both can instil a strong, almost bizarre devotion in their followers. People are often found to sacrifice personal finance, family life, personal freedom and time in general for organizations, oftentimes working in a start-up is not different from living in isolation in a commune after all. Many start-ups have a mission to make a difference or make a contribution and be part of something bigger 'than oneself'.

The different features of culture, or what culture actually exists of, are also thought to have varying degrees of visibility. Organizational cultures have features we cannot readily observe and other more visible manifestations of these more invisible features (Schneider et al., 2012, and Schein, 2010). These features are often portrayed as different levels, like an iceberg; the top layer is the visible artifacts of the organizational culture, the rituals, language, myths, dress codes, environments and so on.

Supporting these artifacts are values, which are the meaning prescribed to the more visible artifacts, or top of the iceberg. Values can be defined as shared favour or disfavour for a certain entity, reinforced by the organization's norms (Patterson, 2014) and can be either visible and conscious or invisible and unconscious, espoused and declared, or not. Varying importance can also be placed on the different values within the organization, being reinforced by the myths, sayings, tropes and shared narratives. Beneath all of this, not visible and supporting the upper levels of the cultural iceberg, are the underlying assumptions and beliefs (Schneider et al., 2012; Schein, 2010). A key notion to this deep level of cultural assumptions is the fact that these are often taken for granted, unconscious and difficult to articulate even for the longest-lived members of the organizational culture.

The theories we discussed above can help us understand the complex inner workings and mechanisms of culture and how it develops and changes over a period of scaling and transitions or remains the same. A challenge for growing entrepreneurial ventures is to maintain the preferable features of the initial culture (Schein, 1983), making it important to investigate whether scaling and culture can develop in harmony or not. Having these theories in mind will help us define and quantify what we are looking for and make sense of how these processes and ultimately contribute to, the often neglected but important, understanding of culture and its role in the development in a growing organization.

Culture and scaling

A main assumption is that entrepreneurial firms are often innovative as they create the basis of their organization in the first place. This often translates into a certain cultural makeup (Tian et al., 2018). The assumption that innovative firms either then keep their cultural makeup to keep being innovative, or it changes to accommodate other requirements is at the heart of what this study will try to answer.

One can draw Christianity as an example, a strong institution that has upheld a stable culture through centuries as the world progressed into modernity. Established rules being increasingly challenged, and alternative views emerging, and the rules being rejected as society became more secular. Thousands of different interpretations of the bible, both personal and on a group, level exist in parallel, as subcultures to the dominant Christian cultural assumptions and dogma that permeate western society. Bringing it back to business culture, with theories suggesting there are cultures that fit the goals of each organization, it brings attention to how culture is managed in face of change. The stability of culture in an entrepreneurial firm seems to be tightly connected to the institutionalization of the founders' vision (Patterson, 2014), personal identity and the cultural strength of the organization.

Organizational problems thus arise as the organizational structure, rules, roles and tasks must change and morph to fit the growth. Teams can quarrel and

communication with teams and management can be lacking. Quarrels within management itself about the direction and goals of growth can also be of great hindrance to scaling (Cantamessa et al., 2018; Kotter & Sathe, 1978).

Managing cultural change is not easily done, especially as it is defined by the inner identity and values of the organization (Canato & Ravasi, 2015). However, shaping culture is shown to be entirely possible. Elsbach and Stigliani (2018) review 86 empirical articles relating design thinking tools to culture to investigate how design thinking tools support the development of certain cultures and vice versa. The result of the review is that use of design thinking tools does influence culture and vice versa. This means causality runs both ways, work practice may shape culture or culture may shape the work practice. An important distinction of the concepts is made; practices as what people do and culture of the sensemaking of what one does.

Subcultures

Managers of growing companies might examine opportunities to preserve their strong culture if they believe that this has been central to their success. Although it might be perceived as intuitive to actively break the organization into sub-groups in order to maintain the initial strong entrepreneurial culture within all groups as the organization grows, this approach has not been proven successful, as the offspring units tend to inherit the culture of a larger organization (Pisano, 2019).

Gulati & DeSantola (2016) however argue that at some point subgroups are inevitable, as the entrepreneur and the few generalists of the start-up must give up some tasks to specialists who will bring the best practice in a field and tackle the increased complexity. They warn against potential conflict however between the new-hires and the old ones and friction with the generalists getting their responsibilities narrowed, which can lead to loss of important relationships and understanding of the strategy. Coalitions of individuals and subgroups form, as departments hunker down into separate foxholes, losing interdisciplinary, often informal, communications leading to stagnation on the innovation front. The entrepreneur must adapt his or her behaviour, learning to manage more

employees. How this transition is handled is crucial for further continuation of high growth (Covin and Slevin, 1997).

Applying especially to entrepreneurial entities, establishing a new culture is hard because it forces people to share values and beliefs that have no clear backing in previous performance or history (Pisano, 2019). As the owner is the legal executive in the company, subordinates often choose to tolerate the implemented culture “in spite of” their own opinion. As the firm grows larger, the original culture tends to dilute increasingly and adapt to a culture more influenced by the rest of the organization. For parts of the company, Pisano (2019) states that a change in culture might be perceived as a break of a social contract. Especially early, deep culturally integrated employees might resist changes, as the original culture is associated with success (Schein, 1983).

If this is the case, different opinions and priorities can be a breeding ground for conflict across the organization, as ethnocentrism, the tendency to see the world from just one's own cultural coloured lens, make conflict and misunderstandings more likely (Gregory, 1983). Consequently, subcultures with different interpretations and approaches to the dominant values, or even subcultures with opposing values, countercultures can emerge (Martin & Siehl, 1983). However, different subcultures can also coexist and perform separate functions successfully in an organization at the same time (Schneider et al., 2012).

Culture and structure

Some theories regarding culture and performance also organize culture into types, based on their degree of flexibility, as opposed to stability, and their focus on internal organizational goals, including efficiency or satisfaction of external goals, like market share or profit (Schneider et al., 2012). The different combinations of values, beliefs and artifacts will manifest themselves in an organizational culture which are thought to be ideal to meet certain organizational goals. One type would be a hierarchy with strict structures and roles, built on assumptions of stability as ideal and the ultimate goal of being efficient. Another would be an adhocracy with almost non-existent structures and defined roles, built on design thinking

principles (Elsbach & Stigliani, 2018) and assumptions of change as ideal and innovation as the ultimate goal. However, studies show that while this model holds, it is also true that a company can score highly in all the dimensions at once and perform well in all goals at the same time (Schneider et al., 2012).

Founders' role

Monteiro (2018) points out the importance of individual behaviour dynamics and how it shapes and fundamentally influences company performance and growth. More specifically, the literature has focused on the entrepreneur's role in the different phases a rapidly growing company face.

It is theorized that leaders can both innovate and maintain culture (Trice & Beyer, 1991; Demir et al. 2017). In line with this view, entrepreneurial founders might typically create cultures and maintain it with their behaviour, affirming their identities and personal qualities, whereas new leaders might be better at changing culture or integrating different subcultures to maintain an overarching culture.

At the early stages of the company, the entrepreneur plays a key role in both defining a clear business model, guidelines and goals (Monteiro, 2018), as in new ventures, radical internal development may be perceived with a sense of chaos and turmoil (Gulati and DeSantola, 2016). However, for mature companies, managing these types of phases is connected to difficulties with developing dynamic capabilities and capturing possibilities by reconfiguring existing internal resources and activities (Piakowska et al., 2021). Carnes et al. (2017) argues that with a rigid organizational structure, which is often associated with firm maturity, the reconfiguration of activities might be harder to implement.

An essential part of the founder's management of culture is the initial motivation behind starting the firm, which can range from wanting to create a successful firm to sell and exploit an opportunity, or a wish to have a positive impact in the world (Schein, 1983). Through activities that are consistent with this motivation, his or her identity is reinforced within the organization and develops into routines and practices. Similarly, professional managers are less "invested" in the company,

they are often concerned with the short-run financial performance and less loyal to original values and ideas. On the contrary, the founding manager tends to be more socially concerned and pursue non-economic objectives to a larger degree.

This implies that culture needs to be managed differently in accordance with different phases of growth. In terms of scaling and the associated problems, the founder's identity might be in conflict with what the organization actually needs in certain phases, as at a certain threshold, the leadership competences and interest in management, diverge from the needs of the company as it grows in size, particularly in terms of employees (Boeker & Karichalil, 2002).

In the initial development, the stories the founder brings, colour the beliefs and visions in the organization (Stryker and Burke, 2000). Consequently, some aspects of an organization are thought to be stable over time and a result of the founders' initial choices. In this view the founder's background, experience and personality will have a fundamental impact on strategy, structure and hiring, and this eventually constitutes the blueprint for further organizational development. The founder's internal identity determines the standard for which his or her behaviour is aligned, to bring either positive emotions, or misaligning, and bringing dissonance and negative emotions. His or her personal norms and thoughts about what is right and wrong in certain situations will be perpetuated in the organization (O'Reilly & Chatman, 1996). Conscious symbolic actions can also create legitimacy through the meaning these symbolic behaviours communicate (Zott & Huy, 2007). Symbols convey subjective meanings beyond the obvious or intrinsic. For example, stories about the company's founding, and thus its purpose, can create meanings tied to the legitimacy of the venture and create affection for employees, customers, and investors alike. Thus, the founder's identity becomes a pivotal element in an entrepreneurial firm as it manifests itself in behaviours and decisions (Schein, 1983).

The founder, however, can also be a hindrance to growth, supported by the fact that companies with the founders still in control, after some years, are often less valuable (Wasserman, 2017). Some argue that a complete transition to general management is inevitable over time, but it is not clear to what degree the founding

assumptions will remain, be replaced, or morph into a hybrid of the two (Schein, 1983). Further, theoretical analysis suggests that a hybrid would, of high probability, be the only working model of cultural change as it builds on the founder's and early employee's values as a cultural base, but with a more financially oriented future.

Method

Research setting

Organization in a rapid transition in size represents a potential radical change in the culture and thus an opportunity to examine its stability versus its dynamic nature, whether incremental or revolutionary. DeSantola and Gulati (2017) presents the main narratives of scale up literature as one of the stable, persistent preservation of the entrepreneurial culture, or as one of change, where the new growth changes the company into something else.

Kong Arthur

Our chosen research setting is the scaling IT firm Kong Arthur, located in Lillehammer and Brumunddal, Norway. Initially four founders, in which three still works in the firm, including the CEO. They were chosen due to their prominent company culture, growth history and for the ease of access. The case is interesting because they have managed to obtain high growth by taking big risks, but they have, as many others, found it challenging to grow past 30 to 40 employees. The organization consciously established a very visibly playful culture and theme, based on the King Arthur mythos, which distinguishes them from other companies that use "safer" and "well known" traditional strategies of identity. In a case like this, where the culture is so prominent and visible, it is interesting to investigate whether it is possible to retain, and utilize from, the culture while growing further, or if growth and expansion inevitably is detrimental to the culture as it exists.

Initially Kong Arthur was a pure IT consulting firm, but wanting to diversify they acquired another firm, based in Lillehammer, who developed products inhouse, bringing licences into their portfolio. This would be the start of the, still ongoing, journey towards bolstering their income with license sales. Kong Arthur was honoured with a Gazelle award in 2017, but later, a change in organizational numbers and company names, as well as re-investing profit into product development, kept them from further nominations.

As of now King Arthurs main areas of business is fibre optical services, IT systems for education and consulting in business development. They continue to seek growth alongside the challenges of the pandemic work environment persisting trough the post-covid world. The new reality makes it hard for “the king”, as the CEO is often called in the company (hereinafter referred to as both), to attract the scarce IT workforce available and to maintain and promote the founding values. Why travel to Camelot when you can work in your living room?

Design

The organization as a social phenomenon (Smircich, 1983) dictates a subjective view of reality. This perspective puts the focus and task of describing an organization on symbols and individual subjective narratives as opposed to material terms. This speaks to the necessity for immersive qualitative methods and in-depth understanding of culture, as the underlying, sensemaking features of a culture is not accessible without conducting deep immersion. The complexity of culture is also something much more easily captured by qualitative methods.

Studying high growth in organizations brings a lot of challenges, as their organizational structure is in constant change, they are hard to sample and follow, thus difficult to study (Demir et al., 2017), but with our study objective in mind, the focus on the cultural development process over time seems to be a fitting approach. DeSantola and Gulati (2017) call for longitudinal studies of start-ups as they grow, to gauge at how cultural systems change. Thus, we seek to understand the “flow of actives and event”, as Langley puts it during a Methode symposium (Gehman et al. 2017).

This would call for interviews and observations over a period of time (Bardon et al., 2020), ideally at the time of the event to capture individual interpretation and try to grasp the mechanisms and patterns in the process of cultural development (Gehman et al., 2018). We are, however, limited by time and will have to rely on retrospective data, the subject's thoughts and interpretations of prior events and thoughts on future events as well.

Data Collection

Change in a culture can be attributed to the everyday translation of the institutional logics into everyday work and routines, meaning change comes from “down below” and the employees and not necessarily from “top down” or the founder (Suddaby et al., 2010; Cantalamessa et al., 2018), thus, we will seek to interview both the employees and the founders.

Languages, symbols, rituals and metaphors can be studied to grasp at how meanings are maintained and communicated in different contexts (Smircich, 1983), and Trice and Beyer (1984) recommend observing daily practices, rites, and ceremonial events as these provide culturally rich experiences for intermittent communicational observations. With this in mind, ideally, we would like to participate in some of the organizational events, however corona set a stopper for most of these, so we will have to rely on subjective interpretations and memories of past events.

We started gathering information through publicly available data presented by Proff.no, and by talking to one of the founders of the company (one of the researchers' fathers). Searching for a deeper understanding of the case, we gathered information from another of the founders, and present CEO, of the company.

Wanting a diverse sample selection that represented the different strata of the company, we chose our interview subjects carefully with help from the CEO. Three were of administrative sort, including two of the founders, and six were

regular employees, divided between the two locations and with different tenure in the firm.

We prepared a semi-structured interview guide from which we asked between 16 to 25 questions, including follow-up questions, and all interviewees were also asked if they wanted anything added on record at the end of the interview. The guide consisted of slightly different questions for the administration and regular employees. The length of the interviews was estimated to be around 45 minutes and ended up ranging from 30 to 80 minutes. All interviews were recorded and conducted by both students as a team.

In the first round of interviews, we went to the Brumunddal branch and interviewed three employees. After this we gathered all the data from this session, we transcribed the recordings and sorted all the answers into themes.

This gave us ideas of what we wanted to investigate further, resulting in small alterations to our interview guide. About two months later, we returned to both Brumunddal and Lillehammer and executed five more interviews. The second round of interviews were then transcribed and added to the same table of themes for easy access and comparison. A final interview was conducted another month after the second round.

Data analysis

Gregory (1983) argues for a native-view-oriented approach to studying culture. This approach entails that the researcher aims to discover culture from the view of the members of the group, as opposed to comparing their culture to another standard culture. It also means not having a predisposition to viewing a culture as homogeneous for all members but discovering all the heterogeneous viewpoints of the individual members, as well as avoiding having any predetermined assumptions of the culture. The subjective truths, and the researcher's interpretation of them, are what is important to grasp, not the objective truth existing outside of the culture (Patterson, 2014).

Step 1: Timeline

We started by constructing an official objective timeline with the help of public data and eventually supplied with information from the CEO. We then defined four rough epochs, defined by a perceived difference in strategy, size and structure, but most importantly what felt like a natural separation in individual experiences of periods.

Step 2: Themes/elements

After the first round of interviews themes were created for what was often talked about during the sessions, mostly following the broad categories of question. Quotes were organized into these themes to create an easy comparison and overview of individual experiences, but also the overall sentiment.

Step 3: Narrative analysis

Then we used a visual mapping strategy, ordering events and activates, and further using temporal bracketing, as Langley proposes, to divide the development of the firm into units, the epochs, we can use for comparison (Gehman et al., 2017).

Together, both students then combined the narrative story of each individual together with the epochs to explore what strategic choices were taken and what consequence they had in regard to the cultural meaning and sensemaking. Each epoch is thus divided into a reoccurring structure, first we explore what strategic choices were made, then what cultural choices were made and lastly how culture was subjectively experienced on an individual level.

Step 4: Validity check

The final step was to go through the timeline with one of the founders, to ensure that the sequence of events reflect reality.

Ethics

There are potential ethical challenges when doing interviews, particularly in such a small firm. While we want to anonymize individuals and aggregate sentiments and narratives in such a way as recognition is impossible, but it might be hard in a small firm where individuals are more easily recognized. This is both for privacy reasons and to make any blow-back from colleagues or management as unlikely as possible. Participating in the study should not put anyone at risk. At the same time, it should be stated that participation is voluntary.

Not to mention that a good quality study requires the insight to be valid, hence we need the protection of anonymity to get true perspectives from our interview subjects. With this in mind, it is our responsibility to represent the subject's views accurately and not misrepresent or force our perspective and convictions.

Data protection

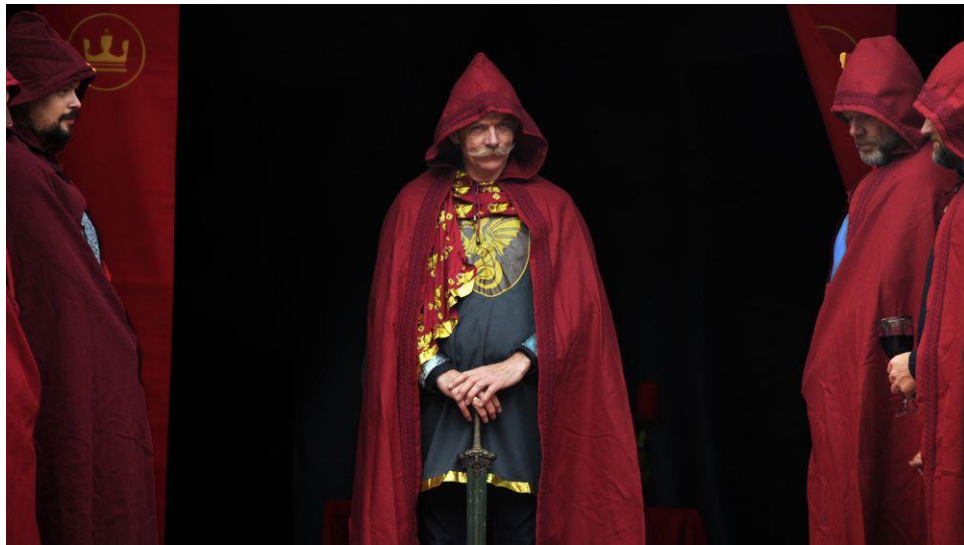
Every interview was only named with a number, never a name. Each interview was recorded, but the recording was deleted as so as the transcript was made. The transcripts were anonymized and stored within BI, the business schools, requirements, on a secure cloud service. The project was also approved by NSD, Norwegian Center for Research data, prior to its initiation. Accordingly consent from each of the subject can be withdrawn unconditionally at any time.

Disclaimer

One of the researchers has a close family member who was a prior worker in the company, who still serves as a board member and co-founder, this was disclosed to the subjects.

Findings

The story of Kong Arthur



Picture 1 - Ceremonial event

Timeline

Epochs	Year	Size	Turnover	Events
<i>Sapling</i>	2014	4	2,-	- King Arthur is founded, inspired by the movie starring Sean Connery. - All four works as consultants.
	2015	10	6,-	
<i>Growth</i>	2016	15	9,-	- Acquire XXX-soft in Lillehammer and establishes new department. - Starts slowly with inhouse products.
	2017	24	15,-	- Kong Arthur becomes a Gazelle.
	2018	32	24,-	- Focus on high growth and recruitment. - Reach 40 employees.
<i>Cutting branches</i>	2019	40	26,-	- Restructuring phase. - Changes strategy into focussing on selling more licenses.

<i>Lockdown</i>				- Starts to invest more back into the business, and use more on R&D.
	2020	34	29,-	- Covid 19 pandemic hits. - Home offices become the new normal. - Four people fired due to lack of work (“Tenkeboksen”-branch shuts down).
	2021	30	26,-	-
	2022	31	-	- Interviews take place.

Table 1 – Timeline

Above (Table 1) is the rough outline of the epoch we have defined for Kong Arthur since its founding in 2014 (Proff.no - Kongens Verdier AS, n.d.).

Epoch 1: sapling/founding

2014 – 2016, 4 - 15 employees

This epoch is characterised as a more or less classic start-up phase, with few employees and little established structure. Four former colleagues joined forces as entrepreneurs, with a vision of making “*Norway’s best place to work*” and subsequently set out to found Kong Arthur.

Business development

In the first years, as they were only four employees in the company, all of them worked side by side as IT consultants, at an office in Brumunddal. One of the entrepreneurs, informally referred to as “the king” took more of a leading role, but the hierarchy and structure was totally flat, and roles were very much undefined.

Influenced by an idea of an early, rapid growth strategy, they hired quickly, and by the end of 2015 there were already 15 employees working for Kong Arthur,

which is already more than what is usual for companies in “Innlandet”, and thus the round table starts to get crowded.

Managing culture

The company Kong Arthur was heavily inspired by the 1995 film, *First Knight*, starring Sean Connery as the mythical king of Camelot. One scene in particular was important; at one point King Arthur wants to knight Lancelot (who is not yet a knight at this point) and welcome him into their ranks around the round table. He cannot do so, however, without the consent of the entire table. The idea that all voices should be heard and valued equally gave rise to the idea of being “knights of the round table”.

“We can fit 12 people around this table, with 12 opinions. When you have taken all the 12 opinions into consideration, then you have to make a decision ... you cannot please everyone, but you can make everyone voice their opinion.” - CEO



Picture 2 - Logo

Their logo was carefully developed, because they did not want to come across as enemies using swords or shields. Eventually, their logo was developed, through help of an outsourced designer, to be a golden crown, that was more inviting and represented the company in a way that focussed more on the employees. The crown was made from golden busts, that, when rolled out, represents the people of the organization standing together. This illustrated a main value that the company was founded upon, the fact that everyone is equal, and every voice is to be heard. The myth of King Arthur and the round table inspired more than just the values as it eventually became a reoccurring theme in the company. The Employees also engaged with the theme early on, even suggesting activities.

“(on the mythos being as prominent) ... it wasn't planned. It was almost entirely up to the first employee who came and wondered when he was going to be knighted. Knighted? I asked. Yes, surely, I must be knighted.” - CEO

This sparked an idea of hosting ceremonies knighting all members, pledging themselves to be a part of the company until “moss grew on their backs”. The Knightings eventually evolved into elaborate ceremonies, acted out in a fully decorated barn, where everyone was dressed up in cloaks and the King would ride in on a white horse fully equipped medieval clothing. New employees kneeled before the podium, took the oath and were knighted with a sword over their shoulder.



Picture 3 - The king entering a ceremonial event



Picture 4 – knighting

Cultural meaning

“(a knight) ... is someone who is proud and honest, and concerned with the customer ... to be a colleague who cares about his fellow colleagues ... someone who is trustworthy.” - CEO

For the entrepreneurs and the first employees, being a knight carried certain meanings and expectations. Being a knight at Kong Arthur meant that you would be proud and elegant about your work, put the customer first and go the extra mile every time, but most importantly it meant that you were a part of a family that had each other's backs. Although the ceremonies were carried out, almost in jest, with a few glasses of wine and a great amount of laughter, faces fall serious and grave, as hearts swell with an unexpected feeling of pride, as the King puts his blade upon their shoulders.



Picture 5 – knighting

The round table also carried a significant meaning, symbolising the equality, openness for ideas and emphasising the individual's part in the whole.

".. When you sit around the round table, everyone is suddenly equals ... to be seen, to be heard ... those who wants to say something, shall be allowed to say something." - CEO

This idea was highly appreciated by the employees. People felt that they were a part of something, appreciated and valuable. The people were, consistently with being a consultant firm, valued highly, which is also represented in the logo. In addition to these actively developed cultural values, they also carried perks of being a smaller company, which worked easily in accordance with the values.

"I think it is easy to discuss things here ... I've been in large firms, feeling like a small piece in a big machinery. There is a big difference when you get here, where every person generates a substantial part of the income the firm needs. So, you become more important, in a small firm, I think." - Employee

Epoch 2: Growth

2016 – 2018, 15 - 40 employees

After the founding of Kong Arthur, in 2014, the market was already starting to get tougher. Attracting talents was difficult in the IT-business and they had to relocate closer to where competence was found. This led to the establishment of a new department at Lillehammer through acquisition of another software firm.

Business development

The strategy in this epoch was to continue rapidly growing the company in size, but with no easy access of talent, Kong Arthur had to expand their territory, locating themselves closer to where the talents could be found. Simultaneously, a part of their strategy was to explore the opportunity of creating their own products, bringing income in form of licenses in addition to consulting bills. With the acquisition, they established a new branch located in Lillehammer, enabling them the opportunity to “kill two birds with one stone”.

Further, a law firm was bought, acquiring 5-6 more people. In addition to this, new consultant was brought aboard over this period, as they were looking to enter new markets and find new opportunities. This high-growth strategy was characterized by acquiring and hiring multiple new employees before knowing their exact place and contribution, followed by seeking projects for them. Throughout our defined epoch reaching from 2016 to 2019, Kong Arthur grew from about 15 to a staggering 40 employees in total.

“Almost for every 10th person, one can notice a new need for change...” - CEO

As the king stated himself, as they kept growing, they noticed a need of structural change, so they had to become more divided eventually. The acquisition of the new Lillehammer branch meant that they now had new offices, quickly housing half of the employees about 30 minutes from their main office in Brumunddal. The acquired employees kept working on their licensed software, as a separate department.

The king stayed in Brumunddal, and has mainly been located there since, while two of the entrepreneurs moved over to the Lillehammer branch. While the other founders settled more into working roles, the king handled more and more of the administrative tasks, but they actively tried to keep the original flat start-up structure.

Managing culture

The new branch was mainly populated with newly acquired employees who now needed to be integrated into the Kong Arthur business culture. The king arranged many gatherings across the offices throughout these years, trying to build a strong bond between all the employees. The final of their new onboarding process was accepting newcomers as equals, through the knighting ceremonies, receiving their knight's certificates (Picture 6). Activities like this was meant to be something that binds everyone together despite locational differences. Numerous of ceremonies and events were held during this period, as new knights joined the ranks.



Picture 6 - Knight's certificate



Picture 7 - Ceremonial event

“The intention behind the ceremonies and such, is to bind us together and create identity. Something you wish to be a part of. To be proud of. It is something more than a business card, more than a logo.” - CEO

In their everyday, the symbol they use the most, is the crown logo. This was used on clothing, business cards, emails, and other presentations of the company and employees. It was also important to not take the theme too far, so they had to walk a tight line between what was perceived as cool and what was not, in order to please both those who loved it, and those who thought that it is a bit over the top, or even awkward at times.

“(about the theme) ... we all think it is entirely okay, but when you deliver your business card to a costumer, and you have “knight” as your official title ... we took that one too far.” - CEO

The special culture and theme of Kong Arthur also became known as a selling point when recruiting, as they typically put “knight” as part of the work title in their recruitment ads. Some found the visual style and playfulness of it to be the main reason why they choice to apply there. Several applications on open

positions, from people explicitly wanting to become knights, were even written humorously, but very seriously, on medieval style parchment.

As time went on the cultural development increasingly fell on the CEO. Going from a more ingrained part of the founder's everyday life towards a more conscious effort that needed to be initiated. Arranging ceremonies, acquiring artifacts and symbols, and really defining what it meant to be a knight was some of the tasks that fell to the CEO.

“I must be the initiator of the cultural development. If not, then I think it dies out. I am not only talking about the knighting ceremonies, because those are just events, it is mostly about all those small things in the everyday, that builds culture.” - CEO

The King also wanted to keep a flat structure involving every employee, using the “round table” as a main symbolic pillar, the massive growth, however, may have inevitably hindered some of the values, unintentionally. As they were now many more than what would fit around one table, getting everyone's opinion and valuing them equally became increasingly harder as the company grew.

Cultural meaning

The opportunity to be heard and to have your ideas heard was put forward as the main motivation and the most appreciated value of King Arthur, to be knight meant to be heard, and to listen to others.

“The possibility to have ideas, throw yourself out there and discuss them, and to do something with them, is worth more than receiving higher wages.” - Employee

This was also true for the newly acquired firm at Lillehammer who came from a different business but also new recruits who had backgrounds from other firms, with less opportunity to be heard.

Still with every attempt to keep a common culture, having two locations carried some issues, chief among them the distance from the leadership and its activities felt by the second location, at Lillehammer. The presence of symbols and artifacts are also perceived to be much less at Lillehammer than at Brumunddal.

“At Brumunddal we have a bunch of figurines, and they are everywhere. But here (Lillehammer), there is little of it.” - Employee

There seemed to be a difference in how the overall culture was perceived between the locations, Brumunddal and Lillehammer, people stated that they still felt like being a part of the main family, especially when they all gathered in planned ceremonies and activities. Newcomers seemed to have grasped the culture relatively quickly, accepting that the *“intention behind the theme is creating a more fun workplace compared to being a factory in Oslo”*.

There was an increased notion and understanding among the employees that the number of employees in the company was reaching a certain threshold that was starting put strains on the leadership, as one employee described it *“he (the CEO), like everyone else, has a clock that is ticking, just as fast as ours”*, and cannot make time to do everything.

As the company rapidly grew larger in size, some employees were starting have doubts about the long-term viability of the growth and how reputation and economy would suffer, they were asking themselves *“how long could it last?”*. Several employees also feared for the culture of the company and the ability to hold on to a flat structure. Overall, the prospects of having their ideas heard, weighted more than money and growth.

“... without culture, I believe that the paycheck would weigh more heavily.” - Employee

A lot of the cultural creation and development were done by the CEO, employees were very aware of his importance in carrying it forward. The importance of the culture was present with everyone, but how they perceived the CEO working this

role varied. Some thought the active role of him just being in the office and engaging in banter, chatting and knowledge sharing was the most important thing to keep the culture alive. Others pointed more directly to the social gatherings and how it was so important for them to feel like being a part of something bigger together.

Epoch 3: Cutting branches

2019 - 2022, 40 - 31 employees

During two epochs with rapid growth and acquisitions, the organization was as large as it had ever been. Like an overgrown tree that needs trimming this epoch is characterised by necessary reorganizations to regain control.

Business development

Focussing on high growth may have led to the company losing control over parts of their business streamline, making it hard to structure and figure out how they were all going to fit together in a way that everyone was participating. This brought some turbulence and insecurity among the knights as things often changed. Due to this, a department was dropped, and the workforce was decreased by 6-7 people.

“... it has been a lot of restructurings because they tried to keep an entirely flat business structure. So, there has been a lot of unique ... shall we say ... department heads for this and for that, and everyone have worn different hats, taking on different roles.” - Employee

As a consequence of trying to hold on to the ideal flat non-hierarchal structure emphasizing equality when the organization grew, several restructurings occurred with roles and responsibilities changing fast. One employee describes the organization as a “*top-heavy, reversed pyramid*”. As they were afraid of becoming “*a troll with too many heads*”, they had to implement a more divided

structure that allowed each department to focus on mastering their tasks, ultimately solidified into structured with three branches, one for each discipline.

At the same time some of those new branches struggled to find enough work. Like a tree without enough water, an organization without enough available project's withers. The solution was to cut some of the newly sprouted branches.

A quadrupling of heads to manage, during the last few years, resulted in less time, increased pressure and more responsibility for the CEO, which inevitably resulted in mild dissatisfaction and insecurity among the employees. This increased the necessity for more divided responsibilities.

Ultimately the structure and size of the organization better reflects both the availability of work and ideal of equality and non-hierarchy, but with enough divide of responsibilities to function.

“Now we have stabilized a more team-oriented mindset, where we have a consultant team, a broadband team and an education team.” - Employee

Managing culture

“(on remaining innovative) it does not matter if you are a start-up or an established firm. You really need to work on getting new ideas. So, firms saying that it is hard, don't work enough on it, in my opinion. They do not have it as a part of their culture to work with it.” - CEO

To remain non-hierarchical and flat, is at the core, of the values the organization is built upon. Both the metaphorical and physical round table leaves space and room for everyone to voice their ideas and opinions, and to be seen. The distance to the CEO remains short, and his door is always open to any issues or concern.

“There is a high ceiling. You are allowed to throw out both good and bad ideas.” - CEO

Knighting ceremonies and knighthood remain important as ever and the values of what it means to be a knight are still the same, however there is less significance on the artifacts, like swords, capes, castles and other heavy symbols. This change is evident in the symbols used on the website, and the employee portraits, going from ruggish, almost frightening pictures (Picture 8) to pictures including their animals and leisure activities. You are increasingly less likely to mistake them for a LARPling (Live Action Role Playing) community, or a right-wing extremist group. The only remnant of this is the fact that their crown logo is used in everyday effects (Picture 9).



Picture 8 - Example picture of company branding through the first years



Picture 9 - Example picture of company branding now

“Before, there were more castles and weapons, now we have moved more towards the idea of the round table, the community, a room to try and fail, and what it means to be a knight. One should be helpful and loyal, and all of these wonderful soft values.” - CEO

Care was also important, and an essential part of knighthood. A new measure during this period was the Knight in Balance initiative. A simple initiative to get people to work out together and stay active.

Cultural meaning

There seem to be a common sentiment among the employees that the theme and mythos is mostly something fun and is mainly used to gather around and to have playful apparel outward. While some point out that it is an effective pre-excising mythos most people can associate certain values with, others see it as almost borderline embarrassing and even unnecessary.

“...the gimmick and the furniture, and those things ... it kind of becomes just ... extras. Holding on to our business culture is what matters.” - Employee

While everyone agrees on the importance of the values of the company, like freedom of ideas, low power distance, caring for each other and so on, most employees do not necessarily see the need of associating a gimmick of the Arthur mythos with it. Most employees suggest that the values could exist without the mythos.

“I think it is important that we use a little bit of resources to gather and to get to know each other and have fun together. I don’t think this “playing knights” thing of ours is anything else than fun. But, regarding that, there might be different opinions.” - Employee

This period of restructurings was a turbulent period for the knights as roles and structures changed fast and often, and all the changes could feel frustrating and chaotic. A new chain command every day can be confusing on the battlefield, who commands who? Some also stated that, during this period, while they were in favour of further growth, they were not ready to sacrifice culture because of it, and would rather remain comfortably stable.

“(on 2019) ... we had like 3 – 4 restructurings and new department heads, responsibilities and things like that. No wonder there was some friction and grumpy people, but now we have another strategy in regards to where we are going ... and we have established a team structure that we feel works well” - Employee

Ultimately the changes during this period were regarded as a positive change, or a reverse back to firmer familiar ground. Overall stability and balance back to the company after a turbulent and chaotic period of rapid growth. And even though, on paper, it was a more hierarchical firm, it still felt pretty much the same as before, and retained its old qualities.

“I was told the structure was supposed to become different, but I don’t think it has. They said that it was not very flat anymore, but in my experience, it still is.” - Employee

In line with this sentiment, room for ideas and appreciation for creativity was present, just as it was in the years prior.

“There is no heavy or ridged structure, where things have to be approved by one guy, then another. Ideas can be tried and failed” - Employee

The CEO maintains a very high standing and respect and is seen as a pillar facilitator of innovation and a caring individual. He is also regarded as the main promotor of the King Arthur mythos.

Almost simultaneously, overlapping this epoch, the Covid-19 pandemic erupted a few months later. This brought sudden changes and challenges to Kong Arthur, along with incremental long-term changes to the industry, deserving a separate final chapter of the story.

Epoch 4: Lockdown

2020 - 2022, 34 - 31 employees

In March 2020 the Norwegian government issued severe restrictions to stop the rapid spread of the Corona-19 virus epidemic, which by now had found its way to even the northernmost of Europe, from China. Social distancing and home offices became the new reality of work life going forward. The economy was for all intents and purposes set on ice.

Business development

While there was no significant decrease in work for Kong Arthur, compared to other firms, physical meetings were not possible with the current restrictions. This resulted in a lack of projects for certain parts of the organization, *Tenkeboksen*, a department consulting in idea generation and implementation, relaying entirely on physical meeting and interaction, and its operation had been put to a halt. Another four knights had to lay down their swords, or rather their whiteboard markers and sticky notes.

Most of the work was moved from the office locations and into the individual employee's home. This meant meetings were held online, with each employee at their own computer. Knowledge sharing become more difficult to initiate, normally you could just wander over to a colleague asking casually for help, now you had to agree to call each other. Meeting and comparing the latest tips and tricks became more difficult and less frequent when moved online. Speaking up and sharing your ideas become much less tempting and meetings less engaging when the only thing you are interacting with are the mosaic made up of your fellow knight's miniature visages and a distant voice, made monotone by cheap microphones.

Managing culture

New challenges were at the horizon as the pandemic brought an entirely new reality of work environment to most firms. Restrictions also made it hard to gather the forces and most of the work was moved from the office locations and into the individual employee's home. No new knighting ceremonies, or larger social gatherings were held during this period.

Consequently, lunch became something you ate alone, as opposed to gathered around a large table, small talking and laughing with your colleagues. The coffee machines, at Brumunddal and Lillehammer, were no longer surrounded by conversations, but stood in silence. Having an open door is no use, when there is nobody there to enter anyway, monitoring the wellbeing of employees becomes difficult.

To encourage employees to keep healthy and active during their long hours at home offices and facilitate psychical meetings (which were allowed outside), the Knights in Balance initiative, *Riddere i balanse*, was more important than ever. A simple, but effective system of stamps for each time you did an activity, from running to a nice afternoon nap, this program was actually in place before the pandemic, but its importance was emphasized as one of the few social things one could initiate.

Social gatherings also naturally suffered during the long corona years. Pre-corona several gatherings were more normal and frequent. For example, the nature of code-reviews, while still being done from time to time online, changed.

Ceremonies and gatherings beyond small, local, cohorts at the different locations ceased to exist entirely, and some relatively new recruits have yet to attend one of these mythical events.

During corona biweekly update speeches were held online as a substitute for physical meetings. Dubbed “State of the Kingdom” these served as a companywide gathering and update of company affairs. These, however, became less and less frequent as the pandemic wore on. Other meetings were also held online, with participation suffering from the limits of the format.

“I mean, it (the meeting) must be exiting enough for the employees to participate and discuss. And we do see that, when we have become 33 employees, you cannot have 33 people having an opinion on everything. Employees have opinions on what interests them and matters to them.” - CEO

How to manage the changes that arose was very hard to understand. It became hard to work directly with the culture as a lot of it had built on physical, social interaction in the past. The options now were, after the restrictions were lifted to either bring everyone back to the offices, or to change their outlook and strategy regarding building a culture. Home-office was now consistently promised as a perk at every competitor, so forcing people back to the offices might be harsh, but at the same time they understood that bringing people back together physically would be crucial for preserving their social culture and competitive advantage.

“Why would people not only focus on choosing the highest paycheck, if they could work from wherever they want?” - Employee

Meaning of culture

Working at home was experienced very differently for the individual employees. They, however, seem to be falling into two camps; those who enjoyed working at

home and felt more productive, and those who found it more difficult to work from home.

“Being open with each other and talk together, and by knowing who had what experience, it was easy to walk around the office and share thoughts and ideas... but then Corona came ... and when everybody sits at home by themselves, it becomes a little more difficult.” - Employee

The king often pointed out the importance of meeting at the office in order to maintain their social culture, although they had put a lot of effort into building a solid foundation for this, the sudden eruption of covid, ending all social events, challenged core values.

“The helpfulness, taking care of each other, competence sharing and that part, it has disappeared. I mean, not entirely disappeared, but it is that part we have had the most difficulty to maintain. And then money suddenly becomes more desirable.” - CEO

Distractions of home life were an issue, but also the lack of a clear divide between work and free time, breaks and work, often leading to people working very long hours, compensating for extra breaks, or finishing up work long into the night. Another issue for programmers seems to be the lack of easy access to help and support one has at the office, where you can easily get help when stuck on a problem, something which is an innate part of programming. The barrier to asking for help became a little higher as it required calls, and more planning. The code reviews also, as mentioned above, got less frequent and less fluid when moved online.

“We were growing very fast, and sometimes, I thought personally that we were growing too fast ... The board had set a goal, at the end of year X are we going to have a certain number of employees ... it was all about this goal, but the organization could not really follow. Then corona came and put a stop to it. And in a way I thought that it was quite good because it stopped, and even went a little backwards. Some branches that we tried to plant in other markets ... it was

*suddenly no more demand for them. We went back to the roots, one could say.” -
Employee*

And while the corona epidemic presented several challenges newer before faced by any organization, the forced restructuring and required focus on core activates was regarded as something positive, as a return to the core of what was Kong Arthur and containing the growth from getting out of hand.

Summary of epochs

Inspired by the movie and myth, from which it borrows its name, King Arthur, its founding values are those of equality, brotherhood, respect and its employees even taking the titles of knights. The initial structure was like in most start-ups, flat and without hierarchy, everyone was equal when seated at the round table, even King Arthur himself. This ideal is ever as essential today, their Camelot in Brumunddal houses a large, wooden, medieval style table, where they still hold their meetings, as equals, even though they since have bolstered its rank with many knights, as its structure have inevitably become more hierarchical, and departments more defined. The meaning of the knightly title and the ideal of knighthood and fellowship is as important as ever as the firm struggles, as many do, to gather its workforce and return to the pre-covid world, and seek to recruit even more knights into its folds, in a market fighting for IT competence. Kong Arthur is once again ready to grow beyond their current size. This involves crossing, once again, reaching towards 40 employees between all locations.

Analysis

Bellow follows an outline of the main findings of the narrative story through these epochs, what the business context where, what the cultural strategy where and finally the sentiment of the employees through the epochs.

Epoch	Managing culture			Cultural meaning		
	Business dev. Context	Value	Artifacts	Example quote	Meaning/experience	Example quote
Sapling	Start-up	Ideas, equality	Round table	"Norway's best place to work"	Openness	"I think it is easy to discuss things here ... I've been in large firms, feeling like a small piece in a big machinery. There is a big difference when you get here, where every person generates a substantial part of the income the firm needs. So, you become more important, in a small firm, I think."
	Pure consulting	Customer-focus, care	Knights	".. When you sit around the round table, everyone is suddenly equals ... to be seen, to be heard ... those who wants to say something, shall be allowed to say something."	Leaning into the gimmick	"It wasn't planned. It was almost entirely up to the first employees who came and wondered when he was going to be knighted. Knighted? I asked. Yes, surely, I must be knighted"
	Expansion, license, acquisition	Ideas, equality	Round table	"(a knight) ... is someone who is proud and honest, and concerned with the customer ... to be a colleague who cares about his fellow colleagues ... someone who is trustworthy."	CEOs attention stretched; hierarchy needed	"As a company grown larger than what fits around a table, usually about 8, it has a tendency to become more closed"
Growth	Customer focus, care	Knighthood, ceremonies	Logo	Gimmick	Ceremonies are fun	"...the gimmick and the furniture and those things ... it kind of becomes just ... extras. Holding on to our business culture is what matters."

Table 2 – Findings part 1

Epoch	Business dev.				Managing culture			Cultural meaning	
	Context	Value	Artifacts	Example quote	Meaning/experience	Example quote			
Cutting branches	Streamlining, organizing	Ideas, equality	Round table, Knighthood, ceremonies	"Before, there were more castles and weapons, now we have moved more towards the idea of the round table, the community, a room to try and fail, and what it means to be a knight. One should be helpful and loyal, and all of these wonderful soft values."	Chaotic	"If the price we pay for growing is that we need more offices, then I think it is negative."			
		Costumer-focus, care	Logo Knight		Necessary Back to the roots	"I was told the structure was supposed to become different, but I don't think it has. They said that it was not very flat anymore, but in my experience, it still is."			
Lockdown	Adhering to Covid restrictions	Ideas, equality	Logo	"You sit by the lunch table and have had laughter and fun for five days together and then suddenly, the sixth day, corona came, and it is complete silence"	Home office	"Being open with each other and talk together, and by knowing who had what experience, it was easy to walk around the office and share thoughts and ideas ... but then Corona came ... and when everybody sits at home by themselves, it becomes a little more difficult."			
		Costumer-focus, care			- Positive - Negative				

Table 3 – Findings part 2

The table show how the different artifacts were connected to underlying values when originated, and how they are perceived by the employees, in each epoch.

Bringing it back to the original intent of this thesis, what can the story of Kong Arthurs development and the experience of the employees and founders inform us about our research question?

How does culture develop or sustain in rapidly growing Entrepreneurial firms, how does it hinder or enable transition?

If culture is defined by being shared interpretation of everyday actives and artifacts (Patterson, 2014), it begs the question, to what extent are these things shared by the people in Kong Arthur? From our findings, and the existing literature, we have put forward some main themes for further analysis. Beginning with the significance of artifacts and their underlying values, proceeding to subcultures and locations. We then discuss recruitment and the role of the founder, before ending with examining strategy, culture and growth.

Artifacts

At the time we conducted the interviews, there seemed to be several different opinions on activities and artifacts. The values of Kong Arthur, the openness, trust, flatness of structure and all other aspects was universally deeply appreciated all the members of the organization. However, the symbols, the titles, the round table, ceremonies and the myth of Arthur and the knights are deemed as more of a gimmick rather than a vehicle for and or basis for the values and beliefs that protrude the organization, although some did look at the theme as something to associate certain values with.

Interestingly, there seem to be less importance placed on the artifacts at Lillehammer. They had less artifacts, almost none, compared to Brumunddal. The employees there also seem less invested in the importance of artifacts in building and keeping the culture as it is. They still absolutely found the culture to be very important, but just did not necessarily attribute it to the special theme and mythos.

Interestingly, this group had less time with the CEO, compared to Brumunddal, where he mainly works. This group consists mostly of new additions who joined after the first epoch, many of them from the acquired software firm.

Through the epochs the use and visibility of artifacts, like the swords, capes, knight figurines etc. have become much less visible on the website, and in the offices, than before. These artifacts, tied to the King Arthur mythos are much more used in ceremonies and such formal, internal occasions. So, while there is no doubt, they are still important, their role seem to have changed from a theme and a mythos perpetrating the entire organization, both internally and externally, towards serving a purer cultural role, tied to their work ethics and values, not necessarily used much in marketing or image. The use of artifacts and the mythos, like the round table, knighthood etc. certainly seemed to be consciously used for this purpose, in retrospect, from the very start, but it is also reason to believe that it is something they have “leaned into” with time. First it was mostly an organizational ideal, “we are equals”, before it transformed into ceremonies and became very prominent in all the aspects of the organization. It seems like it has been kept as a cultural aspect, but with the external visuals removed.

All of this speaks of a development that is both conscious but also unconscious, a continuation of a cultural idea and identity through the epochs. At the same time this always changes, with new employees, new locations and conscious effort of the CEO to forward it or to keep it as is. This all resonates with how the literature describes culture as ever evolving to the context it exists.

There seem to be a difference in how the symbols perceived, even slight a mismatch between the founders' ideas of the symbols, their power, and the actual perception of each individual. However, the core values of King Arthur remain, serving as a foundation for the more visible elements. Everyone valued the current culture, the values that was promoted in the company, like equality, openness for ideas etc. regardless of how they thought it was tied to the artifacts and mythos.

Underlying values

The common understanding, shared across departments is fostered by the knighting ceremonies and other gatherings, in line with what Trice and Beyer (1984) suggest. One of the overall tones that interviews seemed to circle back to, regarding the theme, is that “it is not important for me personally, but it seems to be important for the others”. This belief, when shared by everybody, is still a common perception, and can thus be argued to be a shared cultural experience, although being perceived differently.

Although all employees might not share the feeling that the prominent theme plays any important role in the culture for them personally, we can also argue that it carries a function of at least being something that they can all enjoy and laugh about together. Arguably, the visible elements, the tip of the iceberg, could carry importance (Schneider et al., 2012; Schein, 2010) as “pegs” and pillars that unconsciously help understanding and remembering values every day. As we have understood from Schneider et al. (2012), Schein (2010) and Patterson (2014), grasping and adopting an accurate understanding of the overall cultural values, represented by the lower part of the iceberg, might be easier when connected to a visible layer above sea level.

This suggests that there is at least a common understanding of the underlying assumptions and beliefs that defines the culture like Schneider et al. (2012) and Schein (2010) suggests. This also resonates with Schneiders et al. (2012) logical assumption that not everyone can share the same experience, but a certain shared experience definitely still exists among the entire organization.

Bringing it back to our research question again, does the culture develop or does it sustain? We argue that it does both, at least in the case of Kong Arthur. It sustains, as the original culture is still present, but it also certainly developed over time. The same old ideas and values are there, even though it is a larger firm with more locations. The ceremonies are still there but might be more or less elaborate. The number of artifacts however have fluctuated, from less to more to less again, and their significance have lessened in the eyes of the employees. The two locations have different amounts of visible artifacts, but the values are still there. The

company have changed but the employees still feel like they work in the same company as they did before.

The preservation of the culture however has not been without conscious effort and shaped by unintended consequences. While figuring out what happened we also seek to figure out the how, as transitions are important for further growth (Covin & Slevin, 1997). What are the mechanisms behind the cultural development, as far as we can grasp?

Subcultures

The perception of the King Arthur theme itself ranges between fragments of “loving it” to “tolerating it”, much like Pisano (2019) describes, but the overall understanding and appreciation of what values the theme and mythos represents are shared collectively across the board. However, for those who perceive it as only a gimmick, it seems not to be tolerated just because resisting it feels like breaking a social contract, as Pisano (2019) mentions, but it is tolerated because it is associated with success in the past, and in respect for others’ appreciation of it.

Without concluding anything directly, our findings and analysis points towards, as Gulati & DeSantola (2016) discussed, that subgroups are inevitable at some point in the process of growth. This is evident by the story of King Arthur, however much they tried to hold on to a flat structure, it inevitably was need for more of a defined structure. Handling and learning from this transition is essential to further success (Covin and Slevin, 1997).

The culture can be said to be both fragmented and have subcultures with shared experiences, and a dominant shared experience across the subcultures, although maybe less conscious and visible. This is all-in line with how culture is described in the literature, that different interpretations and fragmentation can exist at the same time (Martin & Siehl, 1983; Schneider et al., 2012).

Location

There seems to be a noticeable difference between the two locations, Lillehammer and Brumunddal, with the locations being a main mechanism in creating fragmentation in the culture, as it hinders everyday interaction. The CEO also states, there are no worries associated with this as long as they have the same understanding of the pillars, the foundational values.

From the cultural development perspective, the impossibility of gathering people at one location is seen as a major issue in preserving the unique culture they have established, particularly, at Brumunddal. With the access to IT competence being as scarce as it is, there is a major concern about attracting people to one location, and without one location, the task of continuing to preserve the culture seems impossible. This has become even worse, during the pandemic, as it has become normalized to work from home. New recruits can literally work from anywhere, and thus receive higher salaries from Oslo based competitors. The culture is regarded by many as a main differentiating factor for potential recruits, also compensating for a lower salary, the further development of it is essential. This may however be difficult to preserve and develop simultaneously with the company branching out in different geographical locations.

Newcomers

In recruitment, how new employees either adopt or resist (Patterson, 2014) the overall culture, might depend a lot on where he is introduced, and which office he/she is located at. In connection to the fact that the people working at Brumunddal were mostly acquired, we can prescribe some of the cultural difference to this fact, they had different interpretations by the onset. It makes sense considering theories on how culture is developed; that some things were adopted, or at the very least held the same, such as the foundational values of Kong Arthur, either they were adopted by the new group, or they simply had much of the same values when they were acquired. The theme of the mythos might be harder to swallow for a new group. It can be that it is simply just accepted, as underlying values match preference and former work culture.

Founders' role

When looking at why a culture sustains, a factor in the preservation of culture is simply that it is deeply appreciated, both the CEO and the employees makes great personal sacrifices to be a part of this particular culture, in line with O'Reilly & Chatman (1996).

This is in accordance with the motivation of most of the employees and founders of Kong Arthur. The founders have a strong focus on creating “the best place to work in Norway” and prefer this goal despite “losing out on a million in profits”. Simultaneously, most of the employees mention that they would choose good work culture over a higher salary. One can imagine this creates a higher conscious effort and everyday appreciation, further strengthening behaviours and norms in the everyday life.

The king is by many, clearly described as the driver of, and even the owner of the business culture and the theme it is built around. His presence in the culture was often described as mostly important in the everyday encounters, which is hard to capture by employees that do not share his offices. Theories supporting that founders maintain culture (Trice & Beyer, 1991; Demir et al, 2017), is in line with many of our findings. We found that a lot of the cultural work falls towards the CEO, making it more of a personal effort to maintain it. This is supported by statements about his everyday importance in being, or lack of being present.

Theory also suggests that founders resist change in culture in fear of being less innovative (Schein, 1983). This is certainly true for the CEO and founder of Kong Arthur. Kong Arthur *is* the culture, to many, without its culture it is just another generic IT company. The values like freedom of ideas, equality, care and so on are absolutely the most important thing for the CEO and others, so it is definitely not a stretch to say that he has played a predominant role in preserving and developing the culture from the onset.

Another question is to what degree, and how, a manager really can influence cultural development. Our observation is that the CEO seems like he manages to impact perceptions of values, but not, necessarily only through, in what he arranges in forms of big gatherings etc. Employees at Brumunddal praises the way

he works with and represents the culture in his everyday actions around the office. This view would also be in line to the fact that the branch in Lillehammer, lacking his presence, not being as tightly connected or impacted by this cultural work, explaining the difference in perception of the “gimmick”. This is also in line with how theory suggests culture being formed, by interpersonal interactions and symbolic actions (Smircich, 1983; Zott & Huy, 2007), supporting the idea of the founder being important in preserving culture (Strykers & Burke, 2001; O’Reilly & Chatman, 1996; Schein, 1983). However, the two locations are not two perfect samples, as the Lillehammer location is predominantly made up of employees from another the acquired firm, thus have a bias. We can however state that the founder plays a vital role in the eyes and subjective experience of the employees to create cultural meaning in everyday behaviour.

Most of the employees, when asked what would happen if the CEO was to step down from his position, answered that most of the cultural work, especially the prominent ideas, would disappear as a less culturally invested leader would focus on other agendas. Some others thought that investors would see the importance of the cultural work and keep it. Linked to Schein's theory (1983), the most probable outcome would be a hybrid of the two, where values were kept, but with more financially oriented goals. Could a hybrid of this work, or would these types of goals differ too much from the original values of “making the best workplace”?

Strategy and culture

Carnes et al.’s (2017) argues that organizations become less flexible as they mature, and the manager of Kong Arthur seems to be eager to keep the ad hoc structure and more of a familial feel (Gulati & DeSantola, 2016) as they strive to keep a flat structure that provide easy access for sharing ideas. The question is then to what degree does strategy shape culture, like Carnes et al. (2017) describes, and to what degree does culture shape strategy? And what part does cultural management play?

The CEOs perceived presence at different locations and the differences between the locations confirms Pisano's (2019) notion about the original culture being

diluted with time, influenced by individuals other than the founder, as one location seems to develop differently. And the fact that activities like the knighting ceremonies were in fact initiated by employees, points toward a more “organic” development, as opposed to a manged one. This suggests culture follows business strategy, like opening a new location, or making a new department. At the same time the effort to preserve and grow a culture that is associated with their success in the past, have resulted in a stable culture (Patterson, 2014) that is utilizable for their size, suggesting that cultural management can indeed also shape culture. But it is hard to pinpoint if the founder act as the initiator of the cultural development or just more of a facilitator due to the inevitable change in strategy. As the founder himself said “... *the culture, we made together ...*”.

While this points towards the possibility of preserving entrepreneurial culture, there are also theories and findings point to clear struggles with this. Splitting the company up in siloes and letting them focus on professionalising themselves can be a good thought, but it might not be as easy as it sounds. Pisano’s (2019) theory suggests how dividing a company like this won't spike desired entrepreneurial feelings inside the siloes, as they would still feel that they are a part of a bigger company. This might work against the strategy, meaning a strong culture might hinder desired strategy.

The way the founders have structured the company, and in what way they have focussed on cultural work and the social aspect, could be argued to have a lot to do with both the founder’s personality, and their motivation behind the firm (Schein, 1983). These structures and cultural meanings and values could make the firm resistant to change, thus culture, could hinder desired strategy. This is evident in Kong Arthur, by the fact that some employees feel like growing is not desirable, as the culture would change.

The founders also stated that as it is always exciting to make something and see if it has “the right to life”, as we say in Norwegian, but they also focused mainly on their motivation, being to create a place where everyone was happy, included and safe, not caring about monetary gains. In this way the business strategy was to

have a certain culture, and to manage culture in a certain way, so strategy and culture matched. Supported by theories of O'Reilly & Chatman (1996), their vision has become a red thread through the company. While the vision was started by the founders, it is now broadly expressed along the employees. Arguably, the employees are highly influenced by the founders in that matter, which results in a commonly understood culture that facilitates a good working environment and dedicated employees.

Culture and transition

As for whether culture hinders or enable transition and growth it is hard to say. One might say that the fondness of the culture held back growth, as the realization that growth required certain hierarchy, incompatible with the main values of equality and freedom of ideas, have set employees against it. Some employees clearly stated that growth at the cost of the current culture was not desirable at all. This along with the mentioned CEOs fear of losing values suggests it might hinder transition, although this might require a conscious desire to preserve culture. As mentioned in theory, founders' style of leadership and needs of the company may not always fit. For example, keeping a flat organization when growing (Boeker & Karichalil, 2002). While the CEO wants to keep the company from becoming to hierarchal and structured, it might be that this is something that holds them back. Making more structured branches and allowing them to have shorter economical goals might be necessary for managing to grow past 40-50 employees. This of course hinges on the assumption that scaling is always positive. Measured in monetary value firms in which the founder still resides are worth less, thus we can infer this to scaling as positive (Wasserman, 2017), but it begs the question, what did they sacrifice on the way? And is a firm only measured in money? Ask anyone from Kong Arthur and they would say no. "Sacrificing", or at least heavily altering, the current culture for growth and potentially more income is not necessarily desirable, but maybe necessary, at least in this case.

On the other hand, we cannot really prescribe a true fondness for the culture as the main reason for a "lack" of growth either, as Marmer et al. (2011) states, a

requirement for growth is the need of a market to grow into. With a demand for IT workers being much higher than the supply of people educated in it, the market is highly pressured, and the CEO predicts an even higher pressure in the next coming years. As every hire is a hard competition, quick growth might be too much of a demand, but Kong Arthur are still optimistic. They are looking at ways in which they can hire smaller groups of people and locate them together close to where they live, hopefully in a hub-collaboration with other firms. would a location-situation like this create difficulties with their culture? And finally, would these cultural difficulties make salaries weigh heavier, stopping growth of all smaller companies?

Implications

A main implication is that a common notion of the culture can be preserved through the scaling process, but inevitably changes and fragment as subcultures might inevitably occur. The everyday interactions of the CEO, in this case the founder, and conscious effort might certainly be a main contributor to this, along with bigger gatherings for the whole of the organization.

While scaling an organization might bring more market and in turn more profit it remains a dangerous venture for an organization and should be done with care. Seven out of ten fails at getting over the 30-employee threshold (Marmer et al. 2011), and as we can see in the case of Kong Arthur, it strains the preservation of culture and structure of the firm. As is very evident in Kong Arthur, and probably is true for many small, innovative firms, the culture is their main advantage. Loosing this advantage as a consequence of the alteration of cultural assumptions is a serious and very likely consequence. If the question is whether to stay and “*be happy with my 30*”, as the CEO said, or grow and risk losing the current culture, the answer is probably depended upon the goal. Does income trump idea share and equality in an ad hoc entrepreneurial culture or does the business model inevitably requires something else? And is the first option even viable? Do companies ultimately have to change as their innovation and competitive advantage is scaled and utilized? These are questioning the board needs to ask themselves.

Culture can serve as a very strong motivation. A positive work culture can motivate founders and employees alike, and might even attract certain people, with certain values, facilitating growth along a certain direction. Culture might also be hindrance to scaling, as scaling might alter the foundations of the culture too much, thus scaling is held back, or chosen with the potential consequences in mind. Whether there is a precise level of company size where a social prominent and entrepreneurial culture starts to hinder growth instead of aiding it, is not evident, but at some point, beyond 30 employees, we theorize support that there is a need of a transition towards a more hierarchical and structured culture.

One thing, however, seems very clear, culture should absolutely be kept in mind when scaling, and deserve more attention from bigger research projects. How are the mechanisms and what are the consequences? This would help managers take more informed choices and might help many companies survive a potential scaling process or delay it accordingly.

Conclusion

We find that a prominent culture could work as an advantage in attracting and competing for competence and facilitate growth especially in a start-up and early growth period, but there is also reason to argue that preserving culture could have negative effects on further growth when the company has reached a certain level. Some cultural values may not be compatible with the needs of a larger organisation.

We argue that the business inevitably must be divided into subgroups, in the form of departments, due size, or new locations, thus preserving an entrepreneurial culture is “impossible” at some point. This is because it appears that strategy shapes culture, but culture can also hinder strategy. New locations, new employees, new structures, etc. appears to shape culture, as it is incrementally fragmented and develop into subgroups. And while at same time culture is preserved by a certain common understanding it evolves into something else, a

more heterogenous version of the previous culture. But there is also reason to believe that a strong culture might hinder strategy, as it generates resistance because of the fear of change to that culture.’

We also raise an interesting question about whether the transition is harder the more prominent the culture is? Could a very prominent culture be good for start-ups that seek to grow and stabilize up to around 30 employees, but also hinder further growth by making the inevitable cultural transition harder?

In all this the management seems to be able to shape culture somewhat, but it is unclear if the management dictates cultural development or if cultural development dictates management.

Limitations

It is difficult to really gauge at the deep unconscious belief and meanings of artifacts, but we have tried to grasp the thoughts of others by the means available to us, which is after all simple conversations and our interpretations of them. We cannot claim to truly understand the thoughts and interpretations of others, we as humans seldom can claim to understand even ourselves, we can however try.

Understating individuals and their personal view are what Patterson (2014) advocates as essential when trying to get a subjective truth, a subjective truth is after all *subjective*, and our method is grounded in a reality with subjective truths. The nature of culture as we have explored in the literature review, is defined by being subjective, had it been objective and easily captured by outside observers it would also have been more understood than it is now. We can only report the reported and lived experiences of the individual and compare them to see which degree it is shared and report them without imposing our own thoughts and beliefs, to the degree possible, and make those observations open to interpretation by other readers.

We also rely on a very short period of time and thus had to use retrospective

subjective data about events and experiences. And while the timeline is attempted to be objective, in the sense that interpretation of events is shared among the subjects, it is still a highly subjective interpretation of event as we perceived the lived experiences of the subjects. And we only see one reality and one “timeline” thus we cannot really impose casual relationships like whether the active cultural work is the reason why the values are preserved, or if they would have been there without it.

We also rely one case, and while it has presented the opportunity to deep dive into lived experiences and subjective realities and possibly mechanism, we can by no means translate these findings into objective truths.

And while our sample, while almost a third of the organization's population, is still a limited sample, and while we assume that they represent the experiences across the organization, they might not. We cannot rightly claim that the remaining 2/3 have the same experience, but of course we can infer certain findings, that might be true for the rest of the organization.

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