The Impact of Organizational Culture and Office Design on Innovation and Motivation

Exploring the combination of two fields of study in a European organizational context.
Master of Science Thesis

Title: The impact of organizational culture and office design on innovation and motivation.
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Abstract

This research provides an overview of how the organizational culture, as well as the office design, affect the motivation and innovation on an individual level. The focus of the research was on the different tools and processes in the area of organizational culture and office design, which create motivation innovation on an individual level on a knowledge based market, that has been created by the digitization. The data was gathered through interviews with experts in the field of organizational culture and office design. Additionally, observations were conducted as a part of the two case studies of Swedish companies investigating whether the respective organizational culture and office is being used to create motivation and innovation on an individual level in combination with seeing how the office design supported these factors. Interviews were also done with managers at the two case companies to grasp the managerial perspective.

The findings were that there are different key components to consider when considering change management, organizational culture and office design. The findings supported the results done in the architectural field and offered potential complementary considerations to models that are used to understand organisational culture. The findings can help organizations create and leverage motivation and innovation on an individual level, by means of organizational culture and office design, in order to stay competitive.
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1 Introduction

The aim of the first chapter is to provide the reader with the background of the research topic, introduce the problem and present the purpose of the research.

1.2 Background

Due to rapid changes in the organizational environment, new product development, henceforth called NPD, has increased in importance for most companies (Lee, Woo and Joshi, 2017). There are a number of factors that has led to this surge for an increased level of innovation. Büschgens, Bausch and Balkin (2013) argue that it is common sense for modern managers to recognize that the organizational culture is not only important but also a key for innovation. Yet there are different kinds of cultures that can encourage innovation and employee motivation in different ways. One of these types of cultures is called innovation culture (Chandler, Keller, and Lyon, 2000; Gumusluoglu, and Ilsev, 2009). Another type of innovation supporting culture is a culture that promotes support amongst peers and managers (Abbey and Dickson, 1983; Berson, Oreg, and Dvir, 2008; Wei and Morgan, 2004).

Culture is a very abstract concept yet it has a clear impact on everyday life within an organization. Diana C. Pheysey (1993, p.3) defines culture as “just a way of seeing what is common to many people. Culture itself is subject to [constant] transformation”. She also emphasizes that culture can be what sparks change if the members of the organization or the community supports this change. Bryman (1986) stated that it is essential for an organization to have a culture that is strong in order to survive in a competitive environment, especially if others are to invest in the organization. Furthermore, Bryman also argued that in a case where a company grows too fast without developing and elaborating its culture, it will lose its grasp on the market due to a lack of cultural development.

Organizational culture is defined by most as the backbone of any organization. Since organizational culture reflects the value, beliefs and behavioural aspects of the organization, it may be used for the employees to give meaning to various everyday situations. Organizational culture can in fact influence the attitude and behaviour of the employees (Scott-Findlay and Estabrooks, 2006). There's also quite significant evidence implying that organizational culture may improve performance on an organizational team- and individual level (Denison, 1995). Anra and Martinis (2017 p. 93) define it as “[the] organizational culture consists of the set of values that are shared by all employees which provide the members of the organization with the guarantees and help. The reproduction of this culture is attained through the dissemination of social knowledge among the organization, which is based on the rules, norms, values, attitudes and behaviour of the employees”. This type of culture can manifest itself in a number of ways including tolerance, respect for authority, integrity, confidence and attention to one's work.
Naturally, office design also plays a role in the everyday life of the employees within an organization. While it is true that the organizational culture can increase the level of innovation, motivation and job satisfaction on an individual level, little is known about how the office environment can alter or enhance organizational culture (Finch, 1998). The field of office design is focused to a certain extent on how to improve the efficiency of the task that is supposed to take place at a certain place, yet there is little academic attention paid to how the design could impact leadership style or how the leadership style and organizational culture impacts office design and vice versa.

1.2 Problem

Most organizations understand the need to create the right office environment in order to stay competitive on today’s fast changing markets. The two critical factors concerning the office environment are the organizational culture, as well as the office design. Even though organizational culture and office design need to be aligned in order to operate on a competitive level, most organizations do not assign resources to this time-consuming, yet critical task. This issue with an investment into the organizational culture and the office design, is that the output is not directly measurable. Additionally, the organizational culture and the office design are not only a cost-, but also a major productivity factor. As a result the organizations, which do not assign the needed resources to develop the right organizational culture and the right office design, may lack efficiency in its operations and may lack a competitive edge. Furthermore, organizational culture and office concept design are the basis for employee satisfaction, motivation, as well as innovation. Organizations not focusing on these aspects will not be sustainable in the markets of today.

1.3 Purpose

The purpose of this master-thesis is to provide a better understanding of how organizational culture and office design effects motivation and innovation on an individual level as well as providing practitioners and academics with a framework that can be used as a reference for managers to achieve higher level of innovation and motivation on an individual level. Research on current office design trends, as well as the right organizational culture for digitization, has been lacking. This master-thesis aims to provide a deeper understanding of how the organizational culture and the office design is linked to fostering motivation and innovation on an individual level.
1.4 Research Question

How does the organizational culture and office design affect motivation and innovation on an individual level?

1.5 Delimitation of Purpose

The purpose of this research is to investigate the impact of organizational culture in combination with office design and its impact on innovation and motivation. Other factors that impact innovation and motivation such as the employee’s personality or personal reasons are not considered. The aesthetic aspect to office design is not considered as this research is not an architectural paper.

1.6 Definitions

**NPD**
New product development (Lee, Woo and Joshi, 2017).

**Business-to-consumer (B2C)**
Business-to-consumer refers to a situation where a business accomplishes a financial transaction or online sale between a business and a consumer (Mani Singh Chauhan and Anbalagan, 2014).

**Multinational Business Enterprise**
A company with operations in several markets or catering several markets.

**Agility**
The organisation’s speed of internal change and adaptability to the external environment. An agile business changes fast.

**Intrinsic Motivation and Extrinsic Motivation**
Motivation is broken down into intrinsic motivation and extrinsic motivation. A person who is moved to act or to do an activity its inherent satisfaction, rather for a separable consequence, this person is intrinsically motivated. Intrinsic motivation comes from a sense of inner duty and fulfilment (Ryan et al, 2000).

**Fraunhofer IAO**
Fraunhofer IAO is an institute, which develops business models and solutions for digital transformation, in collaboration with companies, institutions and public institutions.

**Office Environment**
Office Environment refers to the environment, inside the office, created through the office design and the organizational culture.
Design Thinking

Design Thinking is a research method with room for intuition and creativity alongside analysis (Gobble, 2014).

2 Frame of Reference

This chapter aims to provide the reader with information regarding organizational culture, office design and leadership styles and its impacts on the employees. It also provides the reader with relevant theories and highlights the theoretical gap as well as how it will be filled.

2.1 Organizational Culture

Without a suitable and strong company culture, the organisation is doomed to fail (Bryman, 1986). This realisation has led to organisational culture being studied for decades. Though organizational culture has been studied for quite some time, there are different definitions of organizational culture as well as different research approaches to consider (Tsui et al, 2006; Scott-Findlay and Estabrooks, 2006). This might be due to the notion that culture is a very complex issue that includes not only abstract items such as values to tangible and observable items and structures (Denison, Haaland and Goelzer, 2004). Schneider (1995) describes organisational culture as something that provides the employees and customers with a way of life and therefore plays the same role as society to each individual. Anra and Martinis define organizational culture as “a set of values that are shared by all employees and provide the members of the organization with guarantees and help” (2017, p. 93) whilst Scott-Findlay and Estabrooks define organisational culture as “[an aspect that] gives a sense of what is valued and how things should be done in an organisation” (2006, p. 499).

Despite this lack of consensus, Scott-Findlay and Estabrooks (2006) state that there is more consensus regarding what constitutes an organisational culture, which are generally accepted to be

- **Observable artefacts** - Tangible aspects of the culture that are visible and observable to outsiders
- **Values** - Norms, social practices, philosophies and ideologies that have a significance in the organisation. These might be explicitly expressed but it is not necessary
- **Underlying assumptions** - The core element of any culture is constituted by beliefs and attitudes of the member.

Schneider (1995) highlights that no core culture is better than another whilst also stating that to achieve a better culture and a better financial outcome, it could be beneficial to turn inwards to analyse if the core culture is aligned with the nature of the organisation and the market in which it operates.
2.1.1 Organizational Culture’s Impacts

Organizational culture impacts the organization's’ performance (Anra and Martinis, 2017). Übius, Alas and Elenurm (2013) found that the employee’s attitudes towards the companies has been studied with regards to the organization’s culture in a significant amount of cultural settings with different historic implications.

There are enough findings to support the claim that the organizational culture does impact individual behaviour (Übius, Alas and Elenurm, 2013; Anra and Martinis, 2017) as well as this impact is constant even if the cultural backgrounds of the employees differs (Denison, Haaland and Goelzer, 2004) and that culture can positively benefit the individual which in turn increases profitability and/or performance. In fact, in organisations where talent retention is essential, organisational culture plays a significant role in whether the employee will remain or leave their position (Jacobs and Roodt, 2008) as organizational culture is a determinant as to if the work environment is healthy or not (Tsai, 2011).

2.1.2 Organizational Culture’s Impact on Innovation

As previously mentioned, an important aspect of organizational culture is that it has been argued that some organizational cultures may boost an organization’s ability to be innovative to a greater extent than other cultures (Funk, Champagne, Wiese and Tornquist, 1991). Organizational culture is one, if not the factor determining the company’s ability to innovate through utilizing the tools available to them (Übius, Alas and Elenurm, 2013). As such, the connection between organisational culture and innovation has been thoroughly researched through the past three decades (Büschgens, Bausch and Balkin, 2013).

It is important in the modern world to be innovative (Übius, Alas and Elenurm, 2013; ) for a number of reasons, for example: so as to allow the company to adapt to new tools available on the market. (Lee, Woo and Joshi, 2017). Individual innovation can be boosted through allowing the employees to communicate with one another (Übius, Alas and Elenurm, 2013).

2.2 Management and Organizational Culture

Bryman (1986, p.51) states that a “true leader needs to be a visionary who is capable of establishing a culture which reflects the needs of its employees, the firm's history, its market and its products”. Bryman (1986) also differentiates between a leader and a manager in the sense that managers are made for achieving short term goals required by management to be achieved whilst leaders have relationships with not only the tasks at hand but also with employees. Due to these relationships a leader can invoke and inspire emotions in the employees. These emotions may arguably play a part in then creating attitudes or beliefs within the organizational context. Since culture has both informal and formal components, leadership can be either formal or informal. This means that although a leader has been given the authority to exert some power it may not always be beneficial to do so. It has been found that leadership behavior and job satisfaction will depend on
the organizational context (Nielsen, 2008). Leadership has also been proven to maintain the organizational culture (Nielsen, 2008). This has clear benefits as there will be less conflict within the organization the more unified that underlying assumptions values and beliefs are. This means that leadership helps to promote a healthy work environment if the organizational culture is desirable and healthy (Kane-Urrabazo, 2006).

The role of the managers in an organizational cultural context is widely discussed from both the phenomenological perspective as well as the functionalist approach. Tsui, et. al (2006) explains the difference between the two approaches in the following manner:
· Phenomenological approach: Assumes that culture has a meaning and cannot clearly be defined
· Functionalist approach: Assumes that culture has a functional part within organisations

The functionalist approach has been used to show that organizational culture has an impact on the organizational and individual levels, such as increased performance and commitment. Tsui et al (2006) argued that the organizational culture is not only a part of the institution but also a part of the institutionalization, mixing the two approaches.

One of the most essential differences between the two approaches is that the functionalist approach assumes that managers are the source of the organizational culture whilst the phenomenological approach assumes that organizational culture springs from every part of the organization to make a collective culture (Tsui et al, 2006). Managers play an extensive role in the everyday life of an organisation (Kane-Urrabazo, 2006) and organizational culture is closely tied together with leadership due that organizational culture determines everything from what strategy should be applied, how performance should be measured, which goals should be obtained and how they should be obtained (Schneider, 1995).

As already stated, it can be argued that managers shape the organisational culture, yet an extensive number of managers assume that organisational culture is determined and shaped by the board and that the managers themselves have little to no role in determining the character of the culture (Kane-Urrabazo, 2006). If this leadership is aligned with the organisation’s culture, the individual employee will feel a greater job satisfaction (Tsai, 2011).
2.3 Schneider’s Different Types of Organizational Culture

Schneider (1995) developed four distinct categories of different organizational core cultures, depicted in figure 1.

![Figure 1](Source: Schneider, W. (1995). Productivity improvement through cultural focus. Consulting Psychology Journal: Practice And Research, 47(1) p.22)

2.3.1 Control Cultures

Control cultures are typically ideal for people who are motivated by power who strive to obtain dominance over a market. It usually applies best to government associated associations as well as high-risk companies and capital intense ventures. It is highly objective and abhors emotions that might impact performance. It is highly predictive and not agile. Security-measures are widely used and in the search for any possible vulnerabilities. Apart from this, security is seen as a sense of comfort as insecurity arguably is vulnerability. Therefore, customers will need to comply with standards and requirements to get their desired outcome, such as obtaining a VISA-card.

2.3.2 Collaboration Cultures

Collaboration cultures are derived from a family or team-feeling within the organisation. Many organisations use this in the formation of their cultures. It is suitable for people who are motivated by a need for affiliation. The key emphasis is placed on building, maintaining and utilizing the teams in a way that will allow for the team to obtain a synergy. For the team spirit to arise, employees must be allowed to communicate with each other effectively. However, the teams are not only focused on the team itself, the employees also feel strongly committed to the entire organisation with an “united we stand, divided we fall”-attitude.

However, the organisation must be committed to the employees as well. This harmony is something that is highly valued in collaborative cultures. Organisations that are collaborative try to understand their customers since costumers are seen as partners with whom they have a strong relationship. Since relationships are epitome to collaborative cultures, trust is vital. If there is commitment and trust, the organisation will be a pragmatic and agile team.
2.3.3 Competence Cultures

Competence cultures are those who value scientific thinking, excellence within one’s field and knowledge. It encourages employees to advance their ideas and cultivates them by allowing them to be motivated by their need for excellence. Therefore, it is not strange that some of the most prestigious labs as well as pioneering organisations are classed by Schneider as competence cultures.

This type of culture relies on the competence to achieve their goals so that the organisation may be superior compared to its alternatives. The competence culture also allows the employees enough space and tools to be creative, yet impersonal. The employees are lured by the organisation’s excellence which will boost their own perception of their profession. Yet, the employee typically feels a stronger loyalty towards the profession rather than towards the organisation. The customer will know that the competence culture’s product or service will be the best since it is so superior.

2.3.4 Cultivation Cultures

Cultivation cultures are at their core much like religious institutions in the sense that it strives to make employees feel like they are engaging in something that is allowing them to transcend to something better. This “something better” alludes to the organisation’s mission. The employees deeply believe in this mission and it gives them purpose. Emotions are key in these organisations as it allows for the collective of employees to feel fulfilment when goals are reached.

Employees can grow and expand their knowledge since they are very much empowered, which is aligned with their motivation to transcend. The goal for both employees and the organisation is to reach their full potential. This desire to learn and grows means that it is the most agile of all the core cultures. Most commonly, organisations that are concerned with the arts are in this category of core cultures. For the customers, this means that the organisation wants to provide them with a service or product that will allow them to seize their own potential and to have a purpose.

2.4 The Denison Model of Organizational Culture

Denison, Haaland and Goelzer (2004) state that although there is a healthy amount of scepticism towards measuring and comparing organisational cultures it can be done. These authors also noted that core values are harder to quantify and should therefore best be investigated through qualitative measures. Scott-Findlay and Estabrooks (2006) also identified that terminology and units of measurement is the two main challenges for organizational culture studies.

The Denison organizational culture model created by Denison and Mishra (1995) highlights four key aspects to a successful organizational culture which then as depicted in figure 2 (Denison, Haaland and Goelzer, 2004). Adaptability is the extent to which the organization can adapt to new developments in the market, which sometimes is. Consistency refers to the level of integration of the organizational culture. Mission
implies how the employees may feel a sense a purpose. The last aspect is involvement which entails how empowered and involved individual employees and teams are. Denison and Mishra (1995) identified through their two linked studies that involvement and adaptability are particularly strong indicators of organisational growth whilst consistency and mission are stronger predictors for profitability. All of the four factors were considered to be strong predictors of individual performance and job satisfaction.

![Figure 2](image)


### 2.5 A Brief Summary of the Ergonomical Perspectives

Roelofsen (2002) stated that the optimal work space is that which allows the employees to work optimally and under comfortable conditions. Festinger, Schachter and Back (1950) was amongst the first to argue that the physical work environment impacts the employee’s social behaviour as well as their physical. This has been supported throughout the decades (Oldham and Brass, 1976). Although white-collar workers make up a majority of the workforce in Europe today, there is little research on how these employees are affected by their office environment (Bodin Danielsson et al 2014; Brill et al, 2001; Duffy 1999).

Bodin Danielsson and Bodin (2009) found in their study that the control which an employee feels that he/she have over their work environment is essential to how they perceive their work environment. This applies to not only having the control of how high or low the chair cushion should be but also how the employee may control the possible interaction with co-workers by shutting the door for example. De Croon et al (2010) further supported this notion that it is vital that employees are offered visual and acoustical protection whilst working in an open office to reduce stress levels but emphasised that desk-sharing significantly increases communication. Desk-sharing is a flexible office layout, in which are less work desks installed than employees employed. Thus, the employee can choose their work desk freely.
Another way that office design impacts individuals is through the illness induced absences from work. Office designs may not only increase performance but it can also make employees far more susceptible to illness (Bodin Danielsson et al., 2014). In their study, Bodin Danielsson et al. (2014) found that women had a higher risk for sickness related absence in open-plan offices and men had a significantly higher risk of sickness related absences in flex-offices.

2.6 Why Office Design

There are several different functions associated with office design. One of them is to signal to outsiders that a certain type of behaviour is requested of them so that when a person is in a hospital that looks like a hospital, they know what to expect which they might not have done if the hospital was designed as an Irish pub (Baldry, 1997). Therefore, the office is a key for visual communication about what social activities are appropriate to take whilst in the office, as well as what status is associated with the work that takes place at the office Say it in two sentences. This is communicated to non-occupants such as visitors or competitors as well as employees.

Baldry identified four types of spatial signals that concern expected behaviour and status:
1. Degree of personalization of the space: Are employees encouraged to make a mark?
2. Amount of space per person: How much space does the individual employee have?
3. Décor: How does management see to fit to furnish the office and why?
4. The sociopetal/sociofugal configuration of the space: Facilitating or hindering the social interactions between employees.

These factors are the results of strategic choices made by management.

Globalization and digitization are fundamentally changing the way companies and people interact and cooperate with each other (Sanda et al, 2011; Youngs, 2011; Crenshaw and Robison, 2006). The majority of the markets have been changing from production based industries towards knowledge based industries (Fraunhofer IAO, 2003). As a result, Fraunhofer IAO (2003) states that the working processes have been changing drastically and in order to stay competitive, organizations and companies need to be aware of the new pace and adapt accordingly.

According to Karimi (2015), this desired agile capability is fundamental to react to digitization successfully. An organization must not only be reflected in the company culture, but also directly correlates with the office design (Fraunhofer IAO, 2003). Furthermore, according to Fraunhofer IAO (2003) the way the office is designed directly influences the way employees work and interact with each other. It is clear the environment, in which the employees are working, has a direct influence on how the employee feels, how employees work and the level of relationship that are developed towards the organization.
2.6.1 Office Design as a Concept

The term “office” often alludes to the space in which non-manual cognitive labour is being conducted in (Baldry, 1997). Office design describes the process to design an office environment based on labour organizational, operational, perceptual psychological, and spatial aspects.

The office design refers to the physical location of the operational systems, which is designed exclusively as a platform for office processes. The office design stands in the contrast to for example home offices, which are also design for other activities. The frame of an office design solution is based on a set period (for example 5 years, one rent cycle, or a whole lifetime cycle), or a set time, such as the first move in into the new office space. The occupational psychology describes office design as one of the most important factors that impact the organizational culture, and tool to create connection among employees (Bauer et al, 2003).

Nevertheless, companies that do not take advantage of the new tools provided by the digitization and have an office design that fosters an agile working environment, will not be sustainable in the long run.

According to the Fraunhofer IAO Pilot (2003) a normal example of a work day can be structured as followed: At the check-in counter the employee collects their caddy and has a flexible time and location to start to his/her day. Due to increased mobility in the working environment, the organization has applied desk-sharing. Desk sharing, to have a non-territorial working environment, has a significant impact on employee satisfaction and health (Kim et al, 2016).

The employee is free to choose his working environment, based on his mood, task requirements and availability. Therefore, good office management must be employed in the office.

As previously mentioned, Bodin Danielsson (2014) found that the office is designed and structured can have serious impact on the sick leaves rates of the organizational employees. There are several reasons as to this. Open offices are theorized by Bodin Danielsson to harbour a greater level of risk for infectious diseases to spread and imposes a significant amount of cognitive stress on some individuals. Baldry (1997) argued that the office building, office space and office work are interlinked and that it is crucial to understand the physical manifestations of an organisation’s work space in order to understand the organization.

Therefore, the office design influences the level of performance of the whole organization and must be addressed accordingly (Fraunhofer, 2003).
2.7 Introduction of Different Office Concepts

2.7.1 Multispace

Several office layout concepts provide different benefits and drawbacks. As mentioned in previous chapter, choosing the right one is crucial to executing certain tasks in an efficient and effective manner. With the market moving towards a knowledge based industry, standardized work becomes more and more scarce, while project work increases, it can be said that one form of office design concept is superior over the others.

The multispace office design concept provides an agile office environment, supporting several different tasks and all the different stages within a project cycle. Aside from the standardized operational tasks, it also provides different areas for communication, concentration, relaxing archive and office technology. It is a combination of open areas and closed rooms for multiple diverse tasks. Therefore, it is favourable for project oriented work, with different requirements for different tasks (Lahtinen et al, 2015).

Additionally, when used correctly, it has the most efficient use of space and a variety in design possibilities, due to the different movable variables.

However, a multispace office design concept must not necessarily consist of all the different areas that it can provide. Nowadays the agility goes beyond set structures. Walls can be moved around towards different needs and glass walls provide a concentration area, while not being shutout from all the communication within the office.

Furthermore, a multispace office design concept has the potential to support the “we-feeling” within an organization, due to no territorial working being practice. Often, when organizations introduce a multispace office design concept, a form desk-sharing will also be introduced. In a desk-sharing office environment (introduction of desk-sharing when first mentioned, employees do not have an assigned desk. They have the opportunity to move around the office, to different areas, based on the work requirements for their current tasks. Based on research done by aconsea (Source?), the motivation of employees
is the highest in a multispace office environment, in comparison to the other office design concepts. When the multispace office design concept is executed correctly in combination with desk-sharing it statistically has the highest performance out of all the office design concepts (Lahtinen et al, 2015).

This however, is only sustainable if the office size does not exceed 400 m², which further ads to the “we-feeling” of the people working within the office and referral to social group of up to 40 people.

When designing a multispace office design concept, it is suggested to limit the number of working stations to 20 – 30 in one connected unit, to achieve the highest ROI of the multispace office design concept.

![Figure 4](image)

Title: Benefits of Different Office Concepts

Source: aconsea database

By observing the table above, it can be seen that the combo office and multispace office are the most favourable designs for most firms. Based on the table, it seems as the combo office outranks the multispace office. However, because of the continuous changes on the market as mentioned in the introduction, an agile office environment is more beneficial. While both office designs (combo office and multispace office) are much stronger in adaptability in comparison to the other office design concepts, the multispace office outranks the combo office in the direct comparison (Bauer et al, 2003).

Nevertheless, all the benefits of an office environment can only take full effect, if the human side understands and uses the different tools provided, correctly.

Sometimes buildings are too old to implement an effective multispace office design or the rent agreement prohibits the company from making drastic changes towards layout inside the building.

When considering the human aspect, change is something that only a few people embrace, therefore change management is crucial when implementing a multispace office design concept.
2.8 Office21 with the Pilot Office Project: The Office Innovation Center by Fraunhofer (2003)

Office21 is a project that has been created by Fraunhofer IAO in collaboration with industrial partners to find out how we could be working the future and how the work environment could look like. Answering questions such as, “How are we going to work and live in the future?”, “Where is work and research going to happen, and how are these spaces need to be designed, in order to support innovation, motivation and performance optimally?”.

Office21 has been established in 1996, and can be divided into research cycles of two years. The research points of Office21 include the following points: communication, concentration, well-being, productivity, motivation innovation from and within companies. Based on the points mentioned above, the goal of Office21 is to find concrete ways to continuously improve organizational office design, as well as continuous improvement of products and services related to office work.

The project research is being conducted with a focus on the following research points:

- Being leading in innovation
- Future safety
- Sustainability
- High level of applicability
- High level of public exposure
- Networking
- Interdisciplinary and market overlapping work

With the help of its several research partners, all over the globe, Office 21 has set the basis for many future oriented office designs.

In order to explore the office design of the future, the Fraunhofer Office Innovation Center, as part of the ongoing project Office21, has created an innovative office environment, with faceted and innovative application scenarios, such as desk-sharing, mobile working, video conference, W-Lan, multimedia workstations and an “interactive creativity landscape” (Fraunhofer, 2003). The need for innovative office design on the knowledge market is reflected by the 160 companies that are actively involved in the Office Innovation Center. The Office Innovation Center reflects how offices should be structured to support working and thriving in a knowledge based market.

The pilot office is designed with light-flooded rooms that enable high-quality working stations, also creating transparency and create an office environment that encourages communication. Facilities for relaxation, and recuperation, make the office into more than just a space to work. The OIC is since 2015 discontinued, due to a heavier focus on collaboration by the project Office21, described in the following.
2.9 The Influence of the Office Environment on the Organizational Culture and the Individual

Office design directly impacts individual performance on several levels (Gensler, 2016; Barclay and York, 2001; Morrow and McElroy, 1981; Sommer, 2002). Gensler is an architectural design consultancy group who has conducted extensive performance reviews over many regions for nearly a decade and they consistently found that the most innovative employees are the ones who feel that they are being invested in and that a suitable office is considered to be a manifestation of how much the employees perceive that they are being invested in. Gensler has found that employees who are innovative have a greater access to the opportunity to work from home, a greater sense of purpose and generally spend less time at their desks (Gensler, 2016).

Furthermore, the employee is subconsciously influenced by audial and visual factors of the office design. The way seating areas are arranged around the office, have an enormous impact on how people communicate with each other. With the right design and layout, it encourages deeper relationships and identity with the company/organization (Benton et al, 2012).

Additionally, as stated above, the office design has a significant impact on the employee’s health working within the office space (Bodin Danielsson et al, 2014). The health benefits of a well-designed office consider every detail, such as the finding that having the optimum working temperature of $22^\circ$C and fresh air in the office (Valančius et al, 2013). The type of office also plays a pivotal role in the general health of the employee. Bodin Danielsson and Bodin (2008) found that workers in cell-boxes and flex-offices not only had the highest score of overall health but also were more satisfied with their work compared to employees situated in combi or open offices. Some office-types are more associated with low frequency noise (LFN) than others and LFN has a significant negative impact on individual health and productivity (Bengtsson, 2013).

To protect the individual from excess acoustical and visual stimuli it is important to consider that exposure to visual and acoustic simulation is strongly influenced by layout, circulation systems, and the individual’s location in space (Evans and McCoy, 1998, p. 86). Evans and McCoy also emphasize that exposure to an overload of stimuli will decrease the individual’s productivity and overall health as it renders them less focused and more stressed. Evans and McCoy’s conclusion was that there are five elements to interior design that can impact the humans in an office. These five elements are:

- **Stimulation**: includes aspects such as intensity, complexity, mystery, novelty, noise, light, odour, colour, crowding, visual exposure, adjacencies and proximity to circulation in the office.

- **Coherence**: refers to the legibility, organization, thematic structure, predictability, landmark, signage, pathway configuration, distinctiveness, floorplan complexity, circulation alignment and exterior vistas of the office design.

- **Affordances**: cover the ambiguity, sudden perceptual change, perceptual cue conflict and feedback of an office design.
2.10 Changing the Office Environment

The office environment is continually changing with the advancement of the digitization and new technology. The office environment evolution can be broken down into four different stages:

Next to the classical office concepts, the non-territorial working concepts, mobile working concepts, and virtual working concepts have emerged.

With the trend going towards a complete mobile working environment, employees no longer need to work at a fixed location, they move around their office and even complete execute tasks from home. Therefore, an office environment needs to be created that supports the mobile worker and can handle agile projects. With new technologies entering the market and creating a seamless transfer between different networks and project tasks, mobile working becomes increasingly facilitated. Organizations need to be aware of that and plan accordingly (Bauer et al, 2003).

Nevertheless, technology without the right environment in which the organization or employees can thrive and be used effectively, the technology and the opportunities it provides will not be used to its full potential. The office design plays a major role in how technology is being used (Sanda et al, 2011). However, the most crucial aspect is the human factor. Without the right knowledge and willingness to learn and adapt to new technology, the organization will not be able to use innovative to its advantage. As a result, the organization will not be competitive on the future market (Fraunhofer IAO, 2003).

2.10.1 Current Office Designs

Even though globalization and digitization are drastically changing the market and influence what kind of tasks and how these tasks are executed, most companies have not adjusted their office design to the new market conditions (Becker et al, 1996).

Today, there are several office designs available to companies. The office design can either support the company’s performance or hinder it dramatically. Therefore, the office
design must be considered as a crucial factor for the success and sustainability of each Company And be addressed accordingly (Finch, 1998).

The current office designs can be divided into the following categories:

Figure 6
Title: Current Office Designs

As stated previously, due to globalization and digitization, office tasks are changing from routines to highly complex tasks. Different stages of each project must be support by different office environments. One congruent office design for the whole organization is not sufficient anymore to stay competitive on today’s market (Karimi, 2015). However, to choose the right office design for each task and stage in the project, the different office concepts must be understood with regards to their respective strengths and weaknesses as well show they fit into the bigger office concept.
3 Methodology and Method

This chapter aims to present and defend the different methods used to fulfil the purpose of the thesis. It includes the research philosophy, the research approach, collection of data strategy as well as how the authors will analyse the data.

3.1 Scientific Philosophy

Research philosophy can be described as a system of beliefs and assumptions that are relevant for the increased understanding of the topic (Saunders, Lewis and Thornhill, 2015). The authors considered research philosophy before choosing how to approach the research question at hand. There are a range of different philosophies including pragmatism, post-modernism, positivism to name a few. The difference between these philosophical assumptions is in the way that they relate to three basic assumptions as well their positioning on whether the researchers should remain objective or subjective.

- Axiological are assumptions related to personal values.
- Ontological assumptions are assumptions regarding to the entities in the research, such as the organizations.
- Epistemological assumptions are assumptions that concern knowledge and the quality of such.

3.1.1 Pragmatic Philosophy

The aim of this research is to provide practitioners and the academic community with new knowledge as to how the relationship between the organizational culture and the office design impacts different factors. With this in mind, the pragmatic philosophy which utilizes a mixture of both values and facts, provide practitioners and academia with knowledge that by extension will lead to successful actions being taken (Saunders, Lewis and Thornhill, 2015). The aim of the thesis and the aim of the pragmatic research philosophy quite compatible, this philosophy was chosen.

3.2 Scientific Approach

Most commonly there are three different types of scientific approach, abduction, induction or deduction. These three approaches very depending on if the generalizations applied to the specific data, if the results are generalized or if the generalization is made based on the interaction between the findings and previous findings. Naturally, natural sciences use deduction as a method to test the laws of physics for example. Deduction is used to test the given hypothesis. However, if the name of the research is to find out what the result is of a relationship, the inductive approach can be used. Lastly, the abducted approach can be used when researchers want to provide academia with new or altered versions of theories (Saunders, Lewis and Thornhill, 2015).
3.2.1 Inductive Approach

Currently there are no existing theories to our knowledge that include office design into their models on organizational culture and the impact on the organisation or the employee. The data that the authors have gathered will be compared to the models and the models will be altered.

Alas, one could argue that the abductive approach is suitable as it aims to make the best possible generalization or simplest explanation out of a limited amount of observations. Yet, the abductive approach is mostly used to explain why an unexpected event has happened by comparing the results constantly throughout the research with previous findings (Saunders, Lewis and Thornhill, 2015). The authors expect that the relationship between organizational culture and office design is not an unexpected event or phenomenon. There is a reason for why call centres offices are designed in one way and high-tech started offices are designed in another manner.

As previously discussed, there are two additional approaches to consider when researching organizational culture, the phenomenological approach and the functionalist approach. The authors of this thesis studying organizational culture as such to the draw the impact that it has and then play when combined with office design. Therefore, the authors are not studying the phenomenological but rather functional approach.

3.3 Research Method

Generally, there are three ways in which researchers may obtain data; through qualitative, quantitative or mixed methods. Data obtained through a quantitative method is measurable, such as numeric data (Bryman and Bell, 2011). Data is collected through a qualitative method in the form of words or other non-numerical formats. This method allows for the researchers to obtain data from people through “in-depth interviews, focus groups discussions and observations” (Bailey and Hennink, 2011, p.112).

For this research, interviews are vital in order to achieve the level of understanding for the different organizations’ cultures and perspective on office design. Experts within office design will also be interviewed so that the researchers may obtain some of their valuable input on office design as a concept and how they perceive its importance.

As the answers to the questions will be compared, it is important to make the utmost effort to ensure that the participants have a similar understanding of the question at hand (Saunders, Lewis and Thornhill, 2015).

3.3.1 Qualitative study

Jamshed (2014) stated that the qualitative research method is suitable when the research aims to investigate a new field of research or to theorize as to why a phenomenon has occurred. As the aim of this thesis is to investigate a new combination of fields and its impact on individual employees, a qualitative approach was decided upon. This decision is supported by Bryman and Bell (2011) as they described the main components of a
qualitative study to employ inductive reasoning, an ontological constructionist approach and an interpretivist epistemology.

An important aspect to consider when conducting research, particularly with a qualitative method, is the concept of subjectivity. Subjectivity can be described as everyone's right to perception of the reality in which they exist (Ratner, 2002). This means that what research may find to be true in one setting might not be applicable to another person as they harbour a different subjective truth. For the purpose of this research, the authors assume that there is a relatively applicable truth that is correct for the majority of the people.

As illustrated in figure 3.1, the primary step taken by the authors was to decide to engage in mono methods rather than a mixed method. The second step was to decide upon pursuing a qualitative study.

![Figure 3.1: Methodological Choice](image)

**Figure 7**  
**Title:** Methodological Choice  

### 3.4 Collection of Data

By conducting interviews from experts and managers at the relevant companies, primary data was collected. The interviews were vital for the researchers to understand and obtain the most relevant data in order to answer the research question. Several potential participants were contacted, yet due to time limitation, cost of traveling to the offices and such, some potential participants were unfortunately not able to take part in the study.

In order to ensure the quality of data and thus the analysis, interviews were conducted with participants from different backgrounds as well as different work positions within the case organizations.

Firstly, the authors acknowledged the needs to interview a person with great knowledge of office design and its impact on organizational outcome as there is relatively little academic research done on this field. Secondly, the authors established that there was a need to interview not only one manager but several within the case organization that could give their views upon how the relationship between the organization's culture and their physical space and how that impacted their and their co-workers daily work life. Lastly,
the researchers realized that they would need more than the mere perception of one manager. Therefore, four managers were kind enough to give the authors their opinion on the research topic and four managers took part of the case interviews.

3.4 Observations

According to Saunders, Lewis and Thornhill (2015) there are four types of approaches for observing the daily functions at an organisation. These different approaches are complete observation, observer-as-participant, participant-as-observer, and complete participant where the main difference is the level of the researcher’s level participation and immersion into the organisation, tribe or society that is going to be study in order to answer the research question.

Furthermore, Saunders, Lewis and Thornhill (2015) state that participant observers accept that their primary role is as an observer but still interact with the subject in an active way. Additionally, they state that unlike researchers that use an ethnographic research strategy, which must spend a considerable amount of time participating in a social group to investigate their social systems, researchers that use participatory observation can claim a couple of hours to answer the research topic. Additionally, Saunders, Lewis and Thornhill (2015) highlights that observational data may complement other types of data. In this study, the observational data is a secondary data that is complimentary to the primary data which is the interviews.

For the sake of the research, Company A’s headquarter was observed for five hours on one occasion and Company B’s headquarters was observed for twelve hours which was distributed over three occasions, one week apart. Each observation occasion at Company B therefore took four hours. It was decided that 50% of the time would be spent “working” in the offices where the authors were trying to do research for this study by observing the surroundings whilst reading academic articles but appeared to other employees to be working just as they were. The rest of the time would be spent doing what the other employees were typically doing, such as going to get coffee and walking to other places in the building. During the observation, there were two instances where the researchers would ask employees questions, twice at Company A in order to get some navigational help and conceptual understanding of the layout of different departments. This was not needed at Company B.

For the purpose of this research, the observer-as-participant approach as it allows the researchers to immerse themselves into the organization to the extent that the reason as to why certain events happen can be understood from the employees’ perspective as the researcher is doing what the employees are to a certain extent. However, the researcher may still pose questions to the employees regarding the event or behaviour if he or she does not understand it. Essentially, one of the researchers were a visitor to an employee but could mingle freely amongst other employees and explore the office as they chose to do.
3.5 Case Study

Case studies have been used in a number of fields although fields where positivism is favoured have highlighted concerns regarding generalisability (Harrison et al., 2017). A case can be a person, an event, a society or an organization (Saunders, Lewis and Thornhill, 2015). Saunders, Lewis and Thornhill (2015) emphasize that the most common ways to collect data in a case study is through in-depth interviews, focus groups, experience and other forms of observations. Typically, different types of data are acquired in a case study as a case can benefit from drawing conclusions from both qualitative and quantitative sets of data (Yin, 2014). However, qualitative data is usually more suitable to explain social phenomenon.

3.6 Interviews

There are generally three primary types of interviews that can be utilized by the researchers (Bryman and Bell, 2011). These three types are structured, semi-structured or unstructured. Four reasons to be discussed in the section forthcoming, the authors choose semi-structured interviews.

When the interviewee may respond freely to the questions which may allow for unprepared questions or answers in a spontaneous way when the researcher has applied the semi-structured interview approach (Bryman and Bell, 2011). As the researchers aimed to make the interviews as interesting and fruitful as possible, semi-structured was the most relevant interview structure as it would allow the interview-participant to elaborate on their answers and provide the researchers with more knowledge on this largely undiscovered field. The time offered by the participants was highly appreciated and thus, no time was spared in the interviews. For the sake of making the analysis as accurate as possible, the interviews were recorded.
A total of eight interviews have been conducted. Each interview had a duration ranging from 60 to 90 minutes. The total time for the interviews is close to 11.5 hours. Four interviews have been conducted with experts in the field of office design and change management, to set the frame for the current market situation and to understand the current market conditions. Additionally, four interviews have been conducted with managers to create case studies about two companies implementing future oriented office design and have recently undergone a change in their organizational culture.

The interviews were carried out in German, English or Swedish, depending on what the interviewee preferred.

3.7 Sampling

The sampling was not random, it was purposive. The managers that were invited were carefully selected based upon their presumed knowledge of the field. The authors initially considered what knowledge was needed in order for the managers to be accustomed to the topic. Conducting interviews with managers within fields that are not relevant to either organizational culture or office design would be detrimental to the findings as they might interpret the questions differently than those who work within these fields on a daily basis. After this consideration, invitations (see appendix 1) were sent out to carefully selected individuals. Some of the managers that declined to take part in the interview for various reasons referred to other managers that might be of interest, therefore there was a small instance of the snowball sampling method as well.

The sampling of the observation periods was not random either as most offices require that visitors are the guests of an employee. Rather, the contact within the organization would propose a date where he or she could accompany the researcher to some degree. However, the vast majority of the au

3.8 Data Analysis

There are several different methods available to research that allow researchers to analyse the data, such as time series analysing, pattern matching and explanation building (Yin, 2014). Additionally, the new Gioia method allows researchers to categorize the findings from qualitative research to make generalizable findings. The authors decided that the pattern matching method as well as the Gioia method would be most suitable to analyse the data obtained from the interviews and the survey, partly due to the mere suitability of pattern matching but also due to that the other methods require long periods of time.

3.8.1 Gioia Method

The goal of the Gioia Method is to develop grounded theories and a way of displaying emerging themes in a qualitative way. Furthermore, to focus is to bring qualitative rigor to conducting and presenting findings of indicative research. It is a method to apply systematic conceptual discipline to inductive research, which supports the claims emerging during the research. The Gioia Method provides a guideline to convince the
reader that the conclusion of the research is plausible through guiding the presentation of
the conclusion that was drawn from the qualitative research (Gioia et al, 2012).

Other methods rely on existing knowledge to discover new knowledge, but these existing
methods do not encourage the required kind of originality for findings in scientific
research. Traditional advances are rooted in what we know and therefore limit the amount
the level of originality. The Gioia Method draws forth original theoretical insights (Gioia
et al, 2012).

The Gioia Method is broken down into three steps.

1. Through qualitative research methods, such as semi-structured interviews,
informant terms, codes and categories emerge early. Based on these terms, codes
and categories, a 1st order analysis is created, which provides 1st order concepts.
2. The second step is to seek similarities and differences among the found 1st order
concepts and put them under labelled arrays. These arrays serve as the basis for
the 2nd order analysis. In the 2nd order analysis emerging themes help to describe
and explain the observed phenomena and concepts that seem to not have adequate
literature or stand out are captured. The found 2nd order themes are then
categorized into aggregate dimensions.
3. The last step is to use step 1 and 2 as a basis to build a data structure of three levels
and create a graphic presentation (Gioia et al, 2012).

3.8.2 Pattern Matching Method

The pattern matching method allows researchers to compare the patterns found in the
empirical data and the predicted pattern based on the literature (Yin, 2014). The method
encourages the researchers to compare and examine the patterns from the existing field
of research to the new patents found in data found in the survey and interview. The pattern
matching method was used to make sense of the case studies. The interviews that have
been done have provided the authors with different perspectives on the topic and copious
amounts of knowledge. The different organizations have been categorized based on the
organization's culture. The findings from the interviews have been compared with the
existing theoretical frameworks within both the field of organizational culture and office
to sign in an effort to build a bridge between these two fields. The pattern matching
method was also used to analyse the findings from the observations. The two different
perspectives also showcase different patterns which allow the authors to highlight
differences and similarities between both the interviews themselves, the observations and
also in between the empirical data and academia.

3.9 Summary of the Methods

To conclude this section, the pragmatic research philosophy is applied with the inductive
approach. The qualitative method was used as it was deemed most suitable for the
research question. The participants, who took part in the interview were not randomly
selected. The observations were done in a semi-structured manner to ensure the most
accurate rendering of the case companies. The interviews were semi-structured as well
and the pattern matching method in combination with the Gioia method was used connect and compare the empirical findings with each other the theoretical frameworks.

3.10 Ethical Considerations

Research ethics focuses on the position of editors, reviewers, and authors, little focus has been on the research subject, which can either be individual participants or a collective research subject (Marschan-Piekkari et al, 2005).

As previously discussed, when collecting data for analysis, several different approaches are possible. As stated above, the data was chosen to collect data through semi-structured interviews, as well as interviews. Every form of data collection has specific ethical guidelines that need to be considered.

Furthermore, ethical oversight aims to protect all participants, not only the research subject, but also the body conducting the research. As a result, ethical boundaries must be included throughout the whole research process (Allmark et al, 2009). According to Saunders, Lewis and Thornhill (2015), there are ethical issues with observational data. These are rather similar to that of those issues associated with the issues that are applicable to interviews. The issues of consent is however radically different between these two data gathering methods. The employees observed in the observations were not asked for consent as that would compromise the findings gravely. The consent for the observation was given by managers, partly on behalf of the employees.

In the case of the interviews the authors considered the following ethical guidelines:

1. Privacy and Confidentiality

   The privacy of the research subject can be threatened, when the interviewer leads the interview into an area, which the interviewee wants to keep private. Confidentiality can most commonly be compromised when a report is being written with the use of quotes. The quotes in this study were therefore carefully selected as the authors wanted to ensure that the interviews were as confidential as possible. Additionally, the focus should be to uncover private information for personal benefits. The focus of the interview must fully be on gathering data towards the goal of the research (Allmark et al, 2009).

   To avoid privacy and confidentiality issues, the use of pseudonyms or initials and/or changes of identifying details in the report are being suggested. In this study, the participants are encoded into pseudonyms to give them anonymity. The case companies are also anonymous for various reasons. However, some participants did in fact not want to be anonymous and therefore they are not encoded. Furthermore, the participants were made aware that ensuring 100% confidentiality is impossible (Allmark et al, 2009).
2. Informed Consent

Privacy and confidentiality are the reason for the importance of the informed consent. It cannot be assured that all participants are aware of all the privacy and confidentiality issues therefore it is suggested to have a continuous process, in which the interviewer reaffirms consent with the participants, such as “Is it okay, if we talk about…?” (Allmark et al, 2009). Therefore, this was brought up in the interviews as well, even as it had been taken place for quite some time. There were instances during the observations in which the authors had to ask questions to the employees. In these instances, the authors made the intentions of the study and the question known before asking if the question itself was asked.

Additionally, providing details to participants about the goal of the research and/or a signed written consent by the participants reinforces the informed consent (Allmark et al, 2009). The interviewees were informed about the aim of the research in the invitation as well as before commencing the interview.

3. Harm

Many interviews concern subjects that might potentially harm or offend the participants. However, it is also argued that interviews could have a therapeutic effect on the interviewee, rather than being harmful. As a result, researchers might be tempted to switch from research to therapy when conducting research (Allmark et al, 2009; Richards, 2002). With this in mind, the researchers reminded themselves of the purpose of the interview continuously during the collection of the data, as to stay as relevant as possible and avoid unnecessary questions.

4. Dual role and Over-Involvement

The potential dual role of the interview is a result of the potential therapeutic effect of the interview for the interviewee. The interviewer might take on the role of a scientist, as well as the role of a therapist. The therapist might want to lend support and bolster the interviewee’s self-esteem, while the scientist is interested in obtaining quality material. Achieving the right balance of these two roles can be crucial for the success of the interview, depending on the interview goal (Allmark et al, 2009). Allmark et al (2009) also highlighted that the presence of the interviewer may make the interviewee uncomfortable and therefore render answers that may or may not be truthful. This is also essential to consider in the case of the observations, the presence of the authors may very well alter the behavior of the employees.
3.11 Validation of the results

Oftentimes, qualitative studies face criticism for being too subjective to be generalizable (Bryman and Bell, 2011). A common way to combat this criticism is to use Guba’s four criteria for validity amongst studies can be used to discuss the applicability and validity of the findings in a qualitative study (Guba, 1981). These four criteria are credibility, transferability, dependability and lastly confirmability.

In order to enhance credibility, several sources were used. These sources had different backgrounds but were all engaged with innovation or office design. The complementary data was used as a support or to discuss the findings in the interviews. By using different sources the authors were able to draw conclusions based on how the sources might share the same opinion on the topic and on how the interviewees might assume something that may or may not be true. In order to make the study more transferable, the authors have described the office designs and cultures previously and will discuss them in a contextual setting in the empirical chapter. Two external and inter-independent auditors have been used to deal with dependability-related issues throughout the research process. These auditors have also had access to the research and to some extent the empirical data in order to reduce potential bias in the analysis and therefore to confirm the findings.

4 Results

4.1 Introduction to Experts

In this section the selected experts are presented in a manner that highlights why their input is valuable to the research.

4.1.1 Christine Riedman-Streitz

Christine Riedman-Streitz is the founder and CEO of “Marken Factory”. Marken Factory was founded in 2010 and is a coaching agency with the focus of branding, innovation, as well as cultural change. These factors are focused on the requirements for innovation- and change-processes, new working environments, digitization strategies and digital transformation of business models.

Riedman-Streitz has years of experience in several industries, within the field of leadership and management. Her work combines strategic and conceptual know-how with profound applicable knowledge and insights from different market sectors and distribution structures.
In the years leading up to the foundation of Marken Factory, she has worked 20 years in a leading management position for several well recognized brands. During this time, she advised shareholders, chairmen and CEOs. Riedman-Streitz holds numerous certifications as an innovation trainer as well as a coach. Additionally, she moderates panels, workshops and events in the field of digital transformation, innovation and change. As a lecturer, she teaches at renomated universities, such as the University of Hohenheim or the Frankfurt School of Finance and Management. She is also the author of the book “Gibt es noch Marken in der Zukunft” – “Are there brands in the future”, published in 2017.

4.1.2 Rüdiger Schneider

Schneider is a pioneer in field of office design and has been working within the field for more than 20 years. After several years at the Fraunhofer Institute, he founded his first company, “Top Office Management”, which led to the second company, “aconsea”, at which he currently has the function of a managing director.

During his time at Fraunhofer Institute, Schneider was one of the driving forces for the project “Office 21”. As mentioned before, the project “Office 21” created the foundation for current agile office designs. Schneider has a personal interest in office design and the different ways to create better office performance. His current company, aconsea, is focused on how to adapt the office design towards the requirements that digitization adds to the market, in order for organizations to leverage the opportunities that digitization brings effectively and efficiently.

The services provided by “aconsea” are not only limited to the field of office design. Because adapting the right office design can only be achieved in combination with the right change management, Schneider is a leading expert in both fields.

Moreover, Schneider is the author of a number of articles and books, discussing office design, organizational culture and change management.

4.1.3 Livia Sold

Livia Sold holds the leading management position for “Working Environment and Office Design” at real estate branch of the Deutsche Bahn AG, DB Real Estate. She is an advisor in the field of “Working Environment and Office Design”, where she advises, accompanies and supports the allied company “Deutsche Bahn AG” in the implementation of future oriented working forms and the creation of future oriented office designs. The service portfolio ranges from the requirements analysis, over the planning and realisation phase of new work environments, all the way to project-oriented change management.

Livia Sold’s main function within DB Real Estate is to make sure that the right number of offices and the right office functionalities are present for every task within the Deutsche Bahn AG. According to Sold, it can be said, that the Deutsche Bahn AG is a good representation of the whole German market, because the functions of the Deutsche Bahn AG are present in all market sectors on the German market.
She also has a consultant function for customers of the Deutsche Bahn AG for offices of the future. As a consultant she is also focused on change management that can be broken down into the following four aspects. First, change management concerning office design. Second, it focuses on the culture and leadership. Third, understanding the business law. Lastly and fourthly, she aids in the creation of future oriented IT and processes.

4.1.4 Dr. Stefan Rief

Dr. Rief is the leading director of Workspace Innovation at the Fraunhofer IAO. The Fraunhofer IAO team consists of scientific working staff within a plethora of fields of all areas, such as ergonomics, work- and organizational psychology, architecture, business management, real estate industry, the science of engineering, innovation management, office design, and the study of economics.

The competence centre for “Workspace Innovation”, an expert team is researching and developing new office environments to support productivity and enhance office performance. The focus is on offices, laboratories and study environments. The service for companies includes the analysis of the work- and process requirements, support in the creation of new office environments and the development of new office solutions for the front, as well as the back-end area of a company.

Dr. Rief is the author of several papers and articles in the office design, change management and the requirements for the office of the future. He was for many years the leader of the project “Office 21 for several years”.

Based on all four experts that have been interviewed, the market is moving faster and is more connected than ever. The biggest change that digitization brings to the market has not even occurred yet. Digitization continues to create digital tools that must be implemented in an effective and agile office design. Without an understanding the trend of these new digital tools, an effective and efficient office design cannot be implemented. Furthermore, technology will be taking over a majority of standardized processes and even creative work will be partly taken over by digital tools. This creates the need to understand how organizational culture and office design is linked to motivation and innovation on an individual level.

However, the majority offices have not caught up to the needed standard to efficiently implement digital tools yet. But before offices can be designed and digital tools can be implement, it is crucial to understand the specification of the tasks.

4.2 Findings from the experts

4.2.1 Organization Culture

According to Schneider and Sold, organizational culture and office design must be supporting each other in the process of creating an environment, where motivation and
innovation can thrive. Nevertheless, most managers currently have a wrong perception about digitization according to them. They argued that often times the focus is to use digital tools to cut workforce and costs, instead of empowering and supporting existing and new employees. Furthermore, they argued that digitization brings countless opportunities to empower and support employees and top-managers must understand the different possibilities and lead by example. When cultural changes are being implemented, such as flat hierarchies and desk-sharing, these must be led and implemented by management, as well as by employees.

Additionally, Riedman-Streitz adds that the organizational culture has to set the basis to support employees throughout their work day. Due to mobile working, this organizational culture must be embedded into the mind-set of each employee.

As mentioned by Sold, the best office design without the right organizational culture will never be able to reach its full potential as a platform, as one of its main functions is to serve as a platform for people to connect, communicate and transfer knowledge. According to several of the interviewees, change management is crucial as a prerequisite for organizational culture and office design. Aside from change management a holistic approach serves as a foundation to empower employees and managers at the same time. With a holistic approach, each individual understands why certain things are implemented.

Even though, each organization is unique and therefore each approach will be unique, guidelines can be distinguished for all organizations to follow. Because of the high impact that digital tools have on the success of an organization, Schneider states that there is a need to continuously acquire knowledge about new digital office tools, such as design thinking or high performance programming.

Riedman-Streitz believed that a top to bottom, as well as a bottom to top approach is necessary. The management level must lead by example. Yet each individual takes part in the change process and is key to successful realization of an organizational culture and office design. She further emphasized that a learning mentality and being proactive and motivated from every single employee and manager, is the foundation for continued improvement of processes, and as a result for the organization to stay competitive. This mentality has to be set by the organizational culture that supports, but also challenges the employee at the same time, that the employee understands the need for continuous self-improvement.

4.2.2 Motivation in an Organization

Dr. Rief mentioned that motivation is the driving force for individuals to take action. Sold believes motivation throughout the whole organization is the central challenge for knowledge based work, and how an organization motivates each individual intrinsically.

All four interviewees agree, through motivation people enjoy doing their work and want to evolve continuously within their work and their lives. This kind of proactive behaviour can only be achieved through intrinsic motivation. All four experts differentiate between intrinsic motivation and extrinsic motivation. Most often however, organizations rely on
extrinsic motivation, which is only effective for a short period of time according to the interviewees.

4.2.3 Creating Intrinsic Motivation through Organizational Culture

Schneider explained that intrinsic motivation can be achieved through several different strategies. First, it can be achieved by giving the employees real responsibilities. Secondly, giving employees a high level of freedom to self-organize through macro-management over micro-management. This starts with management and trickles down all the way to each individual. This means that focus is on goal oriented work and not set office hours. Thirdly, it promotes working in a flat hierarchy.

Dr. Rief states that intrinsic motivation varies from person to person. A researcher for example, who is personally interested in the research topic, will also have a higher level of intrinsic motivation. Therefore, for a research institute, such as the Fraunhofer IAO, the main goal is to retain this intrinsic motivation. According to Dr. Rief this can be achieved through several different ways. Firstly, this can be achieved by giving the researcher tasks aside from a standardized research routine. Secondly, giving the researcher the freedom to come with their own ideas and the possibility to acquire funding. This means that the individual has the opportunity to follow personal interests, when he/she is able to argue for the topic and acquire funding. Thirdly, he also mentions the aspect to empower through the freedom of self-organization work when and where they see fit, which is the same goal oriented tasks without micro-management that Schneider talked about.

As stated by Sold, managers and leaders are key factors in creating and maintaining an organizational culture that supports intrinsic motivation and fosters innovation. Modern leadership should have more of a coaching approach than delegating tasks. However, a lot of managers are lacking the new way of leading or even in the right way of leading in general. Not enough workshops and coaching are being implemented to get upcoming managers ready to lead the right way. Additionally, Sold believes intrinsic motivation must be made a goal of the organization in order to have the right amount of resources allocated toward achieving it.

Some of the respondents argued that one strategy to create or enforce intrinsic motivation through empowerment of the individual is through surveys. Surveys have been part of organizational strategies for many years, but most organizations do not give them the needed attention and resources to conduct them successfully. If surveys take on a high priority in an organization, they can become a powerful tool for intrinsic motivation.

Deutsche Bahn, which was mentioned by Sold, has different surveys for different goals in different periodical cycles in place. One is conducted by the employees every two years. This survey has a high priority within the company and large amount of resources are being spend on conducting, analysing and implementing the results of the survey. After analysing the survey, moderated follow-up workshop are conducted. Teams are laying down their work for half day to take part in these workshops and discuss the results of the survey openly.
Additionally, Deutsche Bahn is so called “Pulse-Measurements” every quarter of a year. These measurements are used to check the motivation of each individual by answering question such as:

- Do you know our goals?
- How do you feel about those goals?
- Are you able execute these goals?
- Where do you need help/support?

Sold emphasised the importance of having the top management fully standing behind the implemented strategies to foster intrinsic motivation.

Schneider stated that aconsea does not spend enough time to implement strategies and tools to foster intrinsic motivation. He argued that this is due to the fact that aconsea is doing mostly project-based work. And with time pressure, there is no time to reflect on the right tools and find new tools that open new possibilities. However, as mentioned above, in order to create intrinsic motivation within the individual, it must be made a priority and cannot be lacking for reasons such as time constraints.

### 4.2.4 Change Management

All four interviewed experts have talked about the importance of change management. As mentioned before, a majority of organizations are currently lacking an organizational culture that is able to thrive in the digital era. Issues that were identified by several of the respondents were that agile processes are still missing and hierarchies are not flat enough to react quickly to changed market conditions. In order to adapt the organizational culture, all four experts are saying, that continuous change management must be embedded into the organizational culture. Without continuously change, the organization will not be able to stay competitive on today’s fast changing market according to them.

Furthermore, there was a consensus regarding that implementing an office design that would allow the company to be agile and the right environment to support and enhance projects tasks will not be enough to increase office performance without the right change management, which introduces the individuals to using the new environment. The office design simply serves as a tool for the employees to use and as a platform for communication and interaction. This means that the most important variable in an office environment is the individual itself.

In order to understand which organizational structures need to be broken open and which must stay, Riedman-Streitz suggests that utilization profiles are essential.

**How to foster Change on an Individual Level**

According to Riedman-Streitz, in order for an individual to adapt to change through intrinsic motivation, he/she must understand why change is necessary and why specific changes are being implemented. Additionally, the individual needs to understand how to keep the changes on a operability level and understand each process to an extent, that he/she can develop ideas on how enhance it further. Moreover, for intrinsic motivation to
change it must be clearly communicated to the individual, which personal benefits he/she will be able to gain from change.

However, as stated by Sold, a stronger intrinsic motivation to change is being created when the employees see themselves of something bigger and identify themselves with the organization. In this case the motivation to change comes from a duty to contribute to something the individual believes in. As reported by Schneider, Sold, and Riedman-Streitz, change management must have clear goal to ensure the possibility of measuring the change in performance and create an understanding, whether the implement change has been successful.

Each organization is different and has different tasks requirements and therefore a different change approach must be implemented, by taking a in depth view on the task and organizational requirements.

Some of the respondents argued that many organizations solely focus on change management on the employee level and not the continuous improvement of the management level, which is an issue, because as mentioned above, without the top management being fully being implemented tools and strategies, the organization will not be able to implement the change needed on a knowledge based market. An example to achieve continuous change on a managerial level is proposed by Sold, the implementation of a two days leadership coaching and workshop. During these workshops, the focus should be on ways to work better together, answering questions on the leadership style, as well as how each manager understands leadership and perceives him-/herself as a leader.

4.2.5 Creating and Supporting Individual Innovation and Motivation through Office Design

After talking to experts in the field, it is clear, that there are two major factors hindering an effective change towards a multispace office design concept:

- the building/office itself and
- the humans working within the environment.

Based on the responses of the four interviewed experts, there are several different ways to create and support individual innovation and motivation through office design. According to Schneider, one of the best tools to generate innovation on an individual level to give individuals the freedom to choose their own office environment based on the task requirements. Furthermore, all office tools are also being used based on the task requirements. But through the freedom of self-organization, the individual can decide for themselves what is needed and what tools work best for them.

Schneider also stated that the biggest improvements that he would make in the office of aconsea are to offer a bigger variety of office areas to support concentration and communication at the same time. Based on his experience, multispace offices are generating the best office performance when designed correctly towards the task requirements. He also mentioned that a better understanding by the employees for the
office design and the different tools it offers, an increase in office performance could be achieved.

Based on his experience, Schneider further argued that the perfect office design can be broken down into three pillars. The first pillar of the perfect office design is to provide an optimal space for the different work processes within an organization. The second pillar is to present the organizational culture to the employee, as well as to people outside of the organization. And the third pillar is to create an identification for the individual with the organization on an emotional level. Dr. Rief and Schneider talked about the office as a platform that should encourage communication and knowledge transfer.

Sold agreed with Schneider, saying that office design is one of the major pillars in affecting innovation and motivation of each individual. She even goes a step further by stating, office design can either hinder or support the individual with his/her everyday office tasks. She also believes that the multispace office the most optimal office design for the future, based on the understanding the communication and knowledge transfer is fundamentally important for knowledge based work. Yet, whether an office design should have open or closed structures depends on the individual organization. Nevertheless, even individuals who like to work concentrated and alone most the time would benefit from a well-designed multispace office.

Based on the experience of Sold the optimal office design offers optimal support for each individual in their respective tasks, but it is merely a tool. Furthermore, it should be the place where people enjoy spending their time and identify themselves with. It is a place of identification and therefore should reflect the organizational culture. Additionally, she stated the optimal office design should be a tool, which encourages communication and knowledge transfer. Also give the individual the freedom to work from wherever they see fit, based on their individual task requirements. After doing mobile working, the individuals start to see the benefits of communication and knowledge transfer, and start coming back to the office more often through intrinsic motivation.

Dr. Rief stated it is much easier to be creative within the right office design has a significant impact on the motivation of each individual. He believes that visual connection is a major aspect of communication and leads to spontaneous communication. Therefore, the right office design must take visual aspects into consideration. At the Fraunhofer IAO, they have already started implementing tools, such as tools for prototyping or interactive walls, to further enhance motivation and innovation for each employee.

Sold, Schneider and Dr Rief agree that the multispace office is optimal for most applications during a project since it offers areas for concentration, while at the same time supports concentration work. But they also warn, that it must offer the right variety of areas for the different activity types. However, Dr. Rief warns that a lot of organization market their offices as a multispace office, even though it does not offer the right amount of variety and therefore falls into the category combo-office or even group office.
4.2.6 Increasing Office Performance through Office Design

As reported by Schneider the office design affects the office performance on several levels and is directly affecting the success of an organization. On the input side the office design is an investment that must be made but the investment costs should not be underestimated. The initial building costs only accounts for 10% of the total costs of the office in total. The other 90% are ongoing costs and therefore cannot be overlooked.

Nevertheless, Schneider emphasizes the importance of creating value through office design. One aspect of creating value for the organization is to make sure that the right ideas come to the right people at the right time. Schneider referenced to Allen (1977) which stated that 80% of innovation is created through informal, random dialogue and knowledge transfer. This means for the office design, to offer informal communication areas and digital tools, which support and invite individuals to communicate and transfer their knowledge. Additionally, new digital tools make working outside or from the office more applicable, therefore this aspect must be taken into consideration when designing the office. By looking at the activity types and understanding how much time each individual spends in the office, office costs can be reduced.

Schneider and Riedman-Streitz both agree that the right KPIs must be set for the office design to evaluate an office design. Sold also agrees that the office design is affecting the office performance directly. However, she states that the office design is not everything which affects office performance. An alignment of the office design with the organizational culture is must for optimal office performance.

According to Riedman-Streitz, in today’s knowledge based industry an office design, which implements cellular/closed offices is not useful if the company wants to stay competitive. The office design must encourage communication by providing a wide variety of different areas. Even the top-management must be visible. This can be achieved by sitting among the employees, or simply strolling through the office throughout the day.

4.3 The case study

4.3.1 Description of the Companies

Company A: Company A Is a world-renowned global company with Scandinavian roots which has its headquarters in Sweden within an innovation driven industry. It is almost a century old.

Company B Company B is a Swedish Company active within a highly competitive creative market, is active in nine European markets and is fifty years old.

Both of the companies are in highly competitive markets in the sense that there are several competitors with similar offerings. They are of dramatically different sizes and their headquarters have different structural attributes. Both of the companies deliver physical products to customers and businesses. Both of the companies are situated in the towns in which they were founded.
4.3.2 Brief Description of the offices

The description of the offices are based on our, the authors, observations made at the offices. The description of the offices will be more in-depth in the observation-section. After signing in at the reception, the authors assumed roles that allowed them to utilize the office space in such a way that the employees use the office. Company A has multiple offices over the world, Company B has a significantly smaller amount of offices. Only the headquarter offices of Company A and B were observed.

According to the previously depicted and described types of office design; Company A has an activity based office with a multispace office. It implements different office areas for concentration work, as well as areas that encourage communication. The office design provides a large variety of different office areas. Even though both companies are still implementing narrow hallways, Company A’s office design is classified as a multispace office. Additionally, the reason for narrow hallways can have multiple reasons aside from the office design. As mentioned before, in older buildings designed for cubicle offices, the hallways might have a structural function and therefore cannot be broken down completely. Furthermore, a multispace office only provides advantages in combination with the individuals using the different areas correctly. This is being described in the observation section.

Company B has an office layout that is more in line with a cubicle office design. This is due to small close spaces. Both companies having narrow hallways, which can be an indication the hallways are part of the building structure.

Company A

Company A has an office concept called activity based office design, which they use as a term for office design. This strategy aims to allow the employees to move more during the day. There are no fixed desks for single employees. There are however an activity-based planning. Generally there are four different areas: Library (quiet space), the collaboration area, the socialization area and the group rooms.

Company B

Company B has fixed offices with specific shared rooms for the teams. The teams that are associated with each other’s departments are located close to each other. There are long narrow corridors, few meeting rooms and the only socialization area are the coffee rooms.

4.3.3 Description of the Case Interviewees

Company A

X1 Consultant, highly innovation intense team (less than 1 year in Company A).
Y1 Senior Manager, highly innovation intense teams (20+ years in Company A).
Z1 Office concept change program manager (20+ years in Company A).
X1 and Y1 work within IT and software and Z1 is mainly working within business development.

Company B

H Sales manager

4.3.4 Case: Company A

4.3.4.1 The Culture Within

“You need to laugh but you need to stay professional” - Y1

X1 and Y1 stated that there is a meeting culture and that the new office concept is an attempt at combating this culture according to X1, a statement that was supported by Z1. Z1 stated that Company A is working at changing this and has been doing so for a long time and in order to support this change by providing the employees with not just closed meeting rooms but also open meeting spaces, in the collaboration area for example. As Y1 expressed it “there are meetings for everything”. He further elaborated on how it might be the case because it might be the Swedish way to reach a consensus as one works in a collaborative manner.

Z1 also emphasized that there is a strong sense of trust between the employees, which is supported by the culture at Company A. There were mixed views on whether there is a strong sense of internal politics amongst the interviewees but for those that. X1 also stated that at times the ambition at Company A is to have black numbers rather than achieving excellence. Y1 stated that the work done at Company A is knowledge based but in the end they have to deliver a physical product.

4.3.4.2 Cultural Change

“The culture sits in the walls, so if we tear down the walls it is easier for people to understand the new culture” - Z1

“Culture eats strategy for breakfast, lunch and dinner” - Z1

There was a consensus that the top management, with support from most employees, has tried to alter the culture starting some years ago. Z1 explained how the change was managed by identifying the current brand perception, product portfolio and attractiveness as an employer. Some of the interviewees expressed that there is a thick layer of middle managers in between the employees and the top management, therefore the cultural change has taken a longer time.

X1 stated that that one way of approaching cultural change is to use a managerial style that is termed radical candor (derived from the title of the book on this managerial tool by Kim Scott) to enhance honesty and bolster communication to drive change. The waterfall approach to change was brought up and criticized by X1 who further explained that it was when the top management implement change and expect this change to ripple over the rest of the organisation. Y1 supported the criticism towards the waterfall method
since the demands made onto their unit requires the employees to self-empowered teams and to take initiatives to deliver solutions in a faster manner.

Z1 explained that the new office concept is not just a manifestation of the cultural change, it is also a catalyst for further cultural change as it creates a significant increased number of conversation opportunities.

4.3.4.3 Reflecting the Culture

“The culture must be supported by the seating” - X1

Y1 highlighted that the offices do not necessarily reflect the brand whilst the retailers have very strict guidelines on how their interior should look and feel. Furthermore, he argued that the interior design might not reflect the brand and stated that it might be possible that an agency had been contacted to figure out how the brand should be reflected. On the other hand, Z1 argued that it is an issue of resources as well as the need. She argued that the people working at Company A already know that they are working for Company A so the interior design does not have to reflect the brand entirely, it is more important that the office supports the cultural values. The funds would not allow for the offices to have the same type of feel and look as in the store. Y1 also stated that although the actual offices are remodelled, the stairs and entrances are almost the same, although the employees pass by them quite frequently and guests as well. Z1 thought that it is essential that the office should also reflect core values such as having fun and that this could manifest in having a more playful socialization area for example by adding a robot or play-doh section to the socialization areas.

4.3.4.4 The Culture’s Impact on the Individuals

X1 Introduction to the culture is lacking and the new employees are assumed to conform to the organization. Y1 also supported the notion that it is important for employees to feel a sense of motivation in order to engage in the culture. Y1 stated that the employees are attracted by the fact that Company A values progress and excellence in a number of variables that are vital for the products.

4.3.4.5 The Structure of the Companies

Most of the interviewees agreed that Company A relies to great extent on consultants. As finding and travelling between the different locations and offices takes time, money is spent on people just travelling from one space to another. Y1 highlighted that traditionally, Company A has been a hierarchical organization with different branches but that there has been a change towards business objective, sometimes cross-functional, groups with cloud managements. Z1 supported the statement by Y1 but she also stated that top management has argued that it is not very important to consider the structure, it is more important that the employees consider the company’s structure as a dynamic structure.

4.3.4.6 The Role of the Manager in Creating and Maintaining the Organizational Culture
X1 and Y1 stated that the managers are both creating and maintaining organisational culture. They both argued that there are different cultures within different teams although they share the same core values that are set by the top management. The top management are providing the managers with holistic values and it is the manager’s role to apply it to their teams. Z1 stated that managers are important as role models that display behaviour that is desired by the organisation culture.

4.3.4.7 Definition of Motivation

X1 stated that trust and anticipation are the key drivers of motivation. He also stated that joy is something that is overstated in terms of creating motivation. To put it simply, the employees need to feel engaged and interested in their work. Y1 defined motivation as a sense a purpose.

4.3.4.8 How to Create Motivation

X1 stated that it is the modern manager’s most important task is to enable the employees to lead themselves. The importance of guiding a new person around and showing them their purpose and their tools is what allows an employee to self-manage according to Y1. To do this, Y1 usually puts new people into teams so that they feel connected to a cause. X1 allowed for this in his team by talking to the employees and asking for feedback on how he can improve their situation at work and giving them space to do their tasks on their own terms.

Furthermore, X1 emphasized that it is important to use cognitive coaching rather than using managerial dictatorship. Cognitive coaching is according to X1 a way to give the employee support to make their own decisions and therefore empowering them. X1 further emphasized the fundamental understanding that it is important to give the employees not necessarily what they want but rather what they need.

One way to increase motivation are workshop days that are implemented and tools, space and time to work on ideas that might not be in the product plan as well according to Z1. Managers are supposed to be open and listen to new ideas in order to listen to the ideas of the employees and not to dictate them.

4.3.4.9 The Function of the Office

Z1 described that the basic assumption behind their office concept is that the individual is the best judge as to how and where they will work most efficiently. She also stated that it was a way to challenge employees to think outside of the box by removing their physical office box. However, she highlighted that it is changing towards a more team-centred layout so that teams can work together more efficiently.

X1 highlighted that the IT-systems that are vital are sometimes too overloaded to use efficiently. One of the guidelines is that employees should state where they are on an online communication tool so that colleagues may find them. However, as this communication tool sometimes is overloaded, so some employees may not bother to state their location as it causes them frustration to use the overloaded tool. For the office to function there are rules in place, such as desks cannot be left for more than 15 minutes.
However, some of the respondents said that employees rarely follow these rules. Y1 stated that some of the offices have employees that value and follow these rules to a greater extent than others and that creates the norm for that office which implies that other offices can be more relaxed than others when it comes to the rules.

Y1 added that the office space, as well as the culture, is important to maintain new talent that arrives to work at Company A as it takes around one year to fully get a recruit up to speed it is important to be an attractive workplace to get the recruits to stay.

X1 stated that the office concept is strongly inefficient as it requires time to find a suitable space and that the needs that some tasks have been neglected. Because of this, X1 argued that one need to try and evaluate different settings to try out what would work best for the specific tasks. Y1 explained that the activity-based offices that were implemented some years ago have gradually adapted to the needs of certain teams, which he considered to be a necessity as different teams have different needs.

Z1 stated that the ideal office was an office that supports Company A’s nimble and agile strategy of work, inspiring the employees and also a fun place to be, a place where the employees feel protected and safe to grow. There is also a perception amongst some of the respondents that decisions regarding the work environment are made without asking the employees.

Y1 as well as X1 mentioned that it had indeed been a challenge with the seating as there is currently what is considered to be too few seats for the employees. Z1 recognized this problem as well. Furthermore, Y1 stated that it would be beneficial if there could be a way to physically see that the manager was present.

Y1 said that the office concept at Company A is increasing innovation as it allows the employees to interact with each other to a greater extent and that whiteboards and spontaneous meetings boosted innovation. The employees meet new people every day and Y1 argued that it supports innovation. He also argued that hearing what other people are engaged in allows for a greater extent of innovation as well. Although, he added that the management style has altered due to the fact that the people working in more open settings might need more support and it is almost a necessity to allow people to work from home to allow them to do more focused work.

Both Y1 and Z1 stated that there is room for great improvement in regards to the outside of the office which has not been paid that much of attention for some decades. Z1 stated that she thought that the outside greatly impacts the performance of the employees. They both wanted to create a campus-like feeling so that the employees could utilize the outdoors. Z1 added that she thought that instead of viewing Company A’s location on the countryside as a hindrance (harder to get there), it should be utilized in a better way (closer to the nature).

4.3.4.10 The Importance of the Same Language

X1 emphasized the importance of standardizing the way the different parts of the organization communicate with each other. Having the teams from different parts of Company A working closer to each other is an effort to increase communication according to all of the interviewees. Y1 added that it is important to be able to document
and share ideas and work both within the teams but also with different parts of the organization.

4.3.4.11 Leadership and Innovation

“If you don’t believe in that the person can give a lot to you, that is the biggest mistake you can do as a manager because then [the employee] will never give it to you”- Z1

Creative people need support according to X1 who also stated that it is important to fail rather than to stay stagnant. How to measure progress: learn and grow. The employee, no matter their management level, needs to reflect, learn and grow in order to be innovative. One cannot do things continuously all the time. Y1 highlighted that self-empowered teams have a higher performance level than micro-managed teams.

4.3.4.12 Relationship with the customers

X1 would like to have an honest relationship with the customer where customer feedback is essential. The feedback should not be diluted but it has a tendency to be diluted before it reaches the employees furthest from the customers. Y1 stated that Company A exists for the customer and it is important to create a safe product and provide them with a product that actually gives them time back.

4.3.5 Observational notes Company A

Upon arrival to Company A’s headquarter, guests and employees are greeted by a view of the plethora of factory-buildings and storage-units as well as some woods. The office’s immediate surroundings are a mix of asphalt and greenery. This space is used mainly as a parking lot for employees and visitors. There is also a bus-stop and taxi-parking spots so that employees and guests can get to the headquarter in a swift and comfortable manner. Outside of the side entrance there is a glass cubicle for smokers to smoke in. There are also old benches outside of this cubicle but these were not used during the observation despite of the fact that they were particularly beautiful days in the springtime.

During the observation period the office underwent renovations in many areas, amongst these affected areas was the reception area. To visit the headquarter, the visitor must sign in at the reception so it was a must to find the reception. For a new person, finding the reception was rather difficult, although temporary signs were placed out and employees kindly tried to be helpful when asked for directions. Once found, the sign in went smoothly with the help of the receptionist and technological tools that made the sign in-experience feel modern as the guest had to use technological tools to accept the terms and conditions.

The hallways have different levels interior design, meaning that whilst some of the hallways were newly renovated and modern, some areas, such as the stairs, followed the same colour-scheme but one could detect that the structure itself was rather old from the railing of the stairs for example. The walls were white and the floor was mostly dark. There were some tasteful decorations such as brand communicating canvases and plants.
as well as signs pointing and labelling different parts of the building. The hallways had a few seats. However, the few groups of people that stood in the hallway conversing were standing rather than sitting. When walking in the hallways, very few people greeted others and the pace in which people were walking was generally rather brisk.

The author observed a typical floor where employees in the information technology department work on a daily basis. The department is large so the observer was reasonably anonymous, working amongst the regular employees. Again, there were no greetings when walking past the employees, even in the socialization areas. There were labels on the different parts of the office, declaring what the particular area was classified as. The different rooms and areas were designed in different ways. The socialization area was bright and cozy, with plenty of room for employees to grab a coffee and sit down with their colleagues. During the observation, the socialization area at the selected floor was visited scarcely, employees went to the coffee machine and then returned to the desk. Another important observation is that the employees that went to grab a cup of coffee/tea usually did so on their own. The employees that came in groups of two or more stayed in the socialization area, either sitting down on the provided chairs, leaning towards desks or walls or simply standing.

The author sat down in the middle of a collaboration area to observe how much collaboration was taking place. Some of the employees sat with headphones on and did more focused work whilst others were continuously having somewhat muted conversations with other employees. There were several different types of seating, such as secluded sofas with tables for the laptops, desks with some visual and auditory protection by having padded half-walls attached, barstools and standing table and regular desks with and without stationary computers. The majority of the employees were seated by the desks, some of the standing tables were also used. Some conversation was ongoing at most times, either by people walking purposefully to a desk to converse with the person sitting at the desk or buy casually walking past and then grabbing a hold of the other person. There were also groups of two or more that sat together at tables, working.

Some of the meeting rooms had windows so that employees walking past the room could see what is happening inside of the room. Other meeting rooms were completely secluded. There was always some movement in the floor, with people moving, talking and generally interacting with each other and using utilities such as the phone-room where employees could go to have Skype-meetings or telephone-meetings. The meeting rooms as well as the phone-rooms were very busy.

4.3.6 Analysis of the observations at Company A

The fact that no one used the non-smoking benches on the outside of the office although the sun was out may have several explanations. One of these could be that there was simply too much to do for the employees so that they had no time to enjoy the sun. Another reason could be that the employees might freeze despite of the beautiful weather, as some of the employees are from considerably warmer climates than that of the nordics. Two of the more interesting potential reasons are that the employees might not find the outdoors environment appealing or they might feel that they do not have the freedom to mingle freely with colleagues outside of the office due to the social norms of the organisation or society.
As already mentioned, the seating in the corridor were largely unused during the observation period in which the author spent time in the hallway. The fact that the employees in the corridor were standing might imply that there is a need to be on the go. The fact that the office concept is supposed to encourage people to be on the go and not stay still for too long might encourage standing up and moving, resulting in that the employees do not use the seating areas in the hallways to any great extent. If this is the case, the office concept has partly succeeded with its mission. Granted, these seats were scarce and the employees might have been standing because the distance to the seats was considered too great. The decision to stand could also be due to the possibility that the conversations were spontaneous and the involved employees had the intention to keep the conversation short. Additionally, it may also be the case that the employees had been sitting down for extended periods of time before they came into the hallway so standing up was appealing to them in the sense that it allowed them to change their position for the moment. The pace of movement might support the notion that the employees in the hallway were going places and simply did not have time to greet one another. The employees are assumed to not be anti-social as they were very nice upon being asked the directions to the reception.

Who wants to sit alone in a socialization area? It is important to notice that the employees might consider the area as a place in which there is an expected behaviour. As previously mentioned, the office design is a tool to enforce certain attributes of organisation’s culture. Depending on what the collective cultural perception and definition is of the socialization areas, it may be more or less explained as to why people who are not already in a group may feel more or less comfortable with sitting alone in the socialization areas. Of course, there is the possibility that the people who were coming for coffee on their own might just have been stressed, on their way to meetings, heading to different office locations or the like. There is also the possibility that the people who arrived to the socialization area just did not like the aesthetics of the area or did not feel comfortable sitting alone.

That people used the collaboration area in different areas is not something that is out of the expected results. The whole concept is based on the idea that the employees should in fact work in different settings and postures. The fact that people use headphones to cope with the surrounding noise is understandable as it cancels out noise that might be interrupting focus-demanding work. There was some discussion happening, partly because people intended to seek out the person whom they wanted to have a conversation with and also because there was spontaneous conversation happening at the workplace. The collaboration area is an area for support and collaboration and in fact, a significant amount of the conversational topics were of collaborative nature in the sense that the participants were trying to work together on different tasks.

4.3.6 Interview Company B

4.3.6.1 The culture within

The cultural values are valued highly by the employees and the employees are encouraged to be courageous, driven and have a sense of togetherness. There is a cultural change happening, with new departments such as the B2B.
4.3.6.2 Cultural change

Changing the culture is about changing the mind-set of the employees according to H. She stated that although the employees might be informed about the new values and what the top management is striving for the company to become, change will not happen unless people do. H stated that everything that the employees do at Company B is measured against the core values which implies that they truly live by them. Previously, the core value words were the same but lately the change has been that the words have really started to live by them. Additionally, H stated that it essential that the individual employees must feel informed about why and how a change is going to happen in order to feel safe.

4.3.6.3 Reflecting the culture

H stated that if a guest is just coming to spend a day at the office then they might not feel like the culture is reflected in the office but if they stay a couple of days then they will hear it when the employees are communicating with each other although the physical space might not reflect them. Additionally, H did not consider the physical space to be something that sets the core values, although she has experienced instances in which new office space has impacted the culture negatively. She also stated that the culture is far more important than the physical space.

4.3.6.4 The cultures importance on the individuals

Additionally, the headquarter of Company B is situated in a town in which the majority of the Swedish companies is located so if an employee feels like he/she is not being heard or cannot speak their mind without fearing for their position, they can easily switch into another company within the same industry.

4.3.6.5 The structure of the companies

Company B is a very flat organisation so according to H, the new talents that are recruited are mostly interested in making a change rather than climbing a corporate ladder. According to H, Company B is a “typical Swedish organisation” without that many managerial levels. The three different departments have a manager that reports directly to the CEO. This means that sometimes, the managers are not available to answer questions on a daily basis as there are so few managers.

4.3.6.6 The role of the manager in creating and maintaining the organizational culture

H believed that it is important for a manager to reflect the organization's cultural values since otherwise they do not mean anything and that managers had a say in creating and maintaining the culture. If the managers do not live by the cultural values, they are just words on a paper without any meaning.

4.3.6.7 Definition of motivation

“It's the force that takes you out of bed in the morning”. 
H stated that to succeed the employee has to be really interested in what the company does in order to remain interested in what is happening in the industry in order to succeed because it is a very complex organisation. H also stated that it is normal to have lumps in the motivation level, but in the bigger picture it is essential to remain motivated in order to survive in Company B. It is not that it is a competitive environment inside of the organisation, but the industry in which Company B is active is very competitive.

4.3.6.8 How to create motivation

“I just had the annual evaluation talks and nearly all of the employees said that what motivated them was that the idea that they had, does not matter if it was a small one on a coffee-break or a big one, actually happened!” - H

Company B utilizes a strategic model called Objectives Goals Strategic Measurements (OGSM) that formulates what Company B is going to do in order to reach their targets. They encourage the employee to take part in the formulation and discussions regarding OGSM. By using this method, ideas are coming both from the bottom up to the top management as well as from the top to the bottom through forums in which every employee is given the right to have an right to express their opinions on the current OGSM. H expressed that her team was very motivated by the fact that they have a say in the core mission of the company. This was reflected in the annual evaluation talks in which nearly all employees considered possibility.

Furthermore, H stated that she believed that her team was motivated by the fact that if they questioned something and then got a reasonable argument back, then the team would have a greater understanding of the organisation, feel heard and therefore their motivation would be increased. It is important for the single employee to understand how their piece of the puzzle impacts the bigger picture.

4.3.6.9 The function of the office

“We are close to what we need [bus stops, the city centre, parking lot] and the building is not bad.” - H.

“If our best designer or purchaser leaves us then we are in big trouble, if our roof is leaking or it is a little bit cold in the winter, it doesn’t matter. It is the humans that are the heart and soul of the company.” - H.

As already mentioned, the closeness of the different departments was considered by H to be of a huge advantage since the customer service managers can just walk over to the designers and forward a question asked by a customer and getting the answer in a fast and a correct manner.

The fact that some of the functions, such as the B2B and parts of the IT-department is situated in another town 40 km away from the headquarters was brought up as an issue as there is some difficulty to have the daily communication that otherwise happens in the headquarters. This difficulty is managed by having meetings. The reason for having that office is that the competence is located in Stockholm so therefore it facilitates talent acquisition to have a Stockholm-based office.
H also pointed out that at times the offices can feel small and crowded but H could not see how this would impact the performance of the individual employees. However, H would like the office to be more flexible so that the employees could work closer with other employees with whom they are working on a project instead of using the meeting rooms as collaboration rooms. H stated that although there might be room for improvement for the office’s physical space, she is happy with the mental atmosphere.

4.3.7.10 The importance of the same language

As mentioned previously, H stated that one of the advantages of Company B’s office was that the employees are close to each other and therefore it is easy for the employees to communicate and they do so often.

4.3.6.11 Leadership and innovation

H tries to encourage innovation within the frames that she can work with by encouraging them to question things included in the OGSM. She further explained that she considered leadership as a great factor that can impact individual innovation. One of the ways in which she thought that it was fundamental that the manager must lead by setting a good example since people, according to her, are more inclined to do as they are shown rather than how they are told. Therefore, she comes to work as motivated and positive as possible since that is how she wants her team to be.

She also encourages her employees to speak their mind in different aspects of the business in an honest and trusting manner and to stay open minded. In fact, it is important that the employees speak their mind on most things, according to H as it is important to consider as many perspectives on an issue before a decision is made.

4.3.6.12 Relationship with the customers

Company B loves their customers. The company uses a warm tonality and H added that Company B aims to provide the “best friend”-feeling by being empathic and transparent.

7.3.7 Observations Company B

The headquarter of Company B is a office where the company logo is on the side of the building facing the road. Company B is not the only company in the building but rather it shares it with the group that owns Company B as well as another company within the same industry. The other companies are located at different floors, Company B has a floor to itself. The immediate surrounding around the main entrance is preliminary dominated by asphalt and parking spots for guests and employees. However, there are some trees and grass as well as some benches closer to the employee’s entrance. As the benches on the outside of the employee’s entrance are located closely to a restaurant it is hard to say how much of the bench users are employees at Company B. During one of the observation-periods, the first day of spring emerged and entire departments could be found sitting outside together, enjoying coffee on the bench in the sun.
The employees are expected to take a separate entrance that is located around the corner from the main entrance. The main entrance leads to a staircase with walls of brick and the stairs are made of dark stones. There are some sculptures in the bricks, but nothing brand conveying. After climbing the stairs, the guest is greeted by a reception with mannequins showing the latest products from the company, a lounge area with a sofa and the reception desk. The corridors of the office are connected to the reception so that when the receptionist receives a visitor to someone, the relevant employee may swiftly go and greet the guest. The reception is for all of the three companies, so all of the three companies are represented on signs and such in this area. At times, employees would cross the reception to get to the other end of the building as fast as possible. When doing so, some would stop and talk to the receptionist whilst others would walk by fast. When there were guests in the reception, employees would not stop to greet them unless the guest was in fact their guest.

For the employee’s entrance into the building, they are greeted by a display of mannequins as well as tunnel to the office that leads to the main building. It is noteworthy that there was also a sofa next to the mannequins but during the observation period no one sat down in it. On the walls there were large posters from the latest brand communicating campaign. There was no observable interaction between the mannequins, posters and the employees until a new campaign photo was posted and employees commented on how they liked it.

To get from the entrance to the office, employees must use a tunnel that functions as a bridge between the different buildings. It is grey and on the walls, there are some photos from the internal art club. The flooring is grey plastic. Although there were two large windows on the side of the tunnel no employees stopped to look out the windows. At the end of the tunnel there is a wall display of some products and postal boxes for the different employees. These postal boxes were used to some extent for parcels. At times, in this area, there were also posters about upcoming events such as the kick off or activities from different clubs that exists in the company, such as the activity club that arranged horseback riding tours for example. At the very end of the tunnel, the one of the two corridors in the office is reached as well as office-clocker where the employees check in in the morning and out in the afternoon.

The hallways are what connects the offices at Company B. The hallways do not offer seating stations but they do offer opportunities to interact with the products as they are usually available in the hallway. It should be noted that there are several places in the hallway where the three culturally charged values, such as courage, are printed in bold and large letters on the wall. The employees also have a small store in which they might purchase inventory that for different reasons has not reached the end customer. When walking in the hallway, the employees usually walk in a brisk manner. The hallway is simply not a place where employees spend time talking. The office rooms have 1-3 occupants with their respective desks and computers plus additional furniture such as decorative tables or coat hangers. The offices are structurally very similar, no matter if the occupants are dealing with customer relationship management or designing and prototyping the product. The interior design in these spaces is different though, as designers have different needs than the other departments for example. The offices may or may not be connected to other rooms by doors, but generally it is a room with a relatively small window adjacent to the door. The room typically has white walls and
light grey flooring. The places are assigned to employees and these desks are not to be moved. A noteworthy room that was placed in one of the hallways was the relaxation room, equipped with a bed.

One space that is used for relaxation is the space meant for coffee breaks which is used many times during the day for several different purposes. It serves as an unofficial meeting spot where employees can chat with each other about things regarding work but mainly things regarding news or their private life. Employees may stop by just for a quick coffee to bring to a meeting whilst other employees sit there and enjoy their coffee. On Fridays, some departments have common breakfasts or share pastries, like a ritual. The physical space offers seating, a place to clean the utensils and cups as well as some inspirational art and magazines. There were some candles on the table, although they were not lit once during the observation.

### 4.3.8 Analysis of the Observations at Company B

As previously mentioned, it is hard to estimate how many of the bench users that are employees at Company B but it is known that the benches are used frequently for coffee breaks and lunches in the sun and such by the employees since this reported by the employees themselves. The instance in which entire departments could be found sitting outside together could be due to the possibility that the sense of team is so strong at Company B that the employees prefers to do things together as a collective rather than as individuals. It could also be that the employees were simply not done discussing something indoors and then decided to talk about it outdoors. Another potential reason is that their manager might have told them to spend some time together outside. Yet, the last potential reason is faulty as the manager was at an interview for the thesis when the department ventured outside. It is also interesting to notice that there was a significant amount of traffic going by the greenery outside of the office but this did not stop the people from enjoying the sun.

The reception truly functions as a brand representing waiting room. As a first-time guest, the brands are introduced to you by the products that are in the room and the receptionist signs the guest in. It is important to notice that the employees that walk through the reception might also function as representatives of the brand when they walk past guests. There is little to no effort that has to be made on the guest’s behalf. The employees that walked past the reception usually wanted to use the toilets on the side of the reception and it is understandable that employees might want to get to the toilet as quick as possible at times.

The employee entrance is an area that functions as a showcase area. But is it enough to set the mood for the employees coming in on a rainy Monday morning if they do not interact or pay attention to the items on display? In order for the mannequins to be conveying their intended message there must be a receiver of the message. Naturally, the employees might not have paid attention to the mannequins or posters because they had seen it before. It might also have been the case that the employees were too stressed during the observation period to even be mindful of their surroundings. Nevertheless, as all employees pass through parts of this passage at least twice a day to check in and out of the office, it can be assumed that if any place of the office should communicate and engage the employees, this would be the place.
The hallways were narrow and the fast pace of the employees was understandable. The corridors function is to be a transportation alley where the employees could stop for looking at the products, exchange a few words whilst standing or print out documents. If spontaneous socialization was to happen, employees would meet out in the corridor and then move on to the coffee-sections to sit down and talk. In the space where the employees could browse through the inventory spontaneous socialization happened as well between all types of employees from different parts of the organization. In short, in order for the employees at Company B to socialize for a longer period of time, they needed to either truly engage in the conversation and sit down or engage themselves in some shopping-like behaviour. Company B values togetherness and the office is quite small and many employees do in fact share a small office and in that sense, they are working closely together physically. The relaxation room was not used by the employees during the time for the observation. This could be for a number of reasons, such as stress, social stigma and other potential issues but it could also be the case that there was no need for relaxation due to a healthy work environment.

The coffee rooms offered a place of relaxation in close proximity to the hallways and truly were a place of relaxation to the employees as some sat there alone to drink their coffee but mostly, the employees that were there came in groups of two or more. It is a place to be social and share the nearly ceremonial Friday coffee breaks. By taking part in these rituals, the employees connect with each other.

4.3.9 Comparison of the two cases:

As is evident, there are several points in the cases where the two companies’ perspective on different topics differ significantly. From the observations it is clear that structurally, there were some differences and similarities. These differences are the first to be discussed, then the managerial perspectives will be discussed.

Both Company A and B had narrow hallways that were mostly white, apart from the big culturally guiding words in Company B. There was only hallway seating in Company A but Company B compensated for this by having a relaxation room close to the hallway. Yet, one must ask oneself; why are they there if no one uses them?

The coffee rooms were not fundamentally different between the two case companies, both had a decent coffee machine and ok seats, lights, shelter from stimuli. Nevertheless, the employees at Company B utilized the coffee rooms as a chance to gather the department with regular intervals just to talk about other topics than work. This could be because togetherness is strongly emphasized by the top management. Being together with the team is natural for them, although employees could on occasion go to get lunch with other friends than colleagues. This difference is also noticeable in the case of the outdoors greenery outside of the entrances to the offices. Company A as well as B had some grass, a few trees and a couple of old benches. The difference was that the employees at Company B did in fact go out and enjoy the sun together whilst the benches outside Company A stood empty.

To further illustrate the essential difference in between the employee behaviour one can use the case of the coffee rooms at Company A which were largely not used as
socialization areas, rather as a stop-by for coffee. This could be because all of the micro-
management essentially means that all the employees are managing themselves so the
pressure is on them to deliver something to their managers. This could mean an elevated
level of stress. The socialization area is there to not only serve as a place where one can
be social, an essential human need. It is also a place for a pause from the work and at a
company such as Company A where there might be a higher cultural pressure to deliver
ideas and solutions all the time than connecting with each other within the company.

It was interesting to see that there were some ideas to make selected parts of the
socialization area more of a play-room where the employees could truly have fun. The
element of fun is something that continuously came up as an important aspect of
Company A’s cultural values so implementing a bit of stimulating entertainment into the
socialization areas could potentially lead to more employees staying there for a while
rather than just returning to their desks as soon as their coffee is done.

The last difference was the different takes on the representative aspects. Both cases had
receptions that were vastly different from not just each other but also from the rest of the
office. At company B the reception looked like a lush living room with a reception desk
whilst there only was a reception desk at Company A but there were technical gadgets
there that facilitated the process of signing in. In both of the receptions it is clear to the
researchers that an effort has been made to make the reception to look nice as it is the first
office space that a guest or new talent is greeted by. Despite of this, both Company B and
partly Company A argued that they were insecure as to if the physical environment
impacted the employees perception of the company and their culture.

4.3.9.1 The culture within

Both Company A and B are currently working with their cultures in a conscious manner.
The different companies’ value different aspects and traits but the main challenge for both
companies is to implement the intended culture. As seen in the observations, company
did however try to convey its culture by printing up the words that are the epitome of their
organizational culture on the walls. Another difference was that in Company B this
change mostly stemmed from actually implementing the meaning of the core culture
rather than changing it as it was done in Company A.

As both companies are Swedish, it is interesting to see that the term “Swedish culture”
was used to explain the need for the meeting culture at Company A and “typical Swedish
company” came up when talking with Company B regarding their rather flat non-
hierarchical structure. To some extent, Company A has a rather hierarchical structure still,
which then according to Company B would be a less Swedish company structure. This
could mean that the perception of what is typically Swedish varies or that the companies
both identifies as Swedish so that they want to justify certain parts of the organizational
life with the national identity.

4.3.9.2 Cultural change

Both of the companies recognized that they had been going through cultural change that
had been initiated some few years ago. Additionally, both of the companies also stated
that the change had indeed come from the top management. Company A consciously use
office design to change the culture whilst Company B did not do so to the same extent as Company B rather solely focused on changing the mind-set of the people whilst Company A challenged the mind-set of the employees by changing their environment.

Furthermore, there were also different reasons that could explain why the cultural change was taking a significant amount of time to happen. As previously mentioned, some of the interviewees at Company A argued that increased communication and employee empowerment were vital in order for the cultural change to be successful. Yet, Company B added that in order for cultural change to happen, everybody must see why the culture, and therefore to some extent the people, must change. By informing the employees Company B argued that everyone felt safe in the transition. Company A had the challenging approach where they challenged their employees to change their mind-set rather than educated them to do so.

4.3.9.3 Reflecting the culture

Notably, this is perhaps the largest difference in between the cases. Company B stated that culture is not visible in the office space as it does not reflect the organizational culture but rather any visitor or new recruit would have to spend a few days to listen to the employees. Company A had conflicting views on the importance for new employees and such to understand the culture and brand through the interior design but there was a consensus that the office design must support and reflect the core values of the culture. Company B did not have this perspective but rather stated that the physical space does not create a core culture. However, it is possible that Company B did recognize that office space must support the culture as previous experience had proven that when the physical space was changed without a cultural change, the results had been negative.

4.3.9.4 The culture’s impact on the individual

Both Company A and B highlighted how important it was for new employees to be integrated into the culture and to do so, the employee must value somewhat the same as the organisation, otherwise the talent may not become motivated and engaged in the organisation, leading to a potential loss of the newly recruited talent.

4.3.9.5 The structure of the companies

Company A and B are currently structured in different ways, yet both have headquarters with vital IT-services located in other offices. For Company A this poses a particular problem as they have contracted several consultants which have to debit the company just for transportation between the different locations. Company B highlighted that it is essential to hire personnel that have the right mind-set for their particular, rather flat, organisational structure.

4.3.9.6 The role of the manager in maintaining and creating the organisational culture

There was a consensus regarding that it is essential that managers maintain the culture by displaying culturally appropriate and desirable behaviour to give credibility to the culture. It became evident that although the top management might decide upon a general culture
it is up to the managers to choose how to emphasize these cultural values in their teams, for example: Company B preferred to encourage courage by encouraging questioning.

4.3.9.7 The impact of management on individual innovation

There was a consensus regarding that managers greatly impact individual innovation and innovation. The interviewees at Company A and B stated that it is important to have a management approach that is supportive and allows the employees to learn and grow from their ideas. Company A underlined the importance of giving the employees the resources and the trust to develop the ideas if it is deemed beneficial for the Company A micro-managing every team is simply less productive. Company B on the other hand assumed that the employees follow the managers’ example and if they can see her be independent in her choices, then they might be more inclined to be so as well.

4.3.9.8 The definition of motivation and the creation thereof

Regarding the definition of motivation, there was no disagreement or agreement. Company B stated that it was an essential force to even live, whilst Company A stated was a sense of purpose.

An interesting finding is that almost all of the managers had a similar approach to motivation. Purpose and sense of trust was highlighted to us some of the most important aspects of generating motivation as well as innovation. The cultural impact on these two aspects was also discussed, with a slight variance between the cases in that Company B foster the notion of togetherness to a somewhat greater extent by maximizing the individuals’ understanding of the big picture whilst Company A place more emphasis on the importance of facilitating employee self-governance and employee empowerment. To some extent, Company A argued that there are workshops in place that aim to inspire and motivate employees, this was not present at Company B that argued that it is important for the employees to feel recognized when presenting a new idea or posing a question. This was also supported by Company A which also stated that it is essential that managers listen to the employees.

4.3.9.9 The physical space and the individual

There were some significant differences in between the different companies as to when it comes to the impact of the physical environment on the individual for example, Company B has the approach that the physical environment which was much less important than the actual culture which to some extent was supported by F at Company A. However, the interviewees at Company A stated that the physical office culture is the manifestation of the organizational culture and can in fact support or change the culture.

4.3.9.10 The function of the office

Both of the companies argued that having divided the employees amongst different sites poses some certain problems, such as cost of time spent travelling between the locations and potentially some communication issues. Furthermore, Company A emphasized the importance of a unified and common language as well as an understanding between the different departments. Company B does not have a similar issue, or at least not to the
same extent as most departments work in near proximity to each other and have a rigid understanding of each other’s tasks.

Essentially, both companies argued that the office must support the employees in more than just allowing them to have a decent work environment. Yet, Company B was more focused on how the location was beneficial to the employees as the office is located close to the city centre and laboured under the assumption that although the office might seem small and crowded at times, it would not affect the employees or their efficiency significantly. Company A has faced some issues with lack of seating for their employees at the headquarters so they argued that the office must be able to accommodate and serve the needs of the employees since productivity will be affected if the employees’ and the organisation’s needs placed on the office are not met. Therefore, as the needs of the organisation are changing as cloud management and teams are the new preferred structure, the office space will need to change in order to accommodate and meet these needs. This difference in perspective could be due to the fact that Company A has developed an office program for the past couple of years whilst Company B has undergone cultural changes and smaller office changes where employees shifted offices. In short, it is possible that Company B simply has not considered the functions to the same extent as Company A of an office as they have had no need to change the current status quo although there was a wish to make it more flexible to allow for more collaborations between units.

4.3.9.11 The relationship with the customer

This question was asked in order to try to place the company somewhat in one of the four categories of core cultures as proposed by Schneider as the desired or actual relationship with the customer or user is one of the key differentiators between the categories. When asked, Company B simply stated that there should be a “best-friend” relationship between the Company and the customer, making the relationship rather warm and personal. Company A on the other hand emphasized more what they wanted from the relationship, such as clear communication from the customers as well as stating that the relationship is based on the promise that Company A gives to the customer which is heavily focused on security.
4.4 Gioia Analysis

The Gioia graphs combine the findings from both the experts and the cases in order to develop common themes that become themes for our results as well as dimensions. It also serves as a tool to neatly summarize and present the key findings from the interviews that were found.

4.4.1 Gioia Graph

- Individuals are seeking opportunities that are offered by digitization.
- The goal of management is to install a mindset of continuous improvement within each individual.
- Organizational goals and the need for change must be understood by each individual.
- By changing the physical environment, the organization is challenging employees to change their mindset.

- Through new market conditions, there is a need for leaders to have the ability to function as coaches.
- Employees self-organize based on task-oriented work, while being coached by their respective leaders.
- Coaching is needed for effective, agile, and continuous change.

- The organizational culture has a direct effect on how individuals perform within an organization.
- The organizational culture dictates how individuals interact among each other.
- Introduction into the culture is vital.
- Cultural values are important for employee retention but also for employee acquisition.
- If the employee feels culturally aligned to the organization, it creates motivation.

- Adapting an agile culture, which supports continuous change is the basis for a successful organization.
- Organizations are adapting their organizational culture towards digitization.
- Top management has developed a general culture, it is the managers who can pick certain parts of this core value to emphasize in their departments.
- Organizational structure can impact the speed of cultural change.
- The waterfall method takes too long time to spread a culture. Managers now utilize managerial styles such as radical candor to increase honesty and communication within their departments.
- There is a shift from hierarchy to business objective groups governed through cloud management.

Figure 9
Title: Gioia Analysis 1
Source: own
**Figure 10 Title: Gioia Analysis 2**

- Office design reflects the organizational culture within.
- Office design serves as a presentation of the organization towards the outside world.
- The hierarchical structure, as well as other structures, are presented through office design amongst other artifacts.
- "The culture sits in the walls, so if we tear down the walls it is easier for people to understand the new culture”
- The office is a manifestation of a culture and a catalyst for further change
- The immediate surroundings impacts self-perception and presentation of the company

**Figure 11 Title: Gioia Analysis 3**

- Communication can be increased by the right environment.
- The communication environment helps individuals to identify themselves with the organization by interacting with each other.
- The office environment should be a platform that offers an optimal communication environment.
- More opportunities for communication = more innovation
- Unwanted communication can be avoided by using headphones or sitting in quiet areas.
Using the Gioia method, the various statements of the expert interviews, as well as the statements of the interviews conducted with the experts of the case study companies, were grouped into 1st order concepts. Comparing the different interviews and based on the derived 1st order concepts, 10 2nd order themes were found. These are explained in the next section. The 2nd order themes are the fundamental points, found through the semi-structured interviews that create motivation and innovation on an individual level. Furthermore, they are summarized under three aggregated dimensions, which change management, organizational culture and office design. These dimensions have been discussed in depth during the literature review. Therefore, the found 2nd order themes add new themes to the three already existing dimensions. Individual change, coaching leaders, cultural effect on individuals and cultural change fall under the dimension change management. Knowledge transfer, managing innovation and motivation creation are part of organizational culture. And the 2nd order concepts representative office design, office functionality and communication environment are part of the dimension office design.

4.4.2 Definitions of Gioia 2nd Order Themes

Individual Change
Individual change means change on a micro level, referring to the change that is occurring within each individual. By the definition of term, this can be an ongoing change or a change event.

Representative Office Design
Office design is a way for an organization to present itself within, as well as to individuals outside of the organization. Representative office design focuses on the office environment and its design as a way for organization to be presented.

Managing Innovation
The theme managing innovation focuses on how innovation can be led and catalysed, by managing towards a wanted outcome.

Motivation Creation
Motivation creation represents how motivation can be actively encouraged and fostered through different tools and strategies.

Cultural Effect on Individuals
The cultural effect on individuals, focuses on how organizational cultures are affecting individuals through the create culture.

Coaching Leaders
Coaching leaders that the barriers between leaders/managers and coaches are being broken down. Leader must also have the ability to coach.

Cultural Change
Organizational cultures change over time, to adapt to new conditions and requirements. The theme cultural change refers to this change.
Office Functionality
Office design should have a clear goal on how the office environment should be used. Therefore, office functionality are the functions of the different spaces within an office.

Knowledge Transfer
Knowledge transfer refers to the challenge of transporting knowledge from part of the organization to another, as well as directly from individual to another.

Communication Environment
Communication is the environment that has been created through the organizational culture and the office design to support and further enhance communication.

4.5 Theoretical contributions

There are several contributions to academia that can be gained through this study. Firstly, the general role of the manager in terms of maintaining and shaping organisational culture has been explored further from a managerial perspective. Secondly, the impact on how the office design can impact individuals from a managerial as well as expert point of view is an important contribution to the field of office design in the ergonomic and architectural fields. Thirdly, it is no small feat to build bridges to obtain deeper understanding of a topic. Fourthly, our findings may support the findings of Evans and McCoy’s study as the interviews yielded support to their arguments that there are specific factors in the physical environment that may impact the behaviour and health of humans. However, the most noteworthy contributions to academia arguably comes from the adaptations, alterations and support of the previously discussed theoretical frameworks.

4.5.1 Schneider’s core cultures

One of the many contributions to this framework is the recognition that an organisation can in fact have several different types of core cultures. As evident in Company A, the interviewees that were active within the innovation intense teams described the creation of motivation as much more of a sense of purpose rather than the office program director’s view that motivation was more about being recognized and to grow. This division of the culture could partly be explained by the phenomenon in both cases that managers adapt the organisational cultural plan from the top management onto their own respective areas of the organisation, cherry picking the aspects that they want to emphasize the most to display and to implement. Therefore, whilst a competence culture might be dominant in the research department, a collaboration culture may be preferred in other departments such as within the information technology department.

The findings of this study also suggest that some cultures may be more suitable for innovation purposes, something that is not discussed in Schneider’s framework which is more of a description of different types of cultures rather than explaining in what context which culture could be useful.
4.5.2 The Denison model of organizational culture

The four aspects of organizational culture could per our findings be complemented by aspects regarding the office design with regards to culture. The first aspect, Involvement, states that it might be beneficial for the organisation that the employees feel a sense of belonging and purpose associated to said organisation. The findings support this notion as several of the respondents not only said that it was important to have a purpose to aid in the generation of motivation of the employee but also for boosting innovation.

The second aspect, Consistency, discussed the importance that the humans shared the same understanding of the culture to ease introduction of new talents into the organization. As the findings supports the notion that the office design is a manifestation of the organizational culture, one could argue that the office design, if representing the organisational culture accurately, ease the introduction of the culture for new talents.

The third aspect, Mission, states that some organizations may benefit from having a clear vision and strategy. The cultural change often stems from a organizational need to do so in the cases and interviews. In Company A for example, the organizational structure changed as well as the office structure as a result from a changed vision for the company.

The fourth aspect of this model is Adaptability, which Denison argues is a must for some companies and that adaptable companies are customer-centred companies that learn from their mistakes. Both of the case companies expressed a need to be adaptable to survive and their cultures were supportive and open to some extent.

4.5.3 Managerial contributions

Apart from explaining which dimensions are important to consider when engaging in efforts to change the organisational culture or the office design, this study also highlights why it is important to be aware of both the mental environment, i.e. the culture but also the physical one as both can impact managers and employees in different ways.
5 Conclusion

The organizational culture and the office design have a direct effect on each other. Implementing the right organizational culture without aligning the office design, will not achieve the wanted output. And implementing the right office design without developing the right organizational culture will also not achieve the wanted output.

The three major pillars that must be considered when developing the organizational culture are, change management and how it is being implemented, coaching for managers and leaders, as well as strategies to empower employees. Empowering employees is essential to create intrinsic motivation and as a result, foster the mindset of continuous improvement.

Creating the office design around the needed office functionalities will assure that the office supports the individual employee optimally throughout his/her workday.

By understanding the needs and requirements for the organizational culture, along with the office design, and implementing the right tools and strategies that empower employees and ensure the needed office functionalities innovation and motivation is created on an individual level. As a result, the office performance is drastically increased and the organization is able to gain sustainable competitiveness.

Figure 12 represents a baseline, which can be used to understand which factors affect office performance and therefore company performance.
5.1 Discussion

The organizational culture serves as a basis and is a prerequisite for the right office design. However, in most cases the right organizational culture is not present yet, to seize opportunities that digitization provides. Therefore, managers must be coached, in order to become leaders. The organizational culture must empower employees to create intrinsic motivation on an individual level. Intrinsic motivation serves as a basis for continuous improvement, which is necessary on today’s fast changing market.

However, with digitization moving forward new technology and digital tools are being invented. Most of the standardized processes can already be executed by technology. Digital tools also already have a big role in creative processes. With all these factors, the question of why it is important to allocate resources to create motivation and innovation on an individual level, arises. Furthermore, why is office design important, when mobile working becomes more present.

The end goal of motivation is to foster innovation. Even though digitization is expanding at a rapid pace and changing the market, the foundation of innovation is still coming from each individual. The organizational culture and office design must create an environment in which the individuals using the space can identify themselves with and work towards a common goal.

Nevertheless, technology and digital tools are taking over a lot processes within a project, the individual is still the fundamental pillar for innovation. Therefore, designing an organizational culture and office, which creates intrinsic motivation and innovation on an individual level, are essential parts for an organization to stay competitive.

5.2 Limitation of Study

There are several factors affecting motivation and innovation on an individual. To cover all them would exceed the frame of this paper. Therefore, this paper is only a representation of the effect of organizational culture and office design. Furthermore, each organization has unique features and these are different depending on which part of the world the organization is located. Even though the information gathered is applicable beyond the borders of the research location, the application of the gathered information must be adjusted based on the application requirements.

Additionally, there are many factors outside of the organization and office that are affecting motivation and innovation on an individual level. These were not considered for the research of this paper was conducted, but could have a major influence on the aspect of motivation and innovation.

Although the experts, that have been interviewed, are consulting in the majority of the whole market, certain niche markets can potentially have unique forms of requirements, which makes at the found framework inapplicable.
Additionally, the case study was conducted on two specific companies. Two companies are not representative for all companies on the market. Additionally, the opinions and experience of three managers is not representative for a global company, nor is the opinion of one manager representative of a company.

5.3 Future Research

Future research can be conducted on how the individual private environment affects the motivation and innovation on an individual, as well as the effect of the country culture as a whole. Using the finding of this research paper, a research on trends for digital tools could be added, in order to create a tool book which combines the different digital tools to the different aspects of motivation and innovation.

An additional research could be categorized and prioritize the different factors that affect individual motivation, as well as innovation and as result create a checklist for organizations to follow with a prioritization on the most critical points for motivation and innovation.

It is understood that innovation plays a major role in the process of creating innovation. However, the impact of motivation on the level of innovation has not been researched.
6. References


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Appendix 1

Hej! Jag heter Linnéa Warnvik, jag är en master-student från internationella handelshögskolan i Jönköping och jag håller på att skriva min D-uppsats tillsammans med Maximilian Schneider om hur relationen mellan kontorsdesign och organisationens kultur påverkar den produktiviteten för den anställda individen och teamet som den ingår i.

Det finns egentligen ingen forskning på just relationen mellan dessa faktorer så därför skulle vi skulle uppskatta din input på ämnet enormt mycket! Vi skulle vilja göra en semi-strukturerad intervju på ca. 60-90 min, företrädevis på engelska men om du känner dig mer bekväm med att svara på svenska så gör det givetvis också bra. Om du vill göra den inne på erat kontor så hade det varit perfekt, då vi gärna vill observera era fysiska miljöer men om du inte har möjlighet till detta så kan vi ta intervjun över Skype, TeamViewer eller telefon.

Intervjun kommer spelas in för att vi ska kunna göra en så utförlig analys som möjligt. Du kan få vara anonym om du vill men vi vill ha icke-anonyma företag att referera till.

Vi ser fram mot att få höra ifrån er vad ni anser om detta intressanta ämne! Med vänlig hälsning// Linnéa och Maximilian

Hi!

My name is Linnéa Warnvik, I am a Master- student from the international business school in Jönköping and I am currently writing my thesis together with Maximilian Schneider where we study how the relationship between organisational culture and office design impacts the productivity on an individual and team-level.

There are hardly any studies investigating this relationship so we would greatly appreciate your participation in a semi-structured interview. This interview is estimated to take 60-90 minutes. We would like to conduct the interview in English but if you are more comfortable with answering these questions in Swedish or German, we could arrange that. Furthermore, we would like to do the interview with you at your organisation’s office so we could observe your office. If this is not possible then we could conduct the interview over Skype, TeamViewer or over the phone.

The interview will be recorded so that we may analyse the data with a smaller risk of error. You can be anonymous but we would like to have non-anonymous organisations to refer to.

We look forward to hearing from you and receive your valuable input on this interesting topic! Kind regards// Linnéa and Maximilian

Följande frågor är de frågor som intervjun kommer utgå ifrån:

1. Is your organization/your work, focused on standardized processes or knowledge based?
2. How do you define motivation?
3. Are you implementing strategies in your organization/service to foster innovation and motivation within your organization? How do you define motivation?
   1. If so, what are they?
   2. If not, do you plan on implementing them in the future?
      1. Why not?
      2. What kind?
4. Do you think your office design is supporting the individual employee’s innovation and motivation?
   1. In what way?
   2. In your opinion, what can be improved?
5. In your opinion, what role does leadership have in regards to individual innovation and motivation?
6. What organizational culture tools/strategies are you implementing to support innovation and motivation on an individual level?
7. Is your office reflecting the organizational culture within your organization?
   1. Should it?
   2. Why?
8. How is your office reflecting your organizational culture?
9. What are the employees motivated by? A sense of….
10. What type of relationship do you wish to have with the customers and how do you reflect that internally? I.e. partnerships/relationships/compliance/monopoly?
11. In your opinion, what is the function of the ideal office design?