



UNIVERSIDADE CATÓLICA PORTUGUESA

Startups, Organizational Culture and Engagement

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by

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Abstract

The purpose of this study was to explore the organizational culture of a startup and investigate whether this culture can contribute to improving employee's engagement level. This paper is an exploratory study, conducted in an organizational context. The organization is a Portuguese Technological startup in the fashion industry, founded in 2015 by four university students. It was expected that Adhocracy Culture, most commonly found in startups environment, facilitate the internalization and integration of externally regulated motivation, consequently, promoting a work place with higher levels of engagement. Employees were asked to complete an online questionnaire which included the Competing Value Framework Scale, Motivation at Work Scale and UWES Scale. Descriptive and inferential statistics were used to analyse the data using SPSS. The findings of the research concluded that the organizational culture influenced the type and quality of motivation which consequently influenced engagement. Clan and Adhocracy cultures were positively associated with intrinsic and identified motivations. These types of motivations lead to higher engagement levels. The main limitation in this paper was the small number of participants and a quantitative data method.

Keywords: Startups, Organization Culture, Competing Value Framework, Motivation, Self – Determination Theory, Engagement

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Chapter 1

Introduction

The purpose of this paper is to explore the organizational culture of a startup and investigate whether this culture can contribute to improving employee's engagement level. The paper is divided into five main sections: Introduction, Literature Review, Methodology, Results and Conclusion/Discussion.

The introduction provides a brief contextualization of the organization and the aim of this research paper. The Literature Review is divided into two parts, organizational factors and individuals factors which cover the the following main fields of studies: startups; organizational culture; engagement and self-determination theory. In each of chapter, the concepts will be defined and an overview of what has been studied within the literature will be explored. The next section describes the methods and instruments applied in the study, followed by the results. Finally, this paper terminates with the discussion and conclusion sections in which the results are discussed, and the limitations of the present study are presented, as well as suggestions for future studies.

1.1 Contextualization of Company

HUUB is a Portuguese startup, founded by a group of four university students developing a project which came to life in January 2015. It is a technological startup seeking to disrupt the fashion industry. HUUB's main mission is to accelerate the brands in their ecosystem by providing their brands full visibility over the logistics process real time and transparency (HUUB, 2018). It's objective is to provide an "end-to-end omnichannel tech solution" to fashion brands and convert all the data into business insights (HUUB, 2018).

HUUB is responsible for the entire supply chain management of their brands; since the production support, storage, inventory management and distribution for all

channels (wholesale, e-commerce and/or marketplaces) through an innovative platform which allows their brands to access all information regarding their products. In other words, HUUB manages the “entire physical flow of the clientes’ products through their network of warehouses and guarantees full visibility over the operations through the platform” (HUUB, 2018). This means that the clients do not need to invest in infrastructure, people and equipment to support their business, giving them a competitive advantage with such a flexible and efficient operation.

HUUB provides its clients a customized and optimized logistic service including shipping, delivery, tracking and customer support through the platform, SPOKE, which was developed internally by the tech team. Besides these services, through the use algorithms and artificial intelligence, HUUB is able to gather and use data to accelerate and boost the growth of their clients by providing business insights such as best-sellers, slow movers, sales forecast for each product to name a few examples.

HUUB provides their brands all these services at a Price per Item. This allows clients to know exactly how much they will spend on the whole logistics operations from the moment they finish production. This business model makes HUUB’s objective align with their brands, as the price is predefined, HUUB works towards maximizing and optimizing the whole operation process to order to make it more efficient and reduce cost, becoming a perfect ally. This business model is revolutionary and distinguishes HUUB from the other logistics providers, as they differentiate by offering a new mindset to logistics services.

Currently, the team consists of 35 employees with the expectation of growing until the end of the year. HUUB operates in more than 60 countries with both Business-to-Business (B2B) and Business-to-Customer (B2C) operations, working with 50 brands.

1.2 Contextualization of Study

Today’s work place is changing, as the Millennial generation is entering the workforce. This generation is set to make an impact in the work place and change the working paradigm, since they live by different sets of values and cultures compared

to the other generations (Beccalori, 2017). Millennials are known to be the most “technological savvy, better educated and more ethnically diverse than any previous generation” (Bannon, Ford & Meltzer, 2011). Studies conclude that this generation seek organizations that care about employees and foster work-life balance, meaningful work, social responsibility, and develop people personally and professionally (Deloitte, 2018).

According to the 2016 Deloitte study, 25% of millennials plan to quit their current jobs in the next year, 44% plan to leave within 2 years and 68% claim they would not stay in their current jobs for longer than 3 years. Reports also confirm that on average Millennials start up more businesses than the previous generations, and at a younger age. Furthermore, as reported by Gallup, only 13% of employees worldwide are engaged at work.

Given these statistics, it is very important for employers to understand what motivates individuals to attract and retain talented employees. It is also crucial for both academics and practitioner to explore the organizational cultures of startups and investigate whether these organization can contribute to improving employee’s engagement levels.

Chapter 2

Literature Review

2.1 Startup

Startups have become an increasingly popular topic for both scholars and practitioners. These organizations have established a key role in the global economy, being considered the “dynamos of our society” (Malone, 2003).

Research shows that startups are the primary driver of job creation in the U.S economy and account for nearly all net new jobs in a given year (Kauffman, 2018). Startups increase market dynamism and competitiveness given their knowledge and innovation focus; which contribute to fast growth and improvement as well as higher productivity (Decker et al., 2014). Furthermore, due to their size and low levels of hierarchy and bureaucracy, they are more flexible and agile (Kollmann, 2016) being able to respond more rapidly to markets demands (Decker et al., 2014). This gives organizations a competitive advantage over larger ones (Decker et al., 2014). Startups are also widely known for increasingly contributing to forming society’s values (Kauffman, 2018) emphasizing proactivity and a distinct cultural mind set towards work (Burrus, 2017).

Within the literature startups have been intensively studied since the internet invention in which the world experienced a massive explosion of software businesses, also known as the “startup bubble” (Paternoster et al., 2014). Although numerous researches have been carried out in this area, within the literature there is no consensual definition of what a startup is. The term has been associated with several different concepts; since the initial phase of organizations lifecycle (Hyytinen, Pajarienen & Rouvinen, 2013; Picken, 2017), new business model (Blank, 2007; Reis, 2012) to an organizational culture mindset (Robehmed, 2013). In fact, scholars believe it is easier to describe what not a startup than the opposite is (Nascimento, 2017).

Irrespective of the unclear definition, studies have identified recurrent themes in the literature which help to characterize and establish patterns of a startup. Previous research has focused on both internal and external factors which influence startups ranging from founder's managements styles to external factors in the startups ecosystems (Nascimento, 2017). Studies have also focused on entry timing, idea and fundings (Nascimento, 2017). Both scholars and practitioners believe timing to be a crucial in the success of a startup. Apart from timing, the product/service(idea) has also been determined as a startups success factors, as they meet an unmet demand in the markets, by creating a solution to an existing problem or creating the solution to an undefined need (Li, 2001). Organizational culture has also been referred to as a success factor of startups (Nascimento, 2017) as they understand the importance of hiring employees with same values to ensure cultural fit and business alignment.

Many studies relate startups to newly created organizations in highly volatile and risky environments (Giardino et al 2014; Paternoster et al. 2014). As young organization, startups are less experienced compared to other organizations and have little or no financial and operational history (Giardino et al 2014; Sutton, 2000). Like small organizations, startups frequently have a small number of employees; consequently, lack financial and human resources, therefore externalize most of their economic activities (Giardino et al 2014; Sutton, 2000). For this reason, startups are highly dependent on internal and external factors such as investors, clients, suppliers, and competitors which forces them to be flexible and agile.

Giardino et al. (2014) concluded that in general research agrees that startups are often formed by recently graduated students and/or employees with less than 5 years of experience. The European Startup Monitor Study (2016) reports that startups are founders-centric organizations and most frequently adopt an informal, flat organizational structure, i.e., 96% of the startups are dominated by flat hierarchy with no more than three levels, and the average age at which the entrepreneurs found their first venture is 29.9 years.

These organizations have unique struggles, especially regarding financing (U.S Small Business Administration). As reported by the ESM study, 19.5% of the startups identified sales and customer acquisition as one of the major challenges faced, followed by product development (17.1%) and growth with 16.6%. During the first years of economic activities, startups are usually funded by founder's or private capital, so called Business Angels, and have very low survival rates. According to the Business Daily article (August 2009) startups fail at an early stage due to "poor management and a shortage of funds". The majority of startups (80%) are expected to fail within the first 18 months due to lack of resources.

One last recurrent theme is the lifecycle of a startup which has been identified and described from different perspectives (Nascimento, 2017).

2.1.1 Life Cycle

Many scholars define startups as the initial phase of an organization's development (Hyytinen, Pajarienen & Rouvinen, 2013). These theorists regard the startup phase to be the gestation process of an organization – the process from conception to the idea (Gartner, Carter & Reynolds, 2009). In other words, a startup is any enterprise at the beginning of an economic activity.

In the literature scholars have proposed a variety of models to categorize and describe the life cycle of organizations (Adizes, 1979; Churchill and Lewis, 1983; Downs, 1967; Hanks et al., 1993; Kimberly and Miles, 1980; Penrose, 1952; Quinn and Cameron, 1983; Scott, 1972; Smith et al., 1985; Torbert, 1974). While these models vary as to the number of stages of an organization's life cycle, there is a general consensus that organizations are born (Tich, 1980) grow and develop (Mintzberg, 1984), and die (Kimberly and Miles, 1980). A review of the literature concludes that the life cycle models vary between three to ten stages.

Within the literature, few studies on this "startup" phase have been conducted (Miller & Reynolds, 1992). The reason the author describes is the complexity of identifying when the conception phase becomes an actual idea, or in other terms, the

birth of the company. It is difficult to measure the duration of this process - some scholars define the birth date of the organization during the first transactional act, because it signals the organization's active participation of the in the economy (Miller & Reynolds, 1992).

Like the definitions presented by the academics, most reports regarding entrepreneurship, define startups as organization with less than one year (Nascimento, 2017). Dun & Bradstreet, a company that provides insights for business based on data and statistics, describes startups as an organization with less than a year old. The Portuguese National Statistics Institute (INE, 2018) likewise considers startups to be newly constituted organization.

This perspective concludes that legally a startup and a SME are similar. A startup may be classified/qualified as a SME due to its structure and dimension; however, the opposite is not true. According to these authors and reports, all enterprise were startups at some point of their life cycle. Although one can agree that a startup is a SME due to its dimension, it is difficult to accept that all SME enterprises are startups. In general, a small business such as grocery and hairdresses is not be classified as a startup. Startups are associated to technologic industries, with a specific working environment.

This perspective of startups described as an initial stage of the lifecycle of an SME is a very limited approach to what constitutes and limits a startup. While this perspective attempts to limit a startup by defining parameters such as age, profitability and growth metrics, other approaches have been found within the literature.

2.1.2. Purpose Perspective

The concept, startup has been frequently used since the 1990s to describe young ventures, tech companies and small businesses in general (Robehmed, 2013). Startups are commonly perceived as small businesses with high growth rates, operating in immature technologically oriented market (Robehmed, 2013).

Steve Blank, professor at the University of Standford, University of California, New York and Columbia and Silicon Valley serial entrepreneur, defines startups as “temporary organizations designed to search for a repeatabel and scalable business model” (Blank, 2007). He argues that a startup is different from a small business; a startup has the capacity to disrupt the market with a scalable business model becoming significant player in the market within a few years whereas a small business often maintains its small dimension in a secure market.

Eric Reis, Silicon Valley entrepreneur and creator of the Lean Startup Movement defines startups as “human institution designed to create new products and services under conditions of extreme uncertainty” (Reis, 2012). While Reis definitions emphasis on the idea itself, Blank focuses on the businesses capacity to escalate. Both theses academics seem to portray a more realistic description of what a startup is. Nevertheless, this definition is very ambiguous making it even more difficult to define what limits a startup, since there are no operationalized parameters.

Theses academics focus on two of the three factors which is the European Starup Monitor (ESM) Study characterizes as a startup. The ESM study defines a startup as an organization with the following three characteristics:

- (1) Younger than 10 years
- (2) Promotes innovative products/ideas and/or business models
- (3) Strives for growth

In other words, small businesses that do not promote an innovative product/idea or business model that do not intent to grow are not startups. Associated to businesses that seek to promote innovative products/ideas in uncertain conditions and aim to disrupt the market is a specific work environment/context founded by entrepreneurs.

Research has shown that entrepreneurs are more risk-takers, tolerant to changing environments, more confident, creative and innovative compared to the general population (Westhead et al. 2011; Lithunem, 2000; Zang & Bruning, 2011). Studies have demonstrated the impact founder’s have on the businesses, their values are embedded

into the organizations cultures, leading to the third and last approach found in the literature regarding startups – startups as a different organizational mindset.

2.1.3 *Startups as an Organizational Mindset*

Among practitioners, startups have been frequently associated to a mindset and/or a different way of thinking. According to the Robehmed (2013), Adora Cheng, co-founder and CEO of Homejoy, defines the term startups as a “state of mind”. Several articles appeal large companies to adapt the “startup culture mindset/startup mentality” emphasizing the advantage of this mindset (Parr, 2014). These authors argue that to survive in today's competitive, volatile economy, business must adapt quickly to both internal and external market pressures. According to these authors, startups cultures promote adaptability and agility to survive in the high risk volatile circumstances giving them a competitive advantage over larger, more rigid organizations.

The startup mindset is defined as thinking “out of the box”, a workplace that aspires and encourages employees to be participative and innovative, mission driven cultures in which employees want to make an impact (Parr, 2014). It is a workplace which fosters proactivity, ownership and responsibility.

Therefore, a startup culture values creativity, problem solving, open communication and collaboration. It is a workplace that “gives” voice to their employees and recognizes the importance of work-life balance. These workplaces are frequently associated with ping pong tables, casual dress codes, open offices, to name a few to as common benefits associated. These perks create a unique working environment, which are increasingly being implemented by leaders at larger organizations, as they are realizing the benefits from adapting these values.

Besides these external characteristics of startups environments, researcher have demonstrated the founder's role in contributing to the creation of the startups culture (Schein, 2004). Practitioners believe startup cultures to be the reflection of its founder's vision and purpose. Schein, (2004) supports this statement by stating “the most salient

cultural characteristics of young organizations is that they are creation of their founders”.

Literature has revealed a close relationship between culture and leadership style (Schein, 2004). The organization’s leader is responsible for creating and shaping the organizations culture. It is widely known that startup founders give a great emphasis on hiring the right people that (Nascimento, 2017). According to Schneider’s Attribution, Selection and Attrition (ASA) theory, individuals are attracted to organizations with whom they identify with. Leaders and founder’s select the employees they believe share their values and best fit the organization's culture. The founder’s beliefs, values and assumptions are thus imposed onto the hired people. If the organizations succeed, these values, beliefs and assumptions become the basis for the organizations culture. The founder’s values, beliefs and assumptions become the “glue” that holds the organization together.

Within the literature, entrepreneurs are characterized as more extraverts, tolerant to change, creative, risk takers, autonomous and a need for achievement. As mentioned above, leaders influence the organizations culture. Thus, these entrepreneurs will create a culture based on their characteristics and select employees with similar attitudes/beliefs, which consequently leads to a work place which will foster flexibility, open-minded, autonomy and collaboration. Therefore, some practitioners have associated startups to a mindset with a specific organizational culture, because these values shape the way the organization functions.

2.2 Organizational Culture

The study of organizational culture is recent. Until a few decades ago, organizational culture has been “overlooked” and attention has focused on other organizational aspects which have been considered more important to organizational performance (Davidson, 2003). However, recently, both academics and practitioners realized the importance of exploring organizational culture due to the impact culture has on organization’s effectiveness and performance.

Within the literature several definitions of culture have been identified (Kroeber & Kluckhohn, 1952). Culture represents an intangible aspect of the organization such as its core values; it is enduring and not easily modified (Scheider, 1990). It may be described as patterns of shared values, beliefs and assumptions that characterize the organizational environment and produces shared behavioural norms (Owens 1987, Schein 1990). Schein (1985) argues that these assumptions are solutions to problems which have worked in the past and are taught to new members as the correct way to perceive, think and behave. In fact, these shared values, beliefs, assumptions and behaviours are what binds an organization (Kilman et al. 1985).

Academics proposed different models of organizational culture in the literature (CVF item article) such as Schein (1999, 2010), Martins (1992, 2002), Cameron and Quinn (1999) and Denison (1990), as well as variety of instruments to measure organizational culture. One of the most frequently used instruments is the Organizational Cultural Assessment Instrument (OCAI) which is based on the theoretical model - Competing Value Framework (CVF) created by Cameron and Quinn (1999). The OCAI instrument has been empirically validated and proven to be very accurate in assessing the important aspects of organizational culture and performance. This model integrates many of the dimensions proposed by other academics (Helfich et al., 2007). For this reason, this model will be used in this dissertation to evaluate the organizational culture.

The CVF is characterized by two sets of competing and opposite dimensions: focus and structure. The first dimension is the degree to which the organization is internally oriented and integrated versus externally oriented and differentiated. The second dimension is the degree to which the organization emphasizes on flexibility and discretion (decentralization) versus stability and control (centralization). Cross-classifying organizations on these two dimensions result in four types of organizational cultures: Clan, Adhocracy, Market and Hierarchical. Each typology is characterized by separate sets of shared values and beliefs, leadership style and different organization strategies (Helfich et al., 2007).

2.2.1 The Competing Value Framework – Culture Types

The competing values framework identifies four distinct types of cultures in organizations: Clan, Adhocracy, Market and Hierarchy.

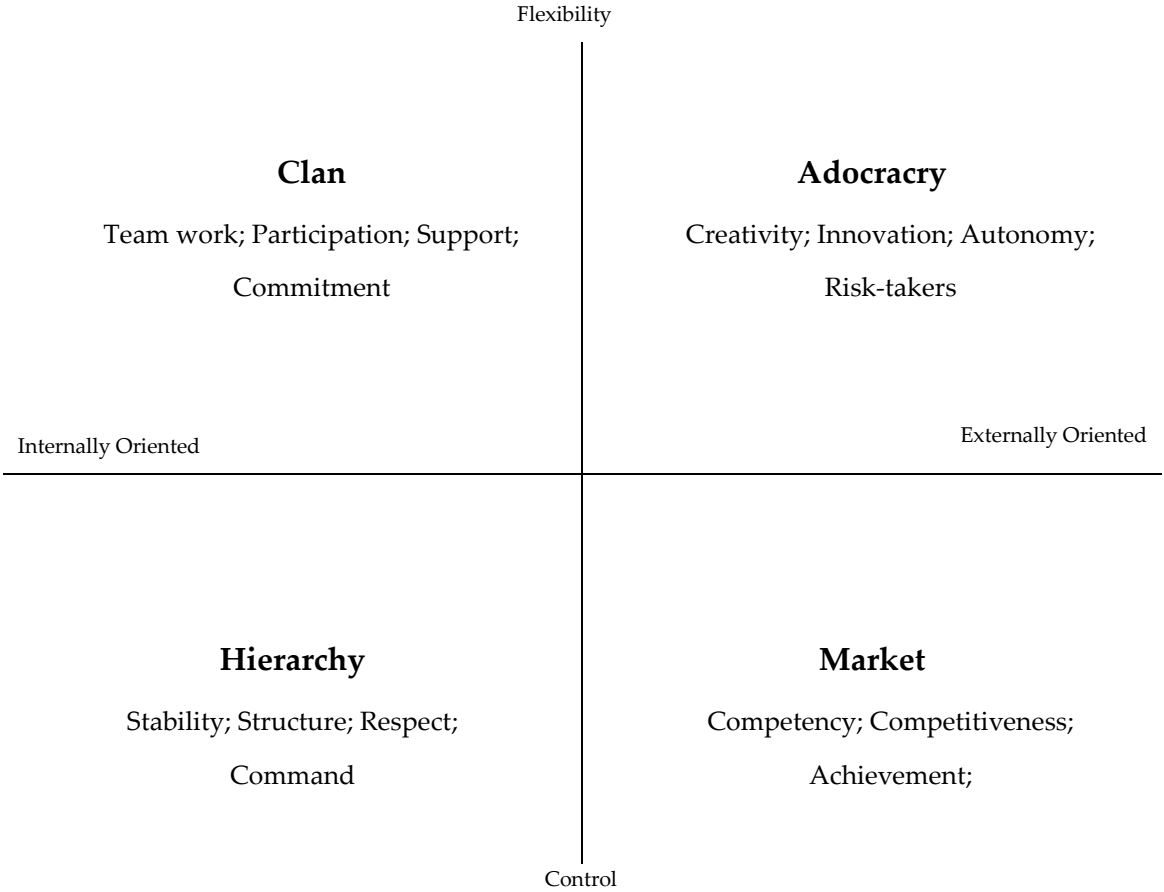
The *clan culture* is internally oriented, reinforced by flexible organizational structure and commonly characterized as a family type organization (Cameron et al.,2006). One of the principle assumptions of the clan culture is that human affiliation promotes positive employee attitudes. This culture focuses on hiring, developing and retaining their human resource (Cameron et al.,2006). A core belief in the clan culture is that the organizations trust in and commitment to the employees facilitates open communication and employee involvement. Therefore, this culture values attachment, affiliation, team work participation and support (Cameron & Quinn, 1999).

The *adhocracy culture* is externally oriented and supported by a flexible structure (Cameron et al.,2006). This culture is characterized as a dynamic, entrepreneurial, and a creative workplace. Adhocracy cultures are highly adaptable, and flexible. A fundamental assumption of this culture is that change fosters the creation of new resources (Quinn & Kimberly, 1984). The core beliefs are that creativity and innovations induces members to be risk-takers and creative. This type of culture values growth, experimentation, creativity, autonomy, adaptability and innovation (Quinn & Kimberly, 1984). The organization's long-term emphasis is on rapid growth and acquiring additional resources.

A *market culture* is externally oriented, reinforced by a controlled structure and results-oriented. An underlying assumption of the Market culture is that their focus on achievement produces competitiveness and aggressiveness resulting in high levels of productivity and shareholders value (Cameron & Quinn, 1999). This culture values communication, competence, centralized decision making and achievement. They are aggressive and demanding and emphasis winning. The long-term concern is on competitive actions and achieving stretch goals and targets.

The *hierarchy culture* is internally oriented and reinforced by a controlled structure; also known as bureaucratic cultures characterized by a formal and structured place to work. The fundamental assumption in this culture is that control, stability, and predictability foster efficiency. Hierarchy cultures value stability, routinization, formalization and consistency (Quinn & Kimberly, 1999). In these types of cultures decision making is centralized, and procedures are well-defined processes. Formal rules and policies hold the organization together.

FIGURE 1: Summary of Competing Value Framework Culture Types



Source: Helfrich, et al., 2007

2.2.2 Organizational Culture and Employee's Outcomes

Previous research has studied the effect different types of culture have on employee's performance. Lund (2003) identified a positive relationship between Clan and Adhocracy cultures with job satisfaction; and a negative relationship between Market and Hierarchy cultures with job satisfaction. This relationship has been supported by many empirical studies (Cameron and Freeman, 1991; Quinn and Spreitzer, 1991); in fact, several research point to organizational culture as a predictor of employee satisfaction (Lund, 2003). Similarly, Silverthorne (2004) concluded that elevated levels of job satisfaction is more likely to be found in clan cultures compared to the other type of cultures.

Odom et al. (1990) studied the impact of organizational's culture on three work-related constructs: job satisfaction, organizational commitment and work-group cohesion; and concluded that Hierarchy culture is least likely to be related to the concepts. Overall, Clan culture appears to be a consistent predictor of organizations effectiveness compared to the other cultural types (Gregory et al., 2006).

There are few studies which have examined the relationship between organizational cultures and other job-related constructs (Lund, 2003). Kerr & Slocum (1987) and Kopelman et al. (1990) studied the relationship between organizational culture and employee retention; Peter Lok & John Crawford (1999); Brewer, (1994) and Wallach (1983) examined the relationship between organizational culture and commitment. Even though these findings seem to be consistent with the results from culture and satisfaction studies, it is important for both scholars and practitioners to explore the relationship between culture types and other related work construct.

2.3 Literature Gap

In the current study, we define startup as a disruptive, scalable business model and a cultural mindset usually found in technological oriented organization designed to

experience rapid growth. As can be evidenced from above, startups have become an increasingly popular topic among academics and practitioners, because these types of organizations have become a very important part of the world's economy.

Today, employees increasingly leave their current workplaces to start their own startup; or leave in search for organizations that provide employees with a work-life balance and meaningful jobs. Practitioners and academics have concluded that the culture plays a vital role in attracting and retaining employees; however, very few studies, have attempted to study the organizational culture of a startup.

In this study, we will measure the organizational culture of a Portuguese startup. We propose:

Hypothesis 1: the organizational culture predominately found in startups will be the Adhocracy culture.

Chapter 3

Literature Review

In accordance with the organizational motivation theories, startups workplace/environment appears to provide the necessary job characteristics which promote employee's well-being and motivation. Motivated employees are more likely to become engaged employees, consequently leading to a positive impact on the global organizations performance. Therefore, it is interesting for both practitioners and academics to explore the organizational culture of a startup, as these organization culture may foster employee's engagement.

3.1 Engagement

The term employee engagement has received considerable attention by both academics and practitioners in the past decade (Shuck & Wollard, 2010) becoming one of the most significant subjects in the management research (Saks, 2017). Many studies have demonstrated positive association between engagement with employee's performance and organizations bottom line (Bates, 2004; Harter et al 2002; Richman 2006). Employee engagement is a key business driver for organizational success. Elevated levels of engagement promote talent retention, customer loyalty and improves organizational overall performance and stakeholders' value (Schneider et al., 2009; The Gallup Organization, 2001).

There are several reports stating the benefits of engaged employees as well as demonstrating how engaged employees are (1) more productive, (2) profitable, (3) less likely to be absent and (4) less likely to leave the organization (Buchmanan, 2004; Flrming & Asplund, 2007; The Gallup Organization, 2001). Bakker presents the following reasons why engaged workers perform better than non-engaged workers: (1) experience positive emotions, such as happiness and enthusiasm; (2) experience

better psychological and physical health; (3) create their own job and personal resources; and (4) transfer their engagement to others.

Given these results, it is no surprise that this concept has become such an important theme and a priority for both practitioners and academics (Saks, 2017; Ketter, 2008; The Ken Blanchard Companies, 2008). Furthermore, Deloitte University Press (2015) concludes that culture and engagement have become one of the most important issues organizations face with 87% arguing culture and engagement as one of their biggest challenges; and 50% of these organization consider the problem “very important.” However, despite this, engagement statistics continue to report low levels of employee’s engagement. According to Gallup’s Global research only 13 percent of the global workforce is highly engaged and only 12 percent believe that their organizations are good at driving the desired culture.

While the study of employee engagement has become increasingly popular in the field of Human Resource (Chalofsky, 2010; Chalofsky & Krishna, 2009; Czarnowky, 2008; Ketter, 2008; Macey & Schneider, 2008; Zigarmi, Nimon, Houson, Witt & DIEL, 2009), the lack of academic empirical research has contributed to the absence of a consensus definition of employee engagement (Macey & Schneider, 2008; Saks, 2006). Research on engagement has investigated how engagement differs from related concepts (e.g., workaholism, organizational commitment, organizational citizenship), and has focused on the antecedents and predictors of engagement. The relationship between work related construts and engagement remains controversial as some research has discriminated engagement from related concepts (Little and Little, 2006; Schaufeli, Taris, & Van Rhenen, 2008; Hallberg & Schaufeli, 2006) while others have found evidence for some correlation between employee engagement and the other organizational constructs (Macey and Schneider, 2008). Consequently, scholars have built on their own theoretical definition of employee engagement (Macey and Schneider, 2008), existing three broad approach to the defining the construct:

- (1) Distinct and unique concept (Maslach, Jackson & Leiter, 1996)
- (2) Old wine in a new bottle (Saks, 2006)

(3) Bundling of multiple concepts (Newman & Harrison, 2008)

Most academics regard engagement as a distinct and unique concept from the other work-related construct as such as organizational commitment, job satisfaction and work involvement. On the contrary, others describe engagement as "old wine in a new bottle" arguing that engagement is a new term used to define the existing construct (Saks, 2006). Lastly, few define the term as the bundling of multiple distinct concepts of higher order construct (Newman & Harrison, 2008) in which engagement overlaps with organizational commitment, organizational citizenship behaviour (OCB), and job involvement (Macey and Schneider, 2008).

Although there are different views of engagement, most scholars agree that engaged employees have elevated levels of energy and strongly identify themselves with their work (Schaufeli et al., 2002). The most commonly used definition of employee engagement is "a positive, fulfilling, affective motivational state of work-related well-being that is characterized by vigor, dedication, and absorption" (Schaufeli et al., 2002). This definition is based on the Utrecht Work Engagement Scale, a self-report instrument that has been validated in many countries across the world. Engagement is a persistent state characterized by affective and cognitive elements (Schaufeli et al., 2002). It is not constrained to a specific event, object or individual and is fostered through the physical, social and organizational environment (Bakker et al., 2011). In this dissertation, engagement will be considered as an unique concept characterized by vigor, dedication and absorption.

3.1.1 Engagement Drivers

The most important predictor of employee engagement are job resources (Hakanen, Bakker, & Schaufeli, 2006; Bakker et al., 2008; Bakker et al., 2011; Bakker, Demerouti, & Sanz-Vergel, 2014). Job resources refer to external situational factors, in other words, physical, psychological and social aspects of the job which reduces job demands, facilitates goal achievement and stimulates growth, learning and development (Bakker and Demerouti, 2007; Schaufeli and Bakker, 2004). Some examples of job resources are

autonomy, innovativeness, coaching and feedback (Bakker & Demerouti, 2007; Crawford et al., 2010; Demerouti, Bakker, Nachreiner, & Schaufeli, 2001). Several studies have consistently shown that job resources such as social support, performance feedback, skill variety, autonomy, and learning opportunities are positively associated with employee engagement (Bakker and Demerouti, 2007; Schaufeli and Salanova, 2007). Several motivational theories support this relationship as job resources act as both intrinsic and extrinsic motivators which met employees basic needs (Deci and Ryan, 1985).

Furthermore, research also confirmed the positive association between personal resources and employee engagement (Schaufeli & Bakker, 2004). Studies have demonstrated the key role personal resources play as a mediator between job resources and engagement (Schaufeli & Bakker, 2004). Personal resources are internal aspects associated to the individual's ability to control and influence their own environment successfully (Hobfoll et al., 2003; Xanthopoulou et al., 2007). Results have shown that engaged employees are highly self-efficacious, optimistic and believe they are able to meet demands faced in their organization (organizational based self-esteem) (Deci, Olafsen & Ryan, 2017). In addition, studies have concluded that resilience is another personal resource which leads to greater levels of engagement (Deci, Olafsen & Ryan, 2017).

Job Demands on the contrary are negatively associated with employee engagement; studies have shown job demands as determinants of burnout (Demerouti, et al., 2001; Schaufeli & Bakker, 2004). Some authors have defined burnout as being on the opposite end of the spectrum to engagement (Maslach & Leiter, 1997). Job demands are physical, social and organizational aspects of the job that require cognitive and emotional effort and are related to psychological and physical costs (Schaufeli & Bakker, 2004). Examples of job demands are high work pressure, unfavourable physical environments and emotional demanding relationships (Schaufeli & Bakker, 2004). These factors are not negative, however when demands are high, these factors become detrimental.

In conclusion, job and personal resources are important antecedents of employee engagement (Schaufeli & Bakker, 2004; Saks, 2006). Job resources reduce the impact of job demands and have a motivational potential when facing high job demands (Saks, 2006). Based on the assumption that culture exerts an external influence on employee's attitudes and behaviour at the organization, it may be considered a job resource. Therefore, organizational culture is relevant to consider in the prediction of employee engagement. In this study we propose:

Hypothesis 2: Clan and Adhocracy Cultures lead to higher engagement levels

2a. Clan and Adhocracy Cultures lead to higher vigor levels

2b. Clan and Adhocracy Cultures lead to higher dedication levels

2c. Clan and Adhocracy Cultures lead to higher absorption levels

Hypothesis 3: Market and Hierarchy Culture lead to lower engagement levels

3a. Market and Hierarchy Culture lead to lower vigor levels

3b. Market and Hierarchy Culture lead to lower dedication levels

3c. Market and Hierarchy Culture lead to lower absorption levels

Within the literature, several motivation theories have tried to explain engagement, however recently research has acknowledged the Self-Determination Theory (SDT) which best explains motivation in the work place environment.

3.2 Self-determination Theory

The Self-determination Theory (SDT) is a macro theory of human motivation (Deci & Ryan, 2008) which has recently become popular in education, health, sports and work place domains (Deci & Ryan, 1985; Deci & Ryan, 2017). Unlike many contemporary motivational theories, SDT does not define motivation as a unitary concept focusing on the amount of motivation (Deci & Ryan, 2008); it differentiates the types and qualities of motivations for predicting human behaviour and concludes that these types of motivations have different antecedents and consequences (Deci, Olafsen & Ryan, 2017).

3.2.1 Autonomous and Controlled Motivation

Central to the theory is the distinction between Autonomous and Controlled motivation (Deci & Ryan, 2008). Autonomous motivation is characterized by “people being engaged in an activity with a full sense of willingness, volition and choice” (Deci, Olafsen & Ryan, 2017). When people are autonomously motivated they experience volition and are more likely to be highly engaged (Gagne & Deci, 2008). In fact, some studies argue that autonomous motivation overlaps with engagement (Deci & Ryan, 1985). Autonomous motivation comprises of both intrinsic motivation and the type of extrinsic motivation in which people identify and integrate the value of an activity into their sense of self (Deci & Ryan, 2008).

On the contrary, controlled motivation is characterized by instrumental behaviours and contingent rewards (Gagne & Deci, 2008). It is based on contingent rewards and consists of both externally and internally extrinsic motivation. When humans experience controlled motivation, they encounter a sense of pressure to feel or behave in a certain way (Gagne & Deci, 2008).

Several studies have demonstrated that autonomous motivation predicts less burnout (Fernet et al., 2010), work exhaustion (Richer et al., 2002; Fernet et al., 2012) and turnover as well as great job satisfaction (Richer et al., 2002), work commitment (Fernet et al., 2012) and performance; whereas controlled motivation has verified the opposite results (Deci, Olafsen & Ryan, 2017).

3.2.2 Intrinsic Motivation

Intrinsic motivation is a type of autonomous motivation. Intrinsic motivation involves people engaging in an activity because they find it interesting and derive satisfaction from the activity. When intrinsically motivated, individuals demonstrate high performance and well-being (Deci, Olafsen & Ryan 2017). In the workplace, this type of motivation is extremely important. Employees who are intrinsically motivated, are more likely to be engaged, resulting in favourable outcomes for the organization

such as long-term organizational health, customer's loyalty and satisfaction as well as financial success (Deci, Olsafen & Ryan, 2017).

3.2.3 Extrinsic Motivation

Extrinsic motivation involves individuals engaging in an activity because of a desired consequence or to avoid an undesired outcome. In other words, individuals carry out the activity not for the activity itself, but due to the consequences (Gagne & Deci, 2008). SDT differentiates extrinsic motivation into various forms, each of which is recognized and applied to the workplace, varying to the degree of autonomously and controlled motivation (Gange & Deci, 2008; Deci, Olsafen and Ryan & 2017).

Within the extrinsic motivation continuum, the least autonomous extrinsic motivation is External Regulation (Deci, Olsafen & Ryan, 2017). External regulation occurs when one's behaviour is a function of external contingencies such as rewards or punishments. Externally regulated individuals perceive their behaviours to be controlled by others. This type of extrinsic motivation may be powerful in motivating specific behaviours, however in the long term, it is detrimental as it decreases autonomous motivation and well-being (Deci, Olsafen & Ryan, 2017).

Introjected Regulation refers to somewhat internalized actions which are encouraged by factors such as approval, avoidance of shame, contingent self-esteem, and ego (Deci & Ryan, 2000). It occurs when the individual carries out an activity which is not integrated with the self but is a self-controlled process. In other words, individual's actions depend on what others approve and disapprove (Deci & Ryan, 2000).

Identified and Integration are types of extrinsic motivation which are autonomous, because the behavioural regulation and values associated with the activity are internalized (Deci & Ryan, 2000). Internationalization occurs when individuals identify themselves with the values or attitudes and internalize the behaviour therefore no longer requiring the presence of an external force (Gagne, Deci 2008). When an individual identifies himself with the activity, it is referred to identified

regulation. In this case, the individual experiences greater volition as the behaviour is congruent with his personal goals and values. The most autonomously extrinsically motivation is Integration. Integration occurs when the individual regulation is fully integrated with their sense of self (Gagne and Deci, 2008).

The SDT predicts that specific factors within the workplace environment are associated with the different forms of motivation types which vary the degree of autonomous (Deci, Olasfen & Ryan, 2017). The more autonomous motivated forms of motivation will predict greater persistence, performance quality and well being compared to controlled motivations (Deci, Olasfen & Ryan, 2017).

FIGURE 2: Types of motivation according to the SDT

Intrinsic Motivation		Extrinsic Motivation		
Intrinsic Motivation	Integrated Regulation	Identified Regulation	Introjected Regulation	External Regulation

Source: *Self-Determination Theory and Work motivation* (2005) M.Gagné & L.Deci

3.2.4. Psychological Needs

SDT assumes that all individuals have an innate tendency towards psychological growth and integration (Deci & Ryan, 2000) as well as three basic psychological needs. These needs are universal and essential “nutriments” for optimal human development (Ryan, Sheldon, Kasser, & Deci, 1996). According to the theory, a need is when an individual satisfaction promotes well-being, and thwarting undermines the well-being (Deci & Ryan, 2000). Human beings have the three following basic needs: autonomy, competence and relatedness.

The needs for autonomy refers to feeling effective/confident in ones ongoing interactions with the environment and caring out an activity. The need for competence allows people to seek challenges that are optimal for their capacities and permit them to maintain and enhance their skills. The need for relatedness refers to feeling

connected with others, having a sense of belongingness both with other individuals and within one's communities (Deci & Ryan, 2000).

Studies support the view that the basic psychological needs are determinant for the well-being and optimal functioning of human beings (Deci & Ryan, 2000). Research argues that social contexts which promote the satisfaction of the three psychological needs encourages internalization of extrinsic motivation and enhances individual's intrinsic motivation. In the workplace this translate into an increase in creativity, cognitive flexibility and job satisfaction (Deci, Olasfen & Ryan, 2017). Studies have found that satisfaction of the three basic needs lead to less exhaustion (Van den Broeck et al., 2008) and organizational deviance (Lian et al.,2012).

3.3. Literature Gap

Within the SDT research, most studies have focused on specific situational factors within the workplace that affects motivation, such as managerial styles. Several studies concluded that autonomoy support from managers in the workplace enhance both satisfaction of the basic psychological needs and autonomous motivaton (Deci, Olasfen & Ryan, 2017). Few studies, if none, have explored the impact/influence organizational cultures may have on employee's motivatons.

Organizational culture may act as a job resource as it can strongly impact employee's engagement. Culture as described above is how the "organization functions". Based on the engagement research, it is hypothesized that organizational cultures that are supportive, appreciative and innovative will have a positive impact/influence on employee engagement. Whereas the other cultures that do not foster theses values will have a negative impact. Therefore, it is proposed:

Hypothesis 4: Autonomous motivation is more strongly and positively correlated with Clan and Adhocracy cultures in comparison to other other cultures.

4a. Intrinsic motivation is more strongly and positively correlated with Clan and Adhocracy cultures in comparison to other other cultures

4.b Identified motivation is more strongly and positively correlated with Clan and Adhocracy cultures in comparison to other other cultures

Hypothesis 5: Controlled Motivation is more strongly and positively with Market and Hierarchy cultures compared to the others

5a. Introjected Regulation is more strongly and positively with Market and Hierarchy cultures compared to the others

5b. Externally Regulation is more strongly and positively with Market and Hierarchy cultures compared to the others

Chapter 4

Method

4.1 Sample

The sample consisted of current employees (N = 23) who work at HUUB, occupying different job roles. The participants' ages ranged from 21 and 41 years old (M = 26,52; SD = 4,30), 9 (39,1%) are female and 12 (52,2%) are male. Regarding the qualifications, 1 (4,3%) employee terminated high school, 10 (43,5%) licensed, 8 (34,8%) master's degree and 2 (8,7%) others. The professional experience at HUUB ranged from 1 month to 36 months, with an average of 13,81 months. From the 23 employees, 4 (17,4%) had another employment while 17(73,9%) presented no other professional activity. Two (8,7%) of the current employees are "student-workers".

4.2 Instruments

4.2.1 CVF

To measure the organization's culture, a 14-item short version from the original Competing Value Framework questionnaire was applied. The instrument consists of a Likert scale ranging from 1 to 7, in which 1 corresponds to "Strongly disagree" and 7 to "Strongly agree". The instrument was divided into four subgroups: clan, adhocracy, market and hierarchy culture. Three items are related to the clan culture (e.g. "Mangers in my facility are warm and caring. They seek to develop employees' full potential and act as their mentors or guides"), four items for the adhocracy culture (e.g. "Mangers in my facility are risk-takers. They encourage employees to take risks and be innovative"), three items to measure the market culture (e.g. "The glue that holds my facility together is the emphasis on tasks and goal accomplishment. A production orientation is commonly shared") and the last four items were related to

the hierarchy culture (e.g. " My facility is a very formalized and structured place. Bureaucratic procedures generally govern what people do").

The scale was retrieved from *Assessing an organizational culture instrument based on the Competing Value Framework: Exploratory and Confirmatory Factor Analyses* (Helfrich, et al., 2007) and translated into Portuguese. Since this scale has not been validated in Portugueses, the items were translated from English to Portuguese and checked by the back-translation method. The items were translated to Portuguese by three individuals, fluent in English and Portuguese, and translated back to English by my supervisor and myself to compare the original item with the translated version (see translated items in Appendix A).

The internal consistencies (Cronbach's alpha) for the culture dimensions varied from 0.58 to 0.92, as shown table 1.

4.2.2 Engagement Scale

The Utrecht Work Engagement Scale (Schaufeli, Bakker, & Salanova, 2006) short version was used to measure employee's work engagement. This scale was translated, adapted and tested in Portuguese by Lopes & Chambel (2014) and Moura, Orgambídez-Ramos, & Gonçalves, Santos, Chambel, & Castanheira (2015). The shortened version of the UWES, 9 item instruments, consists of a Likert scale ranging from 1 to 7, in which 1 corresponds to "never" and 7 to "every day" and is divided into three dimensions: vigor, dedication and absorption. Three items are related to the vigor dimension (e.g. "In my work I feel full of energy and vigor"), three items for the dedication dimension (e.g. "I feel enthusiastic about my work") and the last three related to the absorptive dimension (e.g. "I forget the rest when I'm working").

The internal consistencies (Cronbach's alpha) for the engagement dimensions varied from 0.52 to 0.92, as shown table 1.

4.2.3. Motivation Scale

Motivation at Work Scale is based on the self-determination theory analysis work motivation on a domain level. The scale consists of 20 items, divided into 4 types of motivation: external regulation, introjection, identification and intrinsic motivation. The author excluded integration motivation as it was proven to very difficult to psychometrically distinguish between integration from identification items (Vallerand et al.1992). The instrument consists of a Likert scale ranging from 1 to 7, in which 1 corresponds to “Strongly disagree” and 7 to “Strongly agree”.

The motivation scale was retrieved from the original scale *The Motivation at Work Scale* (Gagne et al., 2008) and translated into Portuguese. Since this scale has not been validated in Portugueses, the items were translated from English to Portuguese and checked by the back-translation method. The items were translated to Portuguese by three individuals, fluent in English and Portuguese, and translated back to English by my supervisor and myself to compare the original item with the translated version (see translated items in Appendix B).

The internal consistencies (Cronbach’s alpha) for the motivation dimensions varied from 0.47 to 0.88, as shown table 1.

4.3 Procedure

The questionnaire was presented to one of the co-founders, responsible for the Human Resource area, for approval before sharing the questionnaire with the entire team. Participantes completed the questionnaire online. The duration of the questionnaire was approximately 20 minutes. The data was collected using Qualtrics and then exported to SPSS to carry out the statistical analysis. Descriptive analysis and correlations were explored. The purpose of the descriptive statistics was to describe the sample. Posteriorly correlational analysis was conducted to explore significant relationships between engagement, motivation and organizational culture.

Participantés received an informed consent and assured confidentiality and anonymity. Their participation was voluntary and could withdrawal at any time. The contact of the Supervisor was provided in case participantés desired further information regarding the study.

TABLE 1: Internal consistencies (Cronbach's alpha) of scales

	Cronbach's Alpha	# of items
Competing Value Framework Scale		
Clan	.840	6
Adhocracy	.915	6
Market	.748	5
Hierarchical	.577	6
Engagement Scale		
Vigor	.919	3
Dedication	.770	3
Absorption	.515	3
Motivation Scale		
External Regulation	.474	3
Introjection	.723	3
Identification	.858	3
Intrinsic	.877	3

Chapter 5

Results

In general, the mean response scores for Engagement were high. The mean score for the dedication dimension was the highest compared to the other dimensions, ranging from 4.33 to 7.00 ($M = 6.19$, $SD = 0.76$). The mean score for vigor was 6.16, ranging from 4.00 to 7.00 ($M = 6.16$, $SD = 0.72$) and the absorption score was 6.17 ($M = 6.17$, $SD = 0.68$) ranging from 3.67 to 7.00.

Regarding the Motivation at Work scale, the dimension with the lowest mean scores was the external regulation item ($M = 2.84$, $SD = 1.25$) ranging from 1.00 to 4.33. Followed by the mean score for introjection regulation ($M = 4.55$, $SD = 1.32$), ranging from 1.33 to 7.00. The mean score for identified regulation ($M = 5.62$, $SD = 1.10$) was 5.56, ranging from 3.00 to 7.00. Finally, the mean for intrinsic motivation ($M = 5.78$, $SD = 1.00$) was 5.78, ranging from 3.00 to 7.00.

The highest mean score of the Organization culture type was adhocracy culture ($M = 6.01$, $SD = 0.98$), ranging from 3.00 to 7.00. Followed by the clan culture ($M = 5.67$, $SD = 0.92$), ranging from 3.67 to 7.00. The mean score for market culture ($M = 5.23$, $SD = 1.00$) was 5.23, ranging from 2.20 to 6.80. The lowest score was the hierarchy Culture ($M = 4.22$, $SD = 0.73$) ranging from 2.33 to 5.50.

TABLE 2: Descriptive Statistics

	Min	Max	Mean (SD)
Engagement Scale			
Vigor	4.00	7.00	6.16 (0.72)
Dedication	4.33	7.00	6.19(0.76)
Absorption	3.67	7.00	6.17(0.68)
Motivation Scale			
External Regulation	1.00	4.33	2.84(1.25)
Introjection	1.33	7.00	4.55(1.32)
Identification	3.00	7.00	5.62(1.10)
Intrinsic	3.00	7.00	5.78(1.00)
CVF			
Clan	3.67	7.00	5.67(0.92)
Adhocracy	3.00	7.00	6.01(0.98)
Market	2.20	6.80	5.23(1.00)
Hierarchical	2.33	5.50	4.22(0.73)

5.1 Correlation

Pearson correlation coefficient revealed significant relationships between engagement, motivation and organizational culture.

5.1.1 Engagement

5.1.1.1 Vigor Dimension

A Pearson correlation coefficient was run to determine the relationship between vigor and the other engagement dimensions: dedication and absorption. Results showed a statistically positive relationship between vigor and dedication ($r = 0.678$, $n = 23$, $p = 0.000$) and between vigor and absorption ($r = 0.708$, $n = 23$, $p = 0.000$).

The relationships between vigor and the distinct types of motivation regulation were tested. Results determined a positive correlation between vigor and all types of motivations except for external regulation. There was a positive correlation between vigor and intrinsic motivation, which was statistically significant ($r = 0.561$, $n = 23$, $p = 0.005$). A positive correlation between vigor and identified motivation, which was statistically significant ($r = 0.690$, $n = 23$, $p = 0.000$). Finally, a positive correlation between vigor and introjected regulation, which was statistically significant ($r = 0.685$, $n = 23$, $p = 0.000$).

The relationship between vigor and the four organizational cultures types was also tested. There was a positive correlation between vigor and each type of culture, however these were not statistically significant.

5.1.1.2 Dedication Dimension

The relationship between Dedication and the diverse types of motivations were verified. A Pearson correlation coefficient revealed a positive relationship between dedication and all types of motivation. However, there were only two relationships which were statistically significant: dedication and intrinsic motivation ($r = 0.630$, $n = 23$, $p = 0.001$) and dedication and identified motivation ($r = 0.602$, $n = 23$, $p = 0.002$).

Regarding the relationship between the dedication and organizational culture type, positive correlation was confirmed, however these were not statistically significant.

5.1.1.3 Absorption Dimension

A positive correlation between Absorption dimension and intrinsic, identified and introjected regulation were concluded. These relationships were statistically significant: absorption and intrinsic motivation ($r = 0.478$, $n = 23$, $p = 0.021$); absorption and identified motivation ($r = 0.492$, $n = 23$, $p = 0.017$) and lastly absorption and introjected motivation ($r = 0.664$, $n = 23$, $p = 0.001$). A negative relationship between

absorption and external regulation was found, however this correlation was not statistically significant.

Regarding the correlation between absorption and organizational cultural types, positive relationships were verified, although there was only one positive correlation between absorption and market culture ($r = 0.494$, $n = 23$, $p = 0.017$) which was statistically significant.

5.1.2. Motivation at Work Scale

5.1.2.1 Intrinsic Motivation

As reported above, there was a positive relationship between Intrinsic Motivation and the 3 dimensions of Engagement, which were statistically significant.

There was a strong positive relationship between intrinsic motivation and identified motivation, ($r = 0.841$, $n = 23$, $p = 0.000$) which was statistically significant. There was a moderate positive, statistically significant, relationship between intrinsic motivation and introjected regulation ($r = 0.585$, $n = 23$, $p = 0.003$).

The correlation coefficient revealed a positive relationship between intrinsic motivation and adhocracy, clan and market cultures. The values were the following respectively, ($r = 0.672$, $n = 23$, $p = 0.000$) ; ($r = 0.659$, $n = 23$, $p = 0.001$); and ($r = 0.559$, $n = 23$, $p = 0.006$).

5.1.2.2 Identified Regulation

As presented formerly, there is a positive statistically significant correlation between identified regulation and the three dimensions of engagement. Furthermore, identified regulation was also positively related to intrinsic motivation and introjected regulation ($r = 0.634$, $n = 23$, $p = 0.001$), which is statistically significant. There is a negative relationship between identified and external regulation, though not statistically significant.

Similar to intrinsic regulation, there is a positive relationship between identified regulation and clan ($r = 0.555$, $n = 23$, $p = 0.006$), adhocracy ($r = 0.491$, $n = 23$, $p = 0.017$) and market cultures ($r = 0.474$, $n = 23$, $p = 0.022$).

5.1.2.3 Introjected Regulation

As confirmed, introjected regulation has a positively statistically significantly correlation with all engagement dimensions as well as with the other types of motivation, except for external regulation. The correlation coefficient revealed a negative relationship between introjected and external regulation, though not statistically significant.

There is a positive relationship between introjected regulation and adhocracy culture ($r = 0.416$, $n = 23$, $p = 0.048$) which is statistically significant. Moreover, a positive correlation between introjected regulation and market culture ($r = 0.442$, $n = 23$, $p = 0.035$) which is statistically significant was verified.

5.1.2.4 External Regulation

The correlation coefficient revealed a negative relationship between external regulation and all dimension from the engagement scale. Likewise, a negative correlation was verified with between external regulation and the other types of motivation regulation. Lastly, a negative correlation with revealed between external regulation and clan, adhocracy and market cultures. A positive relationship was confirmed between external regulation and hierarchy culture. However, none of these relationships were statistically significant.

5.2. Casuality between Engagement, Motivation and Organizational Culture

It is possible to determine the amount of variability in one variable that is shared by the other (Andy Field, SPSS book). The coefficient determination r^2 revealed some amount of variability that the type of organizational culture shared with motivation and engagement.

TABLE 3: Coefficient of Determination (r^2) - Culture and Motivation

Motivation	Organizational Culture			
	Clan	Adhocracy	Market	Hierarchy
Intrinsic				
Motivation	43.43	45.16	31.25	2.34
Identified				
Motivation	30.80	24.11	22.47	3.92
Introjection				
Motivation	8.94	17.31	19.54	3.72
External				
Regulation	13.40	7.51	0.77	1.80

TABLE 4: Coefficient of Determination (r^2) - Culture and Engagement

Engagement	Organizational Culture			
	Clan	Adhocracy	Market	Hierarchy
Vigor	8.12	5.71	7.62	0.48
Dedication	9.06	12.96	5.86	1.53
Absorption	11.90	16.97	24.40	15.44

Chapter 6

Discussion & Conclusion

6.1 Discussion

The present study explored the organizational culture of a portugueses startup and investigated whether this culture contributes to employee's engagement. As expected results demonstrated a positive correlation between Adhocracy culture with startups and employees' engagement levels. Statistically significant positive relationships between Adhocracy, Clan and Market culture and autonomous motivation were verified as well as between autonomous motivation and engagement dimensions. Positive relationships were found between Adhocracy and Clan culture and engagement dimension; however, these results were not significant.

Adhocracy culture reported the highest mean score. This result is in accordance with hypothesis 1 which predicts Adhocracy culture as the predominate culture in startups. Organizations with these cultures are externally oriented and have informal procedures. Adhocracy cultures are dynamic, entrepreneurial and creative workplaces, highly adaptable and flexible. This cultural type values innovation, creativity, autonomoy and flexibility. This culture best describes a startup; a young organization designed to promote innovative products/ideas with a scalable business model aiming to disrupt the market. Startups are unstructured, flat organizations that are flexible and agile, responding quickly to the markets demands. Theses organizations have a different "cultural mindset" compared with other companies and their workplace fosters proactivity, innovation, creativity, responsibility and encourages employees to be make a difference/impact.

The second and third hypothesis tested the relationship between organizational culture type and engagement. In general, participantres demonstrated elevated levels of engagement, which supports hypothesis 2 given that the predominated cultures

were Adhocracy and Clan. Clan culture lead to higher vigor levels and Adhocracy culture lead to higher dedication, confirming hypothesis 2a and 2b. High absorption levels were related to market culture, proving hypothesis 2c to be false. These results are inconsistent with the literature. Studies support the positive relationships between Clan and Adhocracy cultures and work-related constructs, such as job satisfaction and commitment (Cameron and Freeman, 1991; Quinn and Spreitzer, 1991; Lund, 2003). Therefore, it would be expected that clan and adhocracy cultures would be associated to higher levels of engagement and consequently higher levels of vigor, dedication and absorptions.

Regarding hypothesis 3, results revealed Market and Hierarchy cultures to be associated with lower levels of vigor and dedication levels. This confirms hypothesis 3a and 3b, yet results showed hypothesis 3c to be false, as the lowest levels of absorption was related to clan culture. This is an interesting observation given that the cultures with the highest and lowest values in the engagement dimensions are cultures from the opposing dimensions within the CFVF. Clan culture presents the highest levels of vigor, while Market culture presents the lowest. Clan cultures are characterized as internally oriented with a flexible structure, while Market cultures are externally oriented with more centralized structure. The reverse relationship is true for the absorption dimension, market culture presented the highest values and clan the lowest. Adhocracy culture was associated with the highest levels in the absorption dimension, while hierarchy culture presented lowers values. Once again, according to the CVF, adhocracy culture is described as an externally and informal/flexible structure. On the contrary, Hierarchy culture is characterized as internally oriented formal structure.

Results confirmed Clan and Adhocracy cultures to be positively and strongly associated with autonomous motivation which supports hypothesis 4. Theses cultures demonstrated a positive and statistically significant correlation with intrinsic and identified motivation. Furthermore, results also demonstrated Adhocracy culture to be positively and strongly related to introjected motivation. Theses outcomes support

hypothesis 4a and 4b. According to the SDT, individuals are autonomously motivated when the 3 basic psychological needs are satisfied. Autonomy supportive cultures, which promote the satisfaction of the 3 psychological needs: (1) encourages internalization of extrinsic motivation and (2) facilitates autonomous motivation. Clan cultures, characterized as family businesses, foster trust, team work, attachment and support. These environments provide the necessary context to satisfy individuals basic needs by reinforcing collaboration and cooperation between team members. Adhocracy cultures value innovation, creativity, autonomy and flexibility. Individuals in these contexts have great autonomy over their tasks, responsibility and belief that they are competent to conduct their job. These cultures reassure the satisfaction of the psychological needs.

Market culture was strongly and positively related with autonomous motivation which contradicts hypothesis 5. Moreover, Market culture was positively and strongly correlated with intrinsic and identified motivation and a negatively associated with externally regulated motivation. Results revealed a weak and positive association between Hierarchy culture and controlled motivation which also does not corroborate hypothesis 5. It was expected that both Market and Hierarchy cultures would be more strongly and positively related to controlled motivation because: (1) within the literature, negative relationships between Market and Hierarchy cultures and work-related constructs, such as job satisfaction have been identified and (2) studies verified that controlled motivation predicts less positive work-related outcomes such as higher turnover and burnout.

In conclusion, results indicate that startups have a unique organizational culture associated with employee engagement. This culture is characterized by a balance of the four organizational types and not one cultural domain. The balance of the four quadrants may explain the inconsistent results and allows organizations to be flexible, agile and respond to employee needs.

6.2 Limitations + Future Suggestions

The present study was an exploratory study which aimed to explore the organizational culture of startups and whether these organizations lead to employee engagement. Exploratory studies are “initial research into a hypothetical or theoretical idea” and “tackle new problems on which little or no previous research has been done” (<https://www.nyu.edu/classes/bkg/methods/010072.pdf>). This research method allows researchers to explore contemporary phenomena and gain a better understanding of problems. The present study contributed to the academic literature by studying the organizational culture of a startup and exploring relationship between these cultures and engagement, which has not yet been conducted in previous studies.

One of the main limitations of the present study is the sample size, which provides little basis for scientific generalization due to the small number of participants making it difficult to generalize the results. Also, this may have not permitted results to be conclusive. A suggestion for future studies would be to measure the organizational culture of a large group of startups. It could also be interesting to measure the organizational culture of other companies, besides startups, to compare cultures and conclude whether startups have a unique organizational culture.

Another limitation of this study is that it was a quantitative study, which restricted the analysis. Future studies could conduct a study with both quantitative and qualitative data to complement each other. For example, including interviews with employees would enrich data analysis by providing insights regarding how organizations culture can impact/ influence employee engagement and what role motivation plays in the relationship between both variables.

Chapter 7

Practical Application

1. No best organizational culture for engagement
2. Role of HRM –diagnosis culture and facilitate integration and internalization process of extrinsic motivation.

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Appendix

Appendix A. CVF (translation English to Portuguese)

Clan	
Mangers in my facility are warm and caring. They seek to develop employees' full potential and act as their mentors or guides.	Os gestores na minha empresa são calorosos e atenciosos. Os gestores da minha empresa procuram desenvolver o potencial dos funcionários, atuando como mentores.
The glue that holds my facility together is loyalty and tradition. Commitment to this facility runs high.	A cola que mantém a minha empresa unida é a tradição e lealdade. Na minha empresa, o compromisso dos trabalhadores é muito elevado.
My facility emphasizes human resources. High cohesion and morale in the organization are important.	A minha empresa dá bastante ênfase aos seus recursos humanos. Na minha empresa, a coesão e a moral são importantes.
Adhocracy	
My facility is a very dynamic and entrepreneurial place. People are willing to stick their necks out and take risks.	A minha empresa tem um ambiente muito dinâmico e empreendedor. As pessoas estão dispostas a arriscar o pescoço.
Mangers in my facility are risk-takers. They encourage employees to take risks and be innovative.	Os gestores na minha empresa assumem riscos. Os gestores na minha empresa incentivam os funcionários a assumirem riscos. Os gestores na minha

	empresa incentivam os funcionários a serem inovadores.
The glue that holds my facility together is commitment to innovation and development. There is an emphasis on being first.	A cola que mantém a minha empresa unida é a inovação e o desenvolvimento. A minha empresa quer ser a primeira a trazer as inovações para o mercado.
My facility emphasizes growth and acquiring new resources. Readiness to meet new challenges is important.	A minha empresa dá ênfase ao crescimento e à aquisição de novos recursos. A celeridade para completar novos desafios é importante.
Market	
Managers in my facility are coordinators and coaches. They help employees meet the facility's goals and objectives.	Os gestores na minha empresa são coordenadores e coaches. Os gestores da minha empresa ajudam os funcionários a cumprir as metas e os objetivos estabelecidos.
The glue that holds my facility together is the emphasis on tasks and goal accomplishment. A production orientation is commonly shared.	A cola que mantém a minha empresa unida é o cumprimento de tarefas e metas estabelecidas. Na minha empresa, a orientação para a produção é partilhada por todos.
My facility emphasizes competitive actions and achievement. Measurable goals are important.	A minha empresa é competitiva no mercado e valoriza as suas conquistas. Na minha empresa, os objetivos mensuráveis são importante.
Hierarchy	
My facility is a very formalized and structured place. Bureaucratic	A minha empresa é um lugar muito formal e estruturado. Na minha

procedures generally govern what people do. empresa, os procedimentos burocráticos geralmente regem o que as pessoas fazem.

Managers in my facility are rule-enforcers. They expect employees to follow established rules, policies, and procedures. Osgestores na minha empresa controlam a aplicação das regras. Os gestores na minha empresa esperam que os funcionários sigam as regras, políticas e procedimentos estabelecidos.

The glue that holds my facility together is formal rules and policies. People feel that following the rules is important. A cola que mantém a minha empresa unida são regras formais e as políticas organizacionais. Na minha empresa, as pessoas sentem que seguir as regras é importante.

My facility emphasizes permanence and stability. Keeping things the same is important. Na minha empresa dá-se ênfase à permanência e estabilidade. Na minha empresa, manter as coisas iguais é importante.

Appendix B. Motivation (translation English to Portuguese)

Intrinsic Motivation	
Because I enjoy this work very much	Porque eu gosto muito do meu trabalho
Because I have fun doing my job	Porque eu me divirto a fazer o meu trabalho
For the moments of pleasure that this job brings me	Pelos momentos de prazer que este trabalho me proporciona
Identified Motivation	
I chose this job because it allows me to reach my life goals	Escolhi este trabalho porque me permite alcançar os meus objetivos de vida
Because this job fulfills my career plans	Porque este trabalho contribui para a realização os meus planos de carreira
Because this job fits my personal values	Porque este trabalho encaixa-se nos meus valores pessoais
Introjected Regulation	
Because I have to be the best in my job, I have to be a "winner"	Porque eu tenho de ser o melhor no meu trabalho
Because my work is my life and I dont want to fail	Porque o meu trabalho é a minha vida e eu não quero falhar
Because my reputation depends on it	Porque a minha reputacao depende do meu trabalho
External Regulated	
Because this job affords me a certain standard of living	Porque este trabalho me proporciona um certo nivel de vida
Because it allows me to make a lot of money	Porque este trabalho me permite ganhar muito dinheiro
I do this for the paycheck	Eu so faço este trabalho pelo dinheiro