What makes employees tick? How corporate culture sustains employee engagement in startups

A Case Study

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ABSTRACT

In recent years, employee expectations towards their employer have shifted, and staff started to request more than just financial compensation as a reward for their work. In response, companies began to rethink their proposition. However, there is no explicit advice for organizations on how to act upon these *new* circumstances in the context of startups that helps them understand the perceptions and expectations of employees. Specifically, in hyper-growth startups, employee engagement is crucial as objectives are ambitious and demand high employee performance. Previous studies have examined the link between corporate culture and employee engagement while discussing the perspective of organizations, for instance, how employee engagement enhances business success. Nevertheless, in preparation for the present study, hardly any qualitative research exploring employee perceptions could be found. Consequently, this research aims to fill a gap in the literature by analyzing employees' thoughts on corporate culture and by seeking to understand their attitude towards the company and the aspects that encourage their motivation. In addition, findings will contribute to the existing literature on startups and shed light on this type of company from an internal point of view. The study was guided by the question, "What meaning do startup employees assign to corporate culture to sustain their engagement?" A case study was conducted as part of a qualitative research approach to examine this topic. Within the case study, three startups in different stages of growth were selected as the population, and the sample consisted of employees. Three to five participants per company were asked to be interviewed as part of in-depth interviews. The interviews have revealed that employees value culture as a given context in which open and transparent communication and an open feedback culture are practiced. Moreover, an encouraging team atmosphere and specific opportunities to seek personal development are central demands in corporate culture. From the statements of participants, it could subsequently be concluded that employees likely feel engaged if these expectations are met. Overall, the present study has shown the relevance of fostering a sense of belonging in employees that creates a pleasant work environment for workers. While this will eventually lead to high motivation and everyone performing to the best of their ability, it does not compensate for all dissatisfactions. To be precise, even if employees have positive feelings about the atmosphere at the company, they seek challenges and personal growth. Thus, these are a prerequisite for performing their job and committing to their employer.

KEYWORDS: Corporate Culture, Corporate Communication, Leadership Communication, Employee Engagement, Hyper-Growth Startups, Scaleups

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1 Introduction

In recent years, corporate culture has become a widely used and relevant term and was seen in conjunction with achieving employee satisfaction (Weber, 2017). The job market has shifted, and due to the increasing amount of educated and skilled workers, organizations need to find ways to compete for talents (Arora & Dhole, 2019). While there are ample jobs on the market, educated candidates can almost pick their preferred career path. With this, roles have turned around, and companies need to offer more than just financial compensation to employees (Cattermole, 2018). Job seekers are exhibiting changing preferences, and attractive working conditions that promote flexibility, benefits, and personal growth are prime examples of what workers expect nowadays (Arora & Dhole, 2019; Cattermole, 2018). Employees have started to demand more than financial compensation and now seek more intrinsic rewards that extend their skills and knowledge and ultimately enhance personal growth (Weber, 2017).

The literature analysis has proven the relevance of investigating culture in an organizational context as culture increases corporate success (Praais & Pattiruhu, 2020). Furthermore, from the literature, it became evident that employees' demands for non-financial rewards have developed and changed the job market overall. Exciting articles, such as Weber (2018), discuss how employees stand up for themselves and have developed the power to shape corporate reputation externally. In the findings, the author indicated that content employees are likely to share positive thoughts externally. The author points out that employee satisfaction is also connected to a company's external reputation. Consequently, this implies the significance of maintaining employee engagement in order to sustain an excellent external standing. By the same token, previous research has explored the relevance of employee engagement and corporate success (Bridger, 2014; Ahmed et al., 2020; Gruman & Saks, 2011). Multiple scholars have confirmed that employees who enjoy their work and feel acknowledged and appreciated positively affect the company's business performance (Gruman & Saks, 2011). That implies that employees actively contribute and aid in achieving organizational goals. Hence, these and other reasons discussed in the present study have confirmed the relevance of fostering a strong corporate culture that puts employees first and focuses on engaging staff to reach corporate objectives.

In today's economy, startups are known to be fast-growing and follow innovative business ideas that aim to be rapidly scalable. Following my personal fascination for this specific type of company, the present research focused on corporate culture in startups. Based

on the findings of the theory that demonstrate the necessity of stimulating culture and employee engagement, the interest arose in examining these in the context of startups as startups are claimed to be stressful, rapidly developing, and growing (Sauermann, 2017; Skala, 2019). These characteristics predominantly apply to hyper-growth startups, which is why they are the focus of this study (Reypens et al., 2020). Thus, prior to this research, I assumed that a lack of resources would lead to neglecting the development of a strong culture and cause employee dissatisfaction. Also, in startups, it is commonly known that financial compensation is comparatively low, reinforcing the urge to understand the driving forces for employees to work in such companies (Sauermann, 2017). An extensive literature review discusses the characteristics of startups, the challenges they face, and why people join. This literature review shows that with all the uncertainties and lack of resources that hyper-growth startup companies face, it may be critical to prioritize the formation of clear values and vision statements, as well as using communication practices that give direction and show appreciation to employees while focusing on corporate objectives (Kuratko, 2007).

Thus, the present study examines the relevance of corporate culture for startup employees. Particular attention is paid to how employees assess the role of corporate culture in their motivation to work for a hyper-growth startup. Consequently, the present study was guided by the research question, "What meaning do startup employees assign to corporate culture to sustain their engagement?"

Few of the existing studies in the literature connect corporate culture with startups or analyze communication practices within startups (Men et al., 2020; Men et 2021a; González-Cruz et al., 2020). Furthermore, some previous research has investigated the leadership communication of startup founders and their general role in the company (Men, 2020; Men et al., 2021b; Kuratko, 2007). However, to date, only a few research studies could be found that examined the interplay of the various concepts and analyzed them in the context of startups and from the perspective of employees (Paais, & Pattiruhu, 2020; Men et al., 2021a). Yet, to understand the importance of corporate culture and how it promotes employee engagement, it is vital to understand employees' perceptions and expectations first. Therefore, the results of the present study complement the existing literature by shedding light on the relevance of the concepts from an employee's point of view. Aiming to gain a solid and representative understanding of how such processes are implemented and received by employees in startups, a case study was conducted. That was a helpful way to understand how expectations of employees and approaches of hyper-growth startup companies develop and change throughout different stages from startup to scaleup. Herewith, it enabled comparing these

developments between companies in the different stages, linking them to classifications of each stage. Common ground was found in the companies' business ideas and strategies. The selected startups are all operating in the logistics sector and focus on technology as a means to connect with consumers and deliver goods efficiently and fast. In addition, they are all supported by investment funding and seek for or have undergone hyper-growth. Particularly, the latter often results in stress and unclear internal structures that are expected to be notably critical for sustaining employee engagement. The aspect of the hyper-growth startup contributes to the fact that due to the high speed of operation, fostering a corporate culture that engages employees is often neglected (Kuratko, 2007). These aspects are essential to understand in order to comprehend why hyper-growth startups were chosen as the study's focus. Accordingly, this research irons on a theoretical problem that addresses expectations of corporate culture in startups from an employee perspective, thus providing additional material for future research to draw upon. In addition, the revealed insights from employees provide recommendations for hyper-growth startup companies.

Overall, this study was guided by the research question, "What meaning do startup employees assign to corporate culture to sustain their engagement?" As mentioned earlier, particular attention was paid to assessing the impact of corporate culture on employee motivation. Conducting qualitative interviews was beneficial in gaining insight into the perceptions, knowledge, and meanings that employees attach to corporate culture and understanding the factors that drive their engagement.

The present master thesis is divided into four chapters to illustrate the procedure for examining the topic. As an initial step, a review of previous research and existing literature was discussed in a theoretical framework. This step was critical in providing an overview of the work from previous scholars, which helps to identify gaps in the literature and appropriately address the topic of this study. Subsequently, the methodology chapter outlines the chosen method, sample, and analysis in the empirical part of this study. This part aims to clarify why a case study with qualitative interviews was considered the appropriate method to investigate the topic. As a result of the conducted and analyzed interviews in the three organizations, the consecutive results section presents the themes and patterns that emerged from the interviews and critically discusses them in light of previous research and potential new conclusions. Lastly, in the concluding chapter, the main research question is answered, and implications for companies, limitations of the study, and implications for future research are discussed.

2   Theoretical Framework

This research aimed to understand the meaning employees assign to corporate culture and how corporate culture drives employees' engagement. For this study, it is of particular interest to place that topic in the context of hyper-growth startups. Thus, the following section will discuss existing literature of previous research projects on the concepts overall but also in the specific context of startups. The conceptual framework thereby discusses definitions of startups to understand the relevance of the topic, followed by a conceptual analysis of corporate culture, leadership communication, corporate communications, and employee engagement.

2.1   Startups

Skala (2019) defines startups as a form of innovative entrepreneurship that, at its core, is defined by ambition, expansion, fast growth, and a focus on a global scale. Moreover, the businesses are predominantly held privately, record less than a decade of existence, and are usually small-to-medium-sized (Men et al., 2021b; Bresciani & Eppler, 2010). Kim et al. (2018), Men et al. (2021b), as well as Bresciani and Eppler (2010) supplement this; startups are described as being driven to become fast-scalable, top-notch, high-tech enterprises. With innovative ideas, startups aim to provide new-to-the-world innovations that add value to individuals and societies as a whole (Reypens et al., 2020). Reypens et al. (2020) point out that most startups aspire to scale up and do not seek short-term profits.

In comparison to long-standing corporations, startups follow a more innovative, agile, flexible, and rapidly adaptable approach (Men, 2021). In particular, those that are classified as hyper-growth startups distinguish from traditional corporations as they aim to innovate or revolutionize existing products or services efficiently by maximizing the use of resources and scaling up (Reypens et al., 2020). Hyper-growth startups are distinguished from other types of startups as they are commonly predicted to undergo an exceptionally rapid development by investors and business experts before starting the actual journey (Sedláček & Sterk, 2017). Such forecasts are usually based on the business opportunity's scalability and market size (Sedláček & Sterk, 2017). While every company grows and develops at a different pace, Finger and Samwer (1998) identified the "hockey-stick curve" that describes the non-linear progress of a startup when it suddenly enters a phase in which sales increase, and the company needs to adapt quickly to growth. This likely comes with fast-decision making as

changes must be rapidly scaled on the whole company to manage this hyper-growth (Finger & Samwer, 1998).

Eventually, startups pass different stages until they establish a stable market presence. In the existing literature, it is prominently discussed that establishing a solid business model is a foundation for growth and the scalability of the vision (Picken, 2017; Reypens et al., 2020; Salamazadeh & Kawamoria Kesim, 2015). Picken (2017) has highlighted that founders often fail because they focus too much on fast scalability instead of building a substantial basis first. Thus, next to other aspects, entrepreneurs are required to communicate clearly, set up a committed team that aligns with the strategy, use financial resources efficiently, but also nurture a corporate culture that acts upon values, beliefs, and norms to guide the team (Picken, 2017; Salamazadeh & Kawamoria Kesim, 2015). According to Sampat (2021), a company that proved the ability to succeed with the business model, that reached an advanced funding stage, that has developed processes, structures, and has built a strong team, will seek to enter the next stage and scale up. After a certain and not uniformly defined time, startups are no longer referred to as startups but become *scaleups* (Sampat, 2017). Interestingly, only one out of 200 companies reach this stage and reach a minimum revenue threshold of $10 million within the first five years of existence, while most startups fail (Wakefield Research, 2021).

Additionally, challenges arise from limited resources, competition, and lack of experience and knowledge (Bresciani & Eppler, 2010). On top of this, startups are usually founded to create new products and services through innovative business ideas (Kim et al., 2018) and typically enter new, yet undeveloped markets, which results in uncertainty (Giardino et al., 2015). Finally, the not yet established identity and reputation have been identified as further challenging obstacles for young businesses (Bresciani & Eppler, 2010). Frequently, this leads to prioritizing the production and maintenance of financial bottlenecks and neglecting the establishment of corporate values (Bresciani & Eppler, 2010). Unlike traditional, large corporations, startups cannot draw on brand heritage but must build their image and reputation from scratch and rapidly. This collides with the fact that startups lack experience in this regard and have not reached the point of working out a brand strategy in their formation yet (Petkova et al., 2008).

Salamazadeh and Kawamoria Kesim (2015) point out that startups frequently fail at a very early stage. Among multiple factors, the authors name poor team management as one of the main reasons for their failure. Startup founders at early stages are claimed to often devote too little of their attention to brand building on an external as well as an internal level

(Timmons, 1999). However, Timmons (1999) highlights that brand building is crucial to building a solid standing in the market and argues that it otherwise results in an inability to compete in the market.

Founding a startup requires entrepreneurs to be innovative, creative, visionary, willing to take risks, and eager to develop a scalable business model (Men et al., 2021b). This is in line with the observation that employees tend to place less emphasis on external factors such as job security or financial benefits but rather search for intellectual challenges (Sauermann, 2017; Shalley et al., 2004). Ouimet and Zarutskie (2014) found that young companies, such as startups, disproportionally tend to see younger staff as a better fit for their company.

All of the discussed definitions of startups are interesting to further connect with the topic of my thesis and shed light from an internal point of view. In addition, the case study approach signified differences concerning the different stages of startups.

2.2 Corporate Culture

Within existing literature, not one unified definition could be found, but it was shown that corporate culture can be discussed from different angles and approaches. However, there is no consensus on which aspects count as part of the corporate culture. Schein (2012) argues that the definition must be based on the general concept of culture. On the same note, the author states that scholars are unsure whether culture should be seen as a static or dynamic approach. Interestingly, a similar observation was made by Mumby and Kuhn (2019). The authors equate a dynamic culture, as Schein (2012) described, with the pragmatist approach and static culture with the purist approach. The pragmatist approach understands a causal relationship between culture and organizational performance. It proposes to view organizational culture as a variable that can be manipulated to create employee identification with the organization (Mumby & Kuhn, 2019). Culture, in that sense is understood as a human process of constructing shared meaning (Schein, 2012). According to Mumby & Kuhn (2019), this approach aims to build a trusting relationship among employers and employees, resulting in all members of an organization pulling together to achieve the company's goals. In the context of corporate culture, literature predominantly discusses culture as a dynamic process that is defined, shaped, and influenced by employers to enhance employee wellbeing (Strati, 1992). According to Schein (2012), through their reflective thinking and self-consciousness, humans are capable of finding meaning and understanding needs in order to create and stabilize culture.

Nevertheless, static culture and the purist approach should not remain undiscussed. According to Schein (2012), static culture is seen as a given that reflects shared customs, beliefs, norms, values, and tacit assumptions. Mumby and Kuhn (2019) add that within the purist approach, culture is understood as a root metaphor for understanding organizations and sharply distinguish it by stating that culture is not something an organization *has,* but an organization *is* a culture in itself. A crucial aspect that contrasts with the pragmatist approach is the fact that culture arises naturally and cannot be shaped by managers (Mumby & Kuhn, 2019). In this context, the authors emphasize that there is not just one culture, but many, which their members shape. (Mumby & Kuhn, 2019). Consequently, culture can be both a state and a process (Schein, 2012).

As Gorton et al. (2022) propose, the main elements of culture are values, norms, conventions, shared beliefs, customs, traditions, symbols, rituals, knowledge, ideology, identities, and shared mental models, which can also be transferred to the culture within organizations. Schein (2012) emphasizes that at a company's early stages, founders' individual beliefs and values guide decision-making and every action taken within the company. Thus, culture is a pattern of general assumptions that founders develop, invent or discover while handling challenges and issues. Over time, the initial ideas of founders have become evident to work and therefore are considered as valid and thus promoted down the line to new joiners (Schein, 2012).

Mumby and Kuhn (2019) link the development of organizational culture with internal communications. Centralizing the efforts on the workforce perspective started in the 1970s when employees changed their attitudes toward their professional lives while seeking more recognition on a personal level than only through extrinsic rewards (Mumby & Kuhn, 2019). Thus, employees started to reject the conformity of bureaucracy and focused on a more self-centered approach that aimed at personal growth (Mumby & Kuhn, 2019). Moreover, workplaces used to fall into a context with negative connotations, in which a cooperative, safe, and encouraging relationship with managers, such as is demanded from workers today, was unthinkable (Gorton et al., 2022). Work was regarded as an area of competing interests and conflicts, and pulling in the same direction was rare (Gorton et al., 2022).

Mumby and Kuhn (2019) found that the cultural approach in organizations begins with interpersonal relationships that go beyond the performance of regular work-related tasks: "People in organizations also gossip, joke, knife one another, initiate romantic involvements, cue new employees to ways of doing the least amount of work that still avoids hassles from a supervisor, talk sports, arrange picnics." (Mumby & Kuhn, 2019, p.180). As part of this

change in organizational structures, it became apparent that fostering rather than limiting bonding among employees was more likely to feed into a company's strategy. Thus, with the shift in the late 1970s, corporate culture became a new tool for managers to motivate staff, revive corporate productivity, and master worldwide economic challenges (Mumby & Kuhn, 2019). Moreover, Mumby & Kuhn (2019) emphasize that shared values, beliefs, norms, and ideas of success cultivate motivation in employees and lead to a sustainable achievement of corporate goals (Schein & Schein, 2016; Mumby & Kuhn, 2019). While knowing stakeholders and their expectations is always key for developing a thriving corporate culture, it is particularly challenging for startup companies, as those are usually not yet too familiar with the expectations of their employees (Bentley, 2017).

A different approach was used by Weber (2017), who discussed the relevance for organizations to offer more than financial rewards by creating a pleasant work environment and fostering a culture that centers on employee satisfaction. According to Weber (2017), the focus in the relationship between employer and employee has shifted in recent years, leading to high expectations on both ends. To be precise, employers tend to demand high performance, especially in startups, but often lack the resources to provide financial compensation (Weber, 2017). In return, workers expect to be compensated with a pleasant work environment and other non-financial rewards. Weber (2017) points out, a first important step is to foster a strong, authentic culture that aligns external claims with internal actions to maintain employee satisfaction.

Plenty of literature discusses the connection between corporate culture and organizational effectiveness (Praais & Pattiruhu,2020; Guiso et al., 2015). This was also proven by Praais and Pattiruhu (2020), who found in their quantitative study among 430 employees that motivation and organizational culture had a positive and significant effect on performance but did not significantly influence the job satisfaction of employees. The researchers have found that motivation, leadership, and organizational culture must be improved to enhance employee satisfaction. A different study by Guiso et al. (2015) has shown that companies where employees perceive managers as trustworthy and ethical show more business success.

The different aspects of corporate culture are intriguing to further examine in the context of my study and to understand how corporate culture establishes within startups. In the following section, I will discuss concepts vital to fostering a corporate culture that cultivates employee satisfaction and drive corporate success.

2.3   Leadership Communication

As previously discussed, particularly in the early stages of a company, founders take on important leadership roles and shape culture with their actions and communication practices. As Kuratko (2007) discusses, startup leaders are influential and in charge of defining corporate values, visions, goals, and strategies to develop the company's identity and culture and eventually inspire and motivate employees. Communication is part of leadership style overall and was found to be essential to promote a vision, objectives, and for team management (Kuratko, 2007). Interestingly, Antonakis et al. (2016) describe how leaders make use of charisma to promote their vision, expectations, and excitement. More concretely, the communication style of leaders is defined as a key asset to express supportiveness, confidence, expressiveness, accuracy, and mildness (Antonakis et al., 2016; Men et al.,2021a).

For startups, leadership communication is specifically relevant as hierarchies are flat and direct communication between the workforce and leadership is part of daily business (Moser et al., 2017). Schein and Schein (2016) further discuss the vital role of leaders and founders in the early stage of a startup and how they become exemplary for their employees, starting with the recruitment process. From the first touchpoint, an organization will be represented to new hires by the founders. That will form the first impression and perception of the company, its formal systems and ways of working, as well as the corporate values and visions (Schein & Schein, 2016).

However, at a certain stage, leadership communication becomes critical, especially when it is about to establish on a larger scale and when the team and with it the tasks of founders and leaders are growing (Men et al., 2021b). Existing literature, only to some extent, discusses the pitfalls that arise when communication needs to be scaled up to a larger organization. Startup founders likely do not have a background in communications and, therefore, are not professionalized to scale communication approaches in order to fulfill all stakeholders', but especially employees' needs (Slabbert & Barker, 2019).

Still, it is not uncommon for founders to struggle with handing over responsibility and realizing that structural changes and team extension is needed to provide a specific focus on a particular topic. Thus, a gap in the literature may be filled by exploring a startup's challenging approach to building its corporate communications at an advanced growth stage. How can founders be persuaded to hand over responsibility and support the establishment of a corporate communications department?

For the present study, the review on leadership communication was useful to understand the critical role founders take on in startups. Additionally, it is fundamental to understand how communication changes with the development from startup to scaleup.

2.4 Corporate Communications

Corporate communication usually plays a central role in organizations as it presents a department that ensures alignment with internal and external stakeholders. According to Frandsen and Johansen (2018), corporate communications has emerged as a relevant organizational unit since the 1990s, when executives began to recognize the relevance of strategically communicating with all internal and external stakeholders. For Frandsen and Johansen (2018), this entails shaping reputation, as well as building stakeholder relationships and coordination at both the external level for marketing and public relations but also the internal level for employees. However, communications and marketing differ in their purpose. While marketing primarily aims to increase sales by advertising or educating about a product or service, it is more short-term-oriented (Cornelissen, 2020). Communications, on the contrary, intends to shape reputations and build long-lasting relationships with stakeholders (Cornelissen, 2020; Frandsen & Johansen, 2018). Cornelissen (2020) discusses the multidisciplinary field of communications and observes that its complexity is often underestimated as communicating itself is one of the most natural practices in human nature. However, communication is crucial in organizations to align visions, goals, and all members involved.

> Corporate communications is a management function that offers a framework and vocabulary for the effective coordination of all means of communications with the overall purpose of establishing and maintaining favourable reputations with stakeholder groups upon which the organization is dependent (Cornelissen, 2020, p.23)

Correspondingly, the author emphasizes that corporate communications is not just a catchy umbrella term but, as a management function, serves the purpose of ensuring consistency on all levels to be forceful and clear. As such, communication is an inevitable managerial function needed to ensure strategic coordination of work across teams and departments (Cornelissen, 2020). Steyn (2004) shares a similar definition in which he describes communications as a function of management that aids organizations in achieving their targets. However, the author equals the definitions of public relations and corporate communication, limiting communication disciplines to an external level (Steyn, 2004). In recent studies, scholars have defined corporate communication on a broader level and linked

it to corporate culture (e.g., Frandsen & Johansen, 2018; Mumby & Kuhn, 2019). Therefore, it becomes self-evident that corporate communication is a considerable aspect when examining organizational culture. Authors highlight that communication nowadays must reflect the company's characteristics, values, and overall culture.

In recent years, internal communications has become more relevant in communications-related literature as it contributes to employee engagement. Welch and Jackson (2007) identify employees as significant stakeholders who contribute to the corporate identity and project it to the outside world. With this, employees are regarded as internal stakeholders (Vercic et al., 2012) who need to be engaged through communication practices in light of the cultural shift within organizations (Zerfaß et al., 2015). Zerfass and Volk (2018) found that communication contributes to organizational success by shaping the language of higher management on an internal level and successfully communicating the logic of business to external stakeholders. As part of a long-time study, Zerfass and Volk (2018) studied the purpose of communications through a series of interviews (Zerfass & Volk, 2018). The analysis has brought up four key contributions of communication departments to organizations. In essence, (1) communication practices aim to convey and multiply the corporate strategy through messaging and listening activities; (2) communication practices are being implemented to align staff and help them contribute to corporate objectives; (3) managerial communication at the department level is required to steer and develop teams; (4) the communication department advises and coaches executive management in a bottom-up approach (Zerfass & Volk, 2018).

The preceding discussion on the different perspectives on communication has demonstrated the relevance of communication departments. In light of the startup context, it is to consider that founders often do not have a background in strategic communication, and approaches to communication are likely to be based on intuition only but lack a thought-through strategy. Recently González-Cruz et al. (2020) have found that startups primarily focus on external communication and marketing but take internal communication as a given. Interestingly, previous research has demonstrated that the size of the founding team determines the communication approaches. In companies with a smaller founding team size, structured communication methods and online tools dominate the communication practices (González-Cruz et al., 2020). In contrast, larger founding teams use more direct communication practices, which means that information likely gets lost since there are no structured processes that ensure a consistent flow of information (González-Cruz et al., 2020).

With this in mind, establishing a communications department that takes care of updating and aligning internal and external stakeholders on a professional level seems necessary. However, little literature could be found on startups setting up corporate communication teams. Given the fact that the effort for internal and external communication is limited due to time and financial resources, internal communication, in particular, is often not prioritized and neglected (Kuratko, 2007). Regarding the topic of this study, it was essential to discuss corporate communication to understand its role in the scope of the corporate culture. In this case study, examining the different stages of startups helped to understand when it is best to form a communications department that promotes employee engagement.

2.5 Employee Engagement

According to Bridger (2014) and Ahmed et al. (2020), employee engagement is defined by work efforts, organizational commitment, job satisfaction, motivation, and optimal functioning to the company's terms. Similarly, employee engagement refers to an inner being of the individual employee who wants to identify with the company's values and strategy beyond contractual regulations and sees the company's success as their success (Bridger, 2014). Recent scholars have found that employee engagement is related to employee satisfaction and, ultimately, to organizational commitment (Bridger, 2014; Ahmed et al., 2020). In this regard, Ahmed et al. (2020) primarily refer to the fact that employees who feel acknowledged and respected develop a stronger sense of belonging to the company and, as a result, are willing to perform beyond expectations. Additionally, employee engagement is linked to corporate culture as clearly defined values and visions may create a sense of affiliation in employees and engages them in aligning their personal objectives with the organizational goals (Men et al., 2021a).

Thus, employee engagement refers to employees using their motivation to drive organizational success (Gruman & Saks, 2011). Kahn (1992) and Macey et al. (2009) have found that employee engagement directly affects performance. This implies that employees actively have an impact on the company's success. Kahn (1990) has found that employee engagement is linked to psychological meaningfulness. In essence, employees who feel that their work matters, that they are valued and worthwhile show more engagement because they see a return on investment. The author also identified psychological safety and psychological availability as key drivers for employee engagement. Psychological safety refers to a degree of indecency in which an employee does not need to fear making mistakes that may impact

their career or reputation. Here, it is important to foster interpersonal relationships, group dynamics, management style, and norms that provide a safe space and encourage workers to risk self-expression. Lastly, psychological availability refers to the individual ability of getting into a role. This aspect is linked to personal traits, including physical, emotional, and psychological resources (Kahn, 1990).

As previously discussed, employee engagement is part of a solid communication strategy driven by corporate culture. As Bentley (2017) pointed out, a vital prerequisite to employee engagement is for a company to know the values and expectations of its employees and all stakeholders. This is in line with the fact that startups tend to employ younger people who can be described as agile, ambitious, innovative, and risk-takers who are willing to take on challenges (Men et al., 2021b) and accept lower salaries and other trade-offs in exchange for a steep learning curve (Cahill, 2012). Yet, it is crucial to clearly define organizational goals and align these with individual goals (Macey et al., 2009). Macey et al. (2009) explain that goals stimulate focus, energy, and intensity and when they are aligned with employees' goals, the ambition to achieve these increases. Armstrong (2006) specifies that engagement increases when objectives leave the room for employees to contribute to them and formulate their individual targets within the overall objective.

Grunig and Huang (2000) describe employee engagement and organizational commitment as closely linked and both as highly dependent on the relationship between organizations and their employees, which is driven by the behavior and actions of both parties. According to Cahill (2012), responsibility, recognition, and individual rewards lead to more competition and engagement. In addition, social activities such as team events that create a sense of belonging and foster team spirit, among others, have proven to be a successful tool for promoting employee engagement (Cahill, 2012).

Weber (2018) discussed the link between employee engagement and employee activism as both are aspects of employee management. The author identified six types of activists ranging from very engaged, positively minded employees, not active employees, to very critical employees. Thereby, he emphasizes that activists do not only positively but also negatively promote their employer, as they solely stand up for their opinion. Employees that feel heard, acknowledged, and can identify with the corporate values of their employer are likely to advocate in favor of the company out of their own motivation. Those employees can even be seen as brand ambassadors that aid in forming a solid positive reputation for a company. On the contrary, dissatisfied employees venting their anger, for example, on social media, should not be underestimated because this risks the escalation of disseminating

information on a broad scale and reaching a great audience. (Weber, 2018). Thus, employee activism shows the impact of employee engagement on an external level and makes it evident how critical it is for companies to maintain employee satisfaction.

As the preceding review of the existing literature shows, corporate culture plays a prominent yet increasingly important role in today's professional environment. The shift of expectations with employees demanding more than financial rewards has made it essential for organizations to add value for employees and engage them by offering rewards beyond financial compensation. Previous research has focused on the different concepts in the context of organizations overall, but not within the specific context of startups. Implementations mainly refer to how corporations can adapt their existing processes to new demands for organizational culture. My study will complement this point by placing the relevant concepts in the context of hyper-growth startups and providing implications for startups to consider from the founding point onward in order to meet the applicants' demands. In this context, the comparisons of the different stages provide useful guidance to consult which aspects become relevant in which phase. The theoretical discussion has shown how startups differ from other types of companies. It was particularly emphasized that the speed of operation is very high compared to other companies and that employees are disproportionately ambitious and have correspondingly high expectations. This justifies the necessity to examine corporate culture and employee engagement within startups, as it is assumed that companies do not take the time to sustain culture and listen to employees' needs. For this study, employee engagement identifies another centric aspect. Previous scholars have predominantly examined the effects of employee engagement from an organizational viewpoint, focussing on how it affects organizational performance. My study takes an employee-centric approach and examines employee expectations to understand what makes them feel motivated. The findings allow conclusions on how to use these results to maintain employee satisfaction and content with their job.

Moreover, I could not find studies that paid attention to the interplay of the mentioned concepts in previous research. Hence, the results of my study advance the existing literature with conclusions on how the different concepts are related and can stimulate each other. For instance, how corporate communication can trigger employee engagement and enhance corporate culture.

Lastly, a qualitative research approach is seldom and provides a very personal and individual approach to explore. Following these thoughts, in the present study, I examined the

meaning startup employees attach to organizational culture and drew conclusions about what companies need to consider to meet their employees' expectations.

3   Methods

3.1   Research Design

3.1.1   Qualitative research

The investigation of this topic follows a qualitative research approach as it aids in understanding thoughts, beliefs, and the meanings participants make of corporate culture in startups (Lowhorn, 2007). For the appropriate exploration of the topic, qualitative research is suited to understand the relevant concepts: corporate culture, corporate communication, leadership communication, and employee engagement based on the information participants formulate (Brennen, 2017).

3.1.2   Case study

A comparative case study was used to analyze the perception of employees from different companies on the corporate culture of their employer. "Comparative case studies are particularly useful for understanding and explaining how context influences the success of an intervention and how better to tailor the intervention to the specific context to achieve intended outcomes." (Goodrick, 2020, p.1). Case study research is helpful for placing a particular topic into context while depicting a setting that aims to create an advanced understanding of the subject (Cousin, 2006).

In this study, a case study has proven to be an insightful approach to gaining valuable insights into how the assigned meanings to corporate culture shift with the company's development. Moreover, it could be analyzed how the personality traits of employees, their expectations, and the initiatives of employers are different for companies of different sizes and development stages. In addition, participants have elaborated on the challenges the companies face and the resulting frustrations on the employee side. Again, all these aspects differed from the stage the companies were in and resulted in a fruitful analysis.

The case study drew on three different startups that are at different stages of their existence. *Table 1* provides brief descriptions of the different startups. The companies are part of this comparative case study as they represent the same setting: they have in common being tech startups that were founded in Germany, operate in the logistics and delivery sector, and most importantly, have a hyper-growth prediction. The latter was particularly interesting for this research as fast growth was expected to influence the corporate culture and employee engagement. I chose this type of company as these are assumed to be one of the most relevant types of startups in Germany (Angelovska, 2018).

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Table 1

Description of Companies

Company (Fictitious name)	Short description
Medico	A pharmaceutical flash delivery service from Germany, that was founded less than half a year prior to this study was used as the startup in the earliest stage of existence.
Foodo	A flash delivery service for groceries was founded two years ago and will therefore represent the startup in the advanced stage. The company has managed to build a solid standing in the market and has already expanded to multiple larger cities in various countries across Europe.
Truckz	A digital freight-forwarder was analyzed as the company at the most developed stage. The startup was founded more than six years ago and has gone through all the stages above.

3.1.3   Interviews

As part of the case study, primary data was collected through in-depth interviews with employees of the different startups. This method provided valuable insights into employees' perceptions of their employer and the relevance they assign to the respective corporate culture. Semi-structured interviews were an appropriate method because they gave participants the flexibility to share their thoughts, opinions, and perceptions, thus making a valuable contribution to this study (Babbie, 2014). Compared to other methods, follow-up questions within the interviews allowed a better and deeper understanding of the meaning employees assign to corporate culture and related concepts. Consequently, this helped to reconstruct the opinions of interviewees and to create a comprehensive understanding of how important employees perceive corporate communication, leadership, and the overall culture in order to draw conclusions on a broader scale (Brennen, 2017). Depending on the availability of the participants, each interview lasted 40-50 minutes.

As the interviewer, I aimed to treat the participant as a subject and establish rapport with them to achieve the best result in data collection. Accordingly, the semi-structured interviews were guided by a series of questions that provided a rough direction for the interview. Although none of the questions were asked in the same order, but were adapted to

each respondent, all of the questions aimed to create a comfortable environment to ensure that respondents gave honest and valuable responses. According to Babbie (2014) and Brennen (2017), this is a typical approach to semi-structured interviews and state that it is critical for researchers to ask follow-up questions in order to gain clear answers that leave little room for interpretations (Brennen, 2017; Babbie, 2014). Thus, particular attention was paid to condensing the statements of the interviewees and seeking their confirmation of a correct interpretation. With this, underlying meanings of the said could be brought up in the best way possible (Kvale, 2022)

3.2   Sampling procedure

The companies were classified into one of the three phases: less than one year, two to three years, or more than three years of existence. Thus, the selected startup companies differ in the stage they are at. Participants were employees working at one of the selected startups and were recruited through a purposive sampling procedure. For each company, the first point of contact was established that helped connect with potential interviewees. I

Based on the core of this study, the data was collected from employees that work in the companies. The candidate recruitment was carried out by a key informant from the company, who provided the contact of the respective interview candidates. For this purpose, the initial interest was mainly in employees already working in an employee-centric role, for example, from departments such as Human Resources, Corporate Communications, or similar. Due to their profession, they were regarded as rich informants, as they could contribute their individual opinion on the topic, next to providing information with their professional background, and thus can shed light on the topic from different angles. Subsequently, further participants were recruited to complement the given information of previous interviewees.

3.3   Sample composition

The selection criteria for participants expected participants to be working in one of the three chosen startups and not to be part of the executive management to ensure that the results solely reflect employee perspectives. To ensure variety, I tried to gather information from different angles and ensured having participants from different departments and roles. Further information about participants can be found in *Table A1* in Appendix A. Eventually, the sample consisted of three to five interviewees per company, and a total of 11 interviews were conducted. The number of interviews was limited by the availability of participants but also because a point of saturation was reached, meaning no new information could be gathered.

Concerning participants' anonymity, participant and company names were changed into fictitious names for the presentation of the results. *Table 2* below gives an overview of some characteristics of the participants to understand their statements in the results section better.

Table 2

Description of Interviewees

Name (Fictitious)	Company (Fictitious name)	Short description
Hanna	Truckz	Hanna has joined the company at an early stage. She holds a higher managerial role in a culture related department. Hanna counts as rich informant.
Sandra	Truckz	Sandra has joined the company at an early stage and is responsible for the onboarding program.
Tim	Truckz	Tim has joined the company when it already classified as scaleup. Tim quit his job already because his expectations were not met.
Karen	Truckz	Karen has joined the company when it already classified as scaleup. Karen quit her job already because she was missing guidance.
Mike	Foodo	Mike joined the company at an early stage and experienced the phase of intense growth.
Sam	Foodo	Sam joined the company as a rider to deliver orders and advanced his role to warehouse manager.
Jan	Foodo	Jan was one of the first employees in the Dutch branch of the company and helped build the Dutch office from scratch.
Nina	Medico	Nina joined the company to learn more about entrepreneurial thinking because she wants to drive her own startup forward that she founded last year.
Nick	Medico	Nick has his own business idea that he wants to pursue. Therefore, he aims to learn more about different departments and organizational structures of startups.

Alina	Medico	Alina joined the company to develop new skills and experience a company's development from the very beginning on.
Jen	Medico	As a pharmacist, Jen has a very different background. However, because the company operates in a pharmaceutical sector, she aims to practice their profession in a more innovative context.

3.4   Transcripts

The interviews were conducted in English and audio recorded. Subsequently, recordings were used to create interview transcripts with the help of online tools, such as Amber Script and Trint. These tools use artificial intelligence to transcribe audio formats and could so provide useful first versions of the interview transcripts. Needless to say, all transcripts were cross-checked to ensure the correctness of the text before continuing with the analysis. At this point, it is relevant to mention that transcripts have been transcribed verbatim. However, for presenting the results, quotes have been slightly adjusted for better readability and to minimize distraction from repetitive words, 'uhms' or others.

3.5   Operationalization

For the aforementioned reasons, qualitative in-depth interviews were considered the ideal method to examine this study. The interviews followed a semi-structured approach and were guided by a topic list, which can be found in *table B1* in Appendix B. The topic list was designed to first get a sense of the interviewees' general perception of their employer and job before focusing on the cultural approaches within the organization and the organizational attempts to create employee engagement. Subsequently, the interview transcripts were coded as part of the thematic analysis.

3.5.1   *Interview process*

The interviews started with some easy ice-breaker questions that aimed to understand the roles participants hold in the company, as well as the reason why and when they joined the organization. As a first step, the interview guide was built to gather information on how the participant defines a startup, with questions like "Which characteristics would you assign to startups as a type of company?". This was useful to compare answers with the findings

from the literature and to understand if employees consciously decided to join a startup based on its characteristics. With this, it was also asked if the actual product or service of the company played a role in the decision-making process or which aspects were relevant when accepting a job offer?

In the following step, the concept of corporate culture was measured. While the topics within the interviews were discussed in different orders as it depended on the individual flow of the interview, in all interviews, I addressed questions about the communication practices, employee engagement, and cultural practices. Example questions are "How would you describe the atmosphere within the team?", "What motivates you to go to work?" or "How does your manager show you appreciation?". Accordingly, the interview structure strived to develop an understanding of the aspects that stand out to the employees about their employer that feed into the organizational culture.

Moreover, the line between corporate culture and employee engagement was drawn to understand how corporate culture aids in maintaining employee engagement. On these terms, "How does your employer sense a feeling of belonging for you?" is an example question. Finally, the general structure of the interview aimed to gain additional insights on expectations towards the employer. A particular focus was on whether the employee perceives the efforts for cultural improvement as such and accordingly wishes for them even in the absence of the activities. Thus, questions like "What gives you job satisfaction?" sought information on what makes people eager to work for the company. In contrast, this was also used to understand what would make employees resign. In all companies, some interviewees had just resigned from the company recently before the interview and respectively were encouraged to share the reasons that contributed to them leaving the company.

3.6   Method of analysis

As a subsequent step, interviews were analyzed using thematic analysis. This approach proved useful for identifying key patterns in the statements of the participants, reducing complexity, and discovering recurring ideas and themes (Babbie, 2014; Brennen, 2017). Moreover, the thematic analysis helped make sense of what participants said and create a broader understanding (Clarke & Braun, 2013). Ultimately, thematic analysis allows drawing conclusions about the different perceptions of corporate culture in startups at different stages.

In addition, meaning condensation was used, as described by Kvale (2022), to connect the statements of the subjects with the theoretical concepts. Precisely, when emerging in the

data, meaning units were identified in the statements of the participants. Subsequently, themes were defined based on the respective meaning units. Lastly, the themes were placed into the context of this study to answer the overall research question. During this process, Internal Communications, Corporate Culture, and Employee Engagement were used as sensitizing concepts in the context of startups to understand how employees assign meaning to their work experiences.

3.6.1   Coding

As an initial step, transcripts were read and re-read to familiarize with the data. This was necessary to get an overview of the whole data body and get an idea of how interviewees from the different companies discussed the respective topic. Next, with the help of the tool Atlas.ti the interviews were coded to reduce complexity and focus on the meaningful text parts. In a deductive approach, open coding was used, which means that codes were developed and modified while working through the interviews (Clarke & Braun, 2013). As the first interviewees of each company were seen as rich informants that could provide fruitful statements from various angles on the topic, most codes were defined within the first few interviews. This gave a solid basis for preliminary codes that were modified or supplemented as the coding process continued (Brennen, 2017). Thereafter, axial coding helped examine the codes and group them into themes to place them into context. This was a crucial step within the analysis as it aided in organizing the participants' contributions and understanding how themes were related. *Table 3* shows an example of the theme *of Internal Communication* with some related axial codes and codes, and Appendix D provides a full code list. After all, selective coding included collating themes and forming broader themes. This resulted in having a structured overview of sub-themes and main themes. Finally, after finalizing this iterative approach, the findings contribute valuable additions to existing theories that are grounded in the collected qualitative data that was developed (Brennen, 2017).

Table 3

Example of Coding

Theme	Axial Code	Code
Internal Communication	Communication practices	Intranet, Email, Newsletter, Chat, Companywide Meetings, 1:1 Meetings, Team Meetings

Internal Communication	Communication issues	Unclear goal definition, Cross-department updates, Lack of communication due to workoverload, Lack of capacity, Blame culture (not taking responsibility for mistakes), Unclear feedback, 1-way communication, Lack of understanding
Internal Communication	Leadership communication	Approachability, Transparency, Vision, Storytelling, CEO relation, Management relation, Authenticity, Feedback

3.7   Reliability, validity and ethics

Reliability is always critical in qualitative research as it expects unbiased researchers, objectivity, and reproducible findings, which are difficult to assess (Brennen, 2017). Within this research, reliability was ensured by collecting primary data through interviews. By asking follow-up questions and giving participants enough time to elaborate on their thoughts, I tried to ensure correct interpretations of the underlying meanings.

Internal validity asks for how findings correspond with the topic of the study (Brennen, 2017) and was ensured by having suitable participants that shared their thoughts on the central topic of this study. In essence, the interviewees were all employees of the respective companies. They held different positions and roles, leading to a broad range of opinions from experts from the culture department to business expansion associates. With that, not only did the right participants ensure internal validity, but also critical questions related to the topic aided in achieving internal validity. The interview guide shows more detailed information on the asked questions and may be found in Appendix B. In addition, external validity was guaranteed because three to five interviewees per company were participating in the study; all subjects were participating anonymously and independently and could therefore share their personal thoughts and experiences. Due to the case study, results could be provided from

different types of startups, which increases the transferability of the findings to a broader context of startups.

Ethical considerations play an essential role, particularly in qualitative interviews. Therefore, prior to each interview, respondents were informed about the intentions of this research and their rights to withdraw from this study. Besides, participants were asked to read, understand and sign an informed consent form to confirm their voluntary participation (Appendix C). The form explained the purpose and procedure of the interview, as well as the risks and benefits of the research. It also referred to the confidentiality of the data processed, such as the audio recording and transcript, and emphasized that all data would be treated anonymously. As Babbie (2014) suggests, in a qualitative manner, a researcher's subjectivity is decisive in discovering underlying meanings that employees assign to corporate culture. Reflecting on my role as a researcher who has previously worked in one of the companies, I actively tried to create distance to prevent the feeling of common ground with employees. For instance, I asked questions about the general atmosphere in the teams and the company, although I experienced it myself, to see how interviewees perceived them. Mainly, when participants experienced it differently than I did, I intentionally created distance to understand the assigned meanings of the interviewees fully.

4   Results

In this chapter, I will present an in-depth analysis of the core themes and concepts that emerged from the interviews. *Figure 1* shows an overview of the identified core themes derived from the analysis and illustrates how the respective concepts are related. In addition, I will discuss how interviewees defined and evaluated corporate culture in the startup they work at and their attempts to sustain engagement. In order to fully understand the meanings employees assign to corporate culture, it was first to understand the meanings they make and the definitions they create for the different sub-topics.

Figure 1

Thematic Map
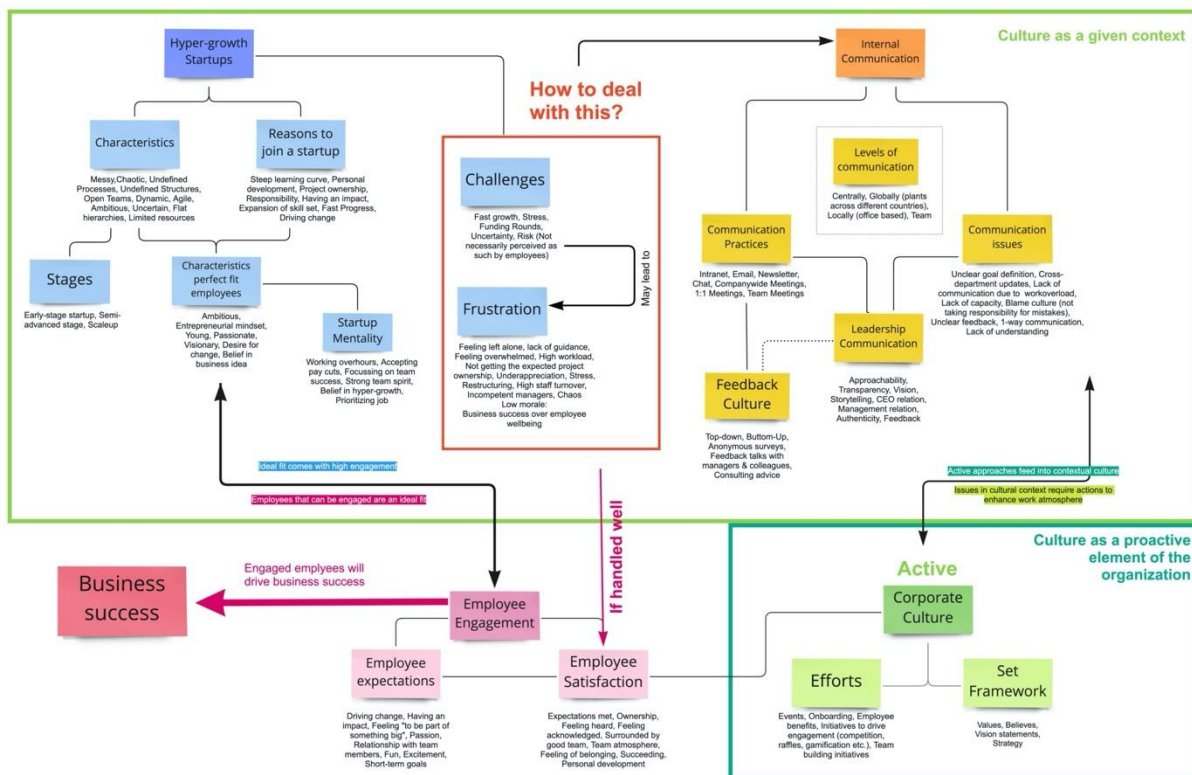
4.1   Characteristics of a startup

When asking participants what characteristics they would assign to startups and how they would define this type of company, all of them named chaotic, undefined structures and processes first. While most participants stated that long working hours, high levels of stress, and low salaries are factors that need to be taken into account before joining a startup company, the question arose: why would one join such a company that seemingly comes with quite some downsides? The answer is personal growth. Although most of the mentioned

characteristics are in line with the definitions from previous scholars (Skala, 2019; Bresciani & Eppler, 2010; Men et al., 2021b), all participants agreed on this aspect as the main reason that adds value. The majority of participants stated that the opportunity they get with working in such young companies would outweigh all the pay cuts, stress and negative aspects. "I think the skills and the experiences that I've learned have been priceless anyway." (Nick, Medico). Participants describe that from the moment they have joined the company, they were rewarded with project ownership that allowed them to take responsibility, explore opportunities and eventually have a steep learning curve within a short period of time. The pace of personal development at hyper-growth startups is unique and usually cannot be compared to bigger corporations. Jan shared his personal journey at the company, "I joined Foodo one and a half years ago as an intern. Throughout that time, I held six different positions and am now managing the whole supply-chain and logistics department of the Benelux area." This shows how a steep development of one's career is supported within a startup. Several participants are certain that it is impossible to go through such a career in a larger corporation in the same period of time. Hence, the rapid progress and fast decision-making that comes with working in a hyper-growth company is something that makes startups an attractive place to work at. This is owed to the fact that in turn, it equals more decision-making power on an individual level, as there is just not the time to have extensive sign-off rounds with different stakeholders. "So, it was very exciting how fast things were moving, and your decisions would affect thousands of people." (Mike, Foodo). While this is something that employees appreciate, it also confirms the observations of Finger and Samwer (1998) that particularly hyper-growth startups are symbolic for fast decision-making.

Other aspects that were indicated to be appealing for people is motivation, passion, shared goals, and belief in a vision that becomes common ground for teams. Team spirit overall was named by ten participants as the main reason that makes them enjoy their job.

> We are a lot of young people that are really working hard to drive the company forward, we share the same passion, have a desire to make a change, and would go the extra mile a thousand times more to succeed as a team. Everyone is personally very involved, aiming to see how one's own contribution adds to the bigger picture and has an impact. (Sandra, Truckz)

Within the interviews multiple participates used the term *startup mentality* to explain a specific mindset that job candidates have when deciding to work in a startup: A strong team spirit, the will to work overhours and take pay cuts in to achieve something big.

People don't want to work in a corporate, and that's really something that they bring with them. Our goal is to work agile, efficiently and drive changes fast, instead of just debating about them a year and then nothing changes. Everyone gives everything, there is a strong bond within the team that is very supportive and encouraging. So it's also about how you drive processes forward, how you change things and how fast they can happen. (Sandra, Truckz)

As a consequence of these clear description of how the startup mentality aims to drive the company towards its goals, the question arose: what happens if the company succeeds? It seems that a company like Truckz with more than six years of existence, over one thousand employees, a company evaluation of over $1bn, and being the market leader in Europe, has reached it all. However, not all issues are solved, and new struggles come up. While major challenges will be discussed in the subsequent section, one of them clearly is the definition of the own company with which new uncertainties especially internally arise. Among the interviewees, none of the employees was completely sure about the classification of the company, may it be startup, scale up or already a corporation. All employees from Truckz that have been part of this study stated that they feel like the work environment is still very agile and driven by motivation, but the pace clearly slowed down, the workload was reduced and with it the levels of stress. Again, this undermines the indication for a scaleup as they are usually defined as being still as agile as startups, have established a solid standing in the market but have paced down (Sampat, 2021). Same happened to Truckz, the company became more structured and due to the sheer size tasks got a bit decluttered and spread out. Thus, most of the employees would assign it rather the definition of a scaleup than a startup. This can be both praise and curse at the same time, which will be explained with the challenges they face in the following section.

4.2   Risks of joining a startup

Based on the fact that all stages are accompanied with an uncertainty that originates from unclarity on whether financial support can be maintained, or a sudden restructuring may come into place (Giardino et al., 2015), all interviewees were asked whether they see it as risky to join a startup. Interestingly, all participants agreed that they do not feel they are at risk but only that they would benefit from joining a startup. In essence, they elaborated that they were young and without responsibilities, so the financial compensation would not play such a crucial role as they usually do not need to take care of families and also do not have a stake in the company. Hanna summarized this aspect that was also brought up by various

other participants, stating that eventually the financial risk one takes will be outweighed by the personal development one can take away in a shorter period of time than it would be in other companies.

> You know, in the beginning, nobody makes a lot of money. So obviously that is the risk that you take on a personal level as to just the cost of opportunity. 'What could I be earning in other companies or what do I earn here?' But then you have sort of the big upside of knowing that you can just learn and do a lot more in that time period than what you can in other companies. So, what it then changes to is you're kind of just working towards the bigger goal of the time that you're there. You're about to be sort of double the speed in terms of development and learning that you would have in other companies where you then might have earned the big money. (Hanna, Truckz)

Throughout the interviews, an interesting observation showed that even the job security, not knowing what tomorrow brings and if a restructuring process would lead to losing the job, did not make employees feel at risk. This confirms the findings of Sauermann (2017), that suggest that intellectual challenges are of greater matter than job security and financial benefits to employees. When linking this finding to the overall startup mentality that has been discussed in the previous section, it illustrates confident employees and draws back the line to their characteristics: ambitious, smart, goal-driven. With this in mind, it is plausible that they are convinced to find a new job in case of startup failure or restructuring.

4.3   Hypergrowth as a Challenge

Any company faces critical circumstances and challenges at a certain stage of its existence. Hyper-growth startups are particularly challenged by the speed at which they undergo growth and change (Bresciani & Eppler, 2010; Finger & Samwer, 1998). The sprint the companies do to achieve greater success in a short period of time almost unexceptionally leads to challenges for the whole team and frustrations on an individual level. Therefore, it is even more important to assess the challenges that arise for employees and how they affect them on an individual level. Participants of this study have described different challenges their employer faced, and how they were dealt with. Interestingly, throughout the interview process, a clear differentiation of challenges for companies and resulting frustrations on the employee side could be observed. *Figure 2* visualizes the different challenges and how critical they are in the respective stages.

Figure 2

Challenges throughout the different stages of startups
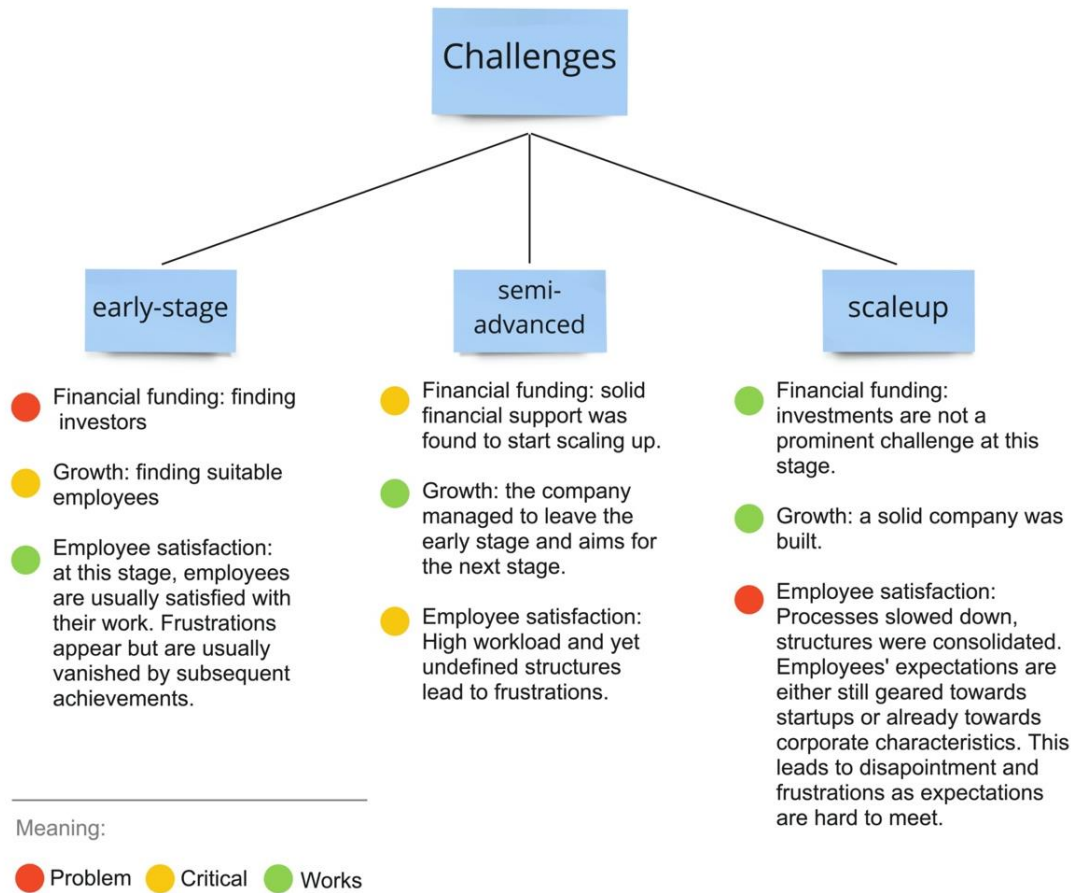
For early-stage startups, the main challenge that could be identified was a lack of resources, especially from a financial point of view. At this stage, companies appeared to be highly dependent on the financial support, which is needed to get the ball rolling and to make full use of the skilled and motivated team. Owed to the fact that financial resources are usually collected through external investments, founders devote their attention, particularly to organizing and leading funding rounds and convincing investors. Whilst this is justifiable as inevitable in order to bring the company to the next stage, it repeatedly results in frustrations for employees. This is because employees need founders to be involved in almost every decision-making progress at early stages and cannot proceed with their tasks without having the founders' feedback. Hence, employees report that having their hands tied in this manner often causes dissatisfaction and stress.

> Of course, the co-founders see different priorities. I know they're probably busy with investors and then doing kind of the firefighting on the whole overview level. So, they don't see topics that I come up with to them as a priority. But at the same time, I see

where the priorities from the bottom-up approach, from employee-side, are coming from. It's a lot about managing expectations and meeting in the middle. (Nina, Medico) The ambitious traits of workers seem to be at the root of this frustration, as they feel thwarted and cannot progress as they wish to. In turn, all interviewed Medico personnel stated that lack of financial resources and a high workload cause additional stress and lead to time constraints. As previously discussed, every company under investigation has a hyper-growth prediction or has undergone a hyper-growth development and are, therefore, particularly in early stages, at mercy of a high workload with limited resources. "[...] emerging stages are always the most challenging. But yeah, I like that, problem solving is most fun." (Mike, Foodo).

Participants working at Foodo stated that time constraints in particular are the main challenge. While for this company the issue of financial funding has been rapidly solved as it collected great investments and reached an evaluation of $1bn only nine months after being founded, the fast development itself has become an even bigger issue. This shows that having financial resources at ease does not mean that all problems are solved. Two employees state that essentially the fast growth and expansion that was only possible because of the financial possibilities had a major impact on employee wellbeing.

It was just a lot of constant problems. I think because there are just so many constant issues always arising. There was a rare occasion where you would have time to just have a day that wasn't stress. There was just so much stress at all times, which was mainly because of the expansion. The expansion was just too fast and because it was too fast, no one could keep up. So, it just put so much pressure on the employees that they were so stressed and then they would just be angry and burning out and then that would just kind of spread like wildfire. And it would obviously become really hard to maintain a positive attitude when you're under that level of stress constantly. (Mike, Foodo)

Besides, other interviewees from the same company confirmed that it fell victim that there was not enough time to put solid processes and structures in place which left the company in a chaotic, constantly changing environment with a high staff turnover. All these aspects led to a high workload, with often redundant or useless work, and left employees frustrated and dissatisfied.

The third company for this case is at the most developed stage and interviewees from this company confirmed similar issues when looking back on the previous stages. However, Truckz looks back on more sustainable growth with a lot of the initial employees still

working at the company. The challenges the company is facing at its current stage, however, are still complex and lead to dissatisfaction at some ends in the workforce. Respondents mentioned several factors that lead to the same result, namely the change from a startup to a scaleup, which brings a lot of changes in the way of working, but also in the structure.

> The more we grew, the less direct impact and decision-making power I had as well. Like, if you get more and more people supervising you, supervising this person, you tend to get less ownership of things. I need to talk to many, many people within the process to sign off a few things, while before it was just faster and more direct impact. (Sandra, Truckz)

Consequently, with the growth, vital aspects that initially were reasons for people to join got lost: project ownership, fast progress, and flat hierarchies. This, however, leads back to a natural development to a scaleup (Picken, 2017; Sampat, 2021).

Overall, the interviews brought up, that challenges at early stages are faster to be solved as they appear rather on a micro level with issues that occur in day-to-day tasks and on a team level, leaving financial funding aside. With the development of the company, challenges shift to a cross-department level and affect the company as a whole. For many employees, this results in frustration and dissatisfaction with their own job. The following chapter will dive deeper into how employees feel about the obstacles that come up and which frustrations can be balanced out or which lead to resignation.

4.4   Employee frustrations

A key finding of this research was that frustration and dissatisfaction often have their origin in wrong or unmet expectations. However, the interviews aimed to create a greater understanding of which frustrations employees face and how they change throughout different stages of the companies' existence. Interestingly, the gravity employees assign to and the consequences they take based on their frustration varies within the stages. More precisely, employees working at early-stage startups indicated that their feelings towards their work change like a rollercoaster, and lows are usually followed periodically by highs and excitement that wash off frustrations. Conversely, it seems that employees in more developed companies see frustrations more critical and impactful, thus, they potentially even consider resignation. *Figure 3* tries to visualize the frequency, pace, and at some point irregularity of changes from highlights to lowlights, within the different stages of startups, to explain the thoughts of employees.

Figure 3

Visualization of Frustrations throughout the different stages of startups
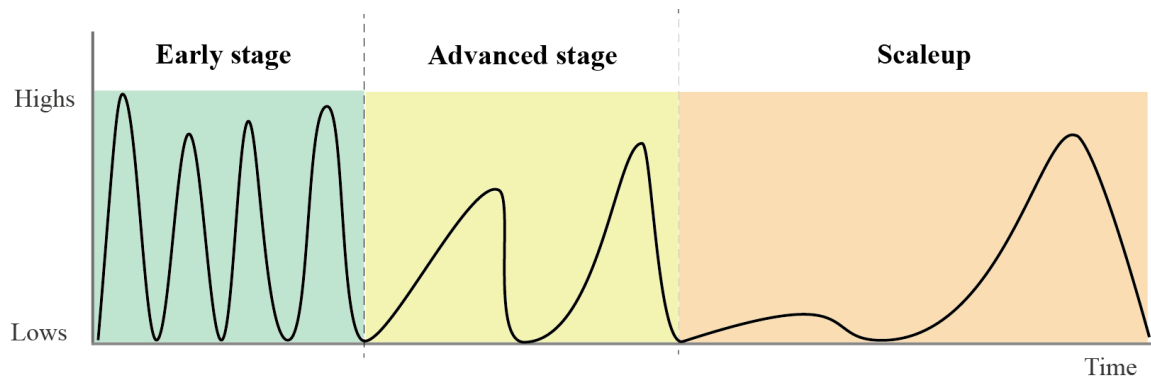
With time, processes naturally slow down and the startup mentality fades out. However, this is a critical evolution as it is defined by alternation in the overarching definition of the company. As aforementioned, Truckz corresponds in the meantime rather to the definition of a scaleup but still sells itself as a startup. On the one hand, this makes it an interesting employer for job candidates that worked for traditional corporations before and expect to work in a structured environment that offers them guidance, yet has a fresh atmosphere with a young, motivated team around. On the other hand, this is also where frustrations in employees come up. Although the company has established a solid position in the market, the internal structures are in a state of upheaval, which leads to major challenges in meeting the expectations of employees. More elaborative, long-standing workers that joined the company at an early stage feel thwarted by slower progress and less challenging tasks, while new joiners are overwhelmed by the still undefined structures and processes. Hanna, who has worked at Truckz from the very beginning and is in regular dialogue with colleagues, analyzed why especially early-stage employees become less satisfied with their jobs.

> […] for a lot of people who have been there a long time, that development was so rapid and then it slows down. And sometimes that's difficult to process for some. Then at some point, you know, it's kind of that mentality that they keep chasing. But as the company changes and grows, obviously, you don't find certain things anymore. (Hanna, Truckz)

On contrary, due to the company's size, recent joiners have expected more structure and better processes in place. However, since the company is in the state of change where it is not a startup any longer nor a fully developed corporation yet, not everything is yet fully in place and some startup traits still resonate at some ends next to some corporate characteristics popping up. Tim stated in his interview that he was particularly disappointed that he could

not have the impact he was hoping for by joining an agile startup. Thus, it became frustrating to work towards something that got blocked off at other ends.

> So, to give you a background, I got hired to basically change how we do pricing in the logistic industry. And my team and I, we have great ideas […] we are sharing it, we are discovering, etc., you know, we were really putting it all out there, but we don't get the tech resources to actually do it. [...] So of course, you get a little bit frustrated if you cannot deliver the changes you want to deliver. Right. [...] So again, I would say, it comes down to the fact of impact. So, you know, if you have somebody highly motivated, you want to show them 'hey, if you have good ideas, you can implement them and you can see that. You can see the change, you can see progress', but in the end it doesn't allow you to bring the changes you want to bring, and it doesn't move in any direction. [...] So for me when I decided to leave, it was not an easy decision because I felt that the team is great and the work environment itself is very good and that is also very important. (Tim, Truckz)

Companies at this stage often lack the confidence to maintain certain procedures or practices or to revisit them once again. This occasionally causes problems in building a solidified organization (Finger & Samwer, 1998).

Throughout the interview, Tim emphasized that his frustration was clearly not coming from the team, but more from structural issues that were a result of the fast growth that did not leave time to build well-defined processes. Therefore, his discontent came more from a broader company level and the fact that it was not clearly identifiable where the source of the problem was coming from or who was in charge of the decision-making process. Moreover, he stated that there was no room for discussion or justification, which contradicted the innovative and agile claim promoted by Truckz and made him feel insufficiently valued.

Karen joined Truckz hoping for personal growth and to develop her personal skillset. While she received plenty of responsibility, she had learned that the company was against her expectations still very *messy* and was lacking structure and direction.

> In regard to being in a senior role, I felt kind of lost because there was no one else really who could teach me, like teach me how things work. The person who knew how to use the [CRM-]tool left before I came in. So, I had to learn everything by myself. I had no resources to ask from. Therefore, my personal growth felt like it was going nowhere because by then I also didn't know what I was doing. Even if I had the team, they had no idea what I was doing. So, yes, I belonged because there were people that I could talk to about anything outside work. But then I felt so lost with my own work,

even my manager couldn't help. So, I guess that also comes with the picture of it being a startup/scaleup, and that they were just starting to build the CRM department. (Karen, Truckz)

Eventually, Karen could not see her personal development at Truckz due to a lack of guidance and structure and decided to leave the company. Again, this reflects the findings of previous scholars that identified undefined processes as typical for startups (Men, 2021). Consequently, it remains unclear if the frustration may be due to a lack of startup mentality, and therefore a misfit of employee and employer, or if the issue is indeed grounded in poor management.

However, Karen also indicated that she saw frustrations on other ends as well. With that, she emphasized the culture clash that came up through the multiple acquisitions Truckz has made in order to grow fast and to become the market leader in Europe. While this strengthened the market position, it also led to dissatisfaction in the teams, as the mixing of corporate cultures and national cultures is by no means an easy process.

I think one of the problems also is with the fast growth, you also acquire the people of the other company who have their own processes and you try to like mix what, five or six companies altogether with different types of routines.

I think one of the problems also is with the fast growth, you also acquire the people of the other company who have their own processes and you try to like mix what, five or six companies altogether with different types of processes, with different types of platforms and it's just hard, you know, migrating clients, migrating the platforms. And then you hire a new company again, and then the whole mess begins again. Like, there's no period where you'd take to fix the processes. It's like you buy, you buy, you buy, you buy, you buy. When I visited the Paris office, I realized that a lot of them [employees] were just very frustrated with how things were. (Karen, Truckz)

Fast growth and expansion was also named by two out of three employees of Foodo as major aspects that led to frustrations. Mike did a good job of getting to the heart of how frustrations arose for him and some of his colleagues.

One thing I definitely observed a lot in gross was that people were so excited and passionate at the start. They would work crazy hours, like 14-hour days, nonstop. And I was a victim of that as well. And yeah, at the start, it's great you're happy to do it. Because you are pushing for change and it's exciting and fun and you have young fun team usually around as well. You're in a cool office and it's the modern way of working. [...] But the big issue was people just started burning out and people started

getting upset when it wasn't recognized, how much effort they had put into the company. And then they felt underappreciated. This was probably, I guess, the fundamental reason, like people had worked for so long, for so hard, and then their work would either go unnoticed because the turnover of staff was so high, so they would have a new manager, and then the new manager would be like, 'Yeah, this team isn't doing what I want it to do. So therefore, we're going to restructure everything'. And it's like, 'Well, you've just come in and you haven't seen the six months of work that the team has been busting their balls, trying to get done for the company. (Mike, Foodo)

While Mike describes that the frustration was noticeable in the whole company, he sees the source of the problem in the fast growth and expansion. Next to Mike also Sam, names unstructuredness, lack of direction and chaos as main drivers for employee frustration. Both stated that it was a well-known problem that trickled down to the warehouse workers and riders. Throughout the interviews it became clear that the fast growth was blessing and curse at the same time. On the one hand, fast growth is what a successful hyper-growth startup is aiming for. However, on the other hand the interviews revealed that there is a thin line between business success and employee wellbeing. Thus, the fast growth resulted in countless structural changes and redefinition of processes that left employees often feeling lost and underappreciated. Within the time of existence Foodo has undergone multiple restructuring cycles. In consequence, although some employees were offered new opportunities to advance in new positions, for others this meant the loss of their jobs. Mike stated, in addition, remaining employees have started to feel frustrated by the constant change and inconsistency.

The issue was everything just changed so fast. So you might be in a team for no more than, I can't say, three months before the whole team or the whole department would be restructured so that your position would become redundant. Or your team would just completely be relocated into other areas or you'd have a new manager. [...]In the end, people just got fed up. You know, people just got really sick of the chaos.[...]There was also restructuring. I would say 90% of people that were there when I started have gone. And the turnover the staff turnover rate was extremely high. A lot of people got dropped, which also then left a really bad image. You know, like it kind of showed that they don't care about that older staff, you know, the staff that have actually really made this company what it is. And then the staff that stayed there were kind of like 'Well, if they don't care about these people, do they care about me?'. And then I would say that

just the morale in general just became lower and lower. A lot of the passion just went (Mike, Foodo)

In particular, the latter aspect, which underlines the point that low employer morale reduces employee motivation, supports the findings of Guiso et al. (2015), who suggest that ethical behavior is critical to maintaining employee engagement.

Surprisingly, the interviews have shown that the tolerance with frustration was the highest at Medico, the early-stage startup. Although uncertainty is greatest in the early stages because there is little structure and no one knows what the next day will bring, the consequences of employee frustration are far less in the early stages of startups than in an advanced stage. Employees explain this with the fast pace: "As fast as something gets frustrating, as fast it can also become exciting again." (Alina, Medico). All interviewees from Medico have stated that there are often challenging times that lead to frustrations, but because of the rapid changes these turn into the next peak of excitement rapidly again, which eventually outweighs the gravity of the frustrations (*Figure 3*). Within the interviews, Nick found an interesting explanation for this phenomenon and linked it again to the expectations and the character traits of employees. Due to some issues with the ongoing funding round the company had to lay off staff and was not able to pay salaries for a month. To the question, how this had impacted the staff and their motivation, Nick attributed a great deal to the general attitude of the employees, which is predominantly based on a strong conviction and belief in the company's vision.

After the big termination round, there was a lot of uncertainty and there probably still is a lot of uncertainty at the moment. However. I think if people still didn't trust that we have a plan and didn't believe that we were still going places, I think they would have left by now. I think most people here have been here for enough months to be able to take something from it for their resume and go to the next place. But the reason everyone's here is because everyone still believes in what we're doing. [...] I think everyone by now understands the game is being played, everyone knows by now what being in an early-stage startup means. You can't trust that you'll have a job next month or your salary. But you can do what you can, and you can do what you see as possible to make sure it can happen. (Nick, Medico).

4.5   Leveling Expectations through communication

Within the interviews, it turned out that communication plays an important role in dealing with challenges and frustrations, and eventually to drive employee engagement and

business success. Based on the answers employees have given, it can be concluded that communication is important to level expectations on employee but also on employer side. Throughout all stages it could be observed that transparency and authenticity are key aspects for communication practices in hyper-growth startups. Participants describe that these are crucial to ensure that staff, vision and goals are aligned and to eventually drive the company forward. Particularly, in challenging times that are defined by lack of timely and financial resources, it may be difficult but absolutely relevant to communicate transparently and ensure that employees are regularly updated on the current status of the company and receive constructive, as well as positive feedback on their work. These observations confirm the findings of previous studies that found the importance of communication as a managerial tool to coordinate tasks and give guidance (Cornelissen, 2020). This also facilitates the inference to challenges and frustrations that were previously discussed. Participants indicate that open communication makes it easier to deal with such negative events and gives employees the feeling that they are valued and respected. This, in turn, is ultimately a prerequisite for building trust and maintaining employee engagement.

As previously discussed, early-stage startups are characterized by loads of uncertainties that define whether business continuity is given, and it also comes along with job insecurity for employees. In previous parts of this study, it was elaborated that to some extent employees know that there is a certain risk of job security in early stages of a company's existence. Additionally, it was found in the interviews that the will to taking risks is based on trust and faith. Faith in the vision and trust in the company, the team and the founders collectively working together towards the same goal, communicating openly about what is going on.

> One of our values is transparency. While I think not all of the values are a hundred percent lived, I think this one is. Even the co-founders try to have transparency about what was going on. Even in the funding rounds, they always clearly communicate any decisions that they take and why they took them. So I really appreciate and value that. (Nina, Medico)

While Nina appreciates transparent ways of communication from others, she also tries to implement it in her own work. Being transparent about any decision-making in the hiring process with potential job candidates is a way for her to live the corporate values also on an external level and recruit talents with a perfect fit. Nina also shared that she sees this as a vital factor in building a successful company and it is part of a healthy work culture. A reason for this is, that eventually trust is the fundament of fruitful relationships in professional

environments. An interesting addition to this has been made by Alina, who sees the relationship with her employer on equal terms that only functions if both parties play a fair game.

> In the end, I would say that founders and business owners benefit more from us as employees than we do from them, as we help them realizing their vision. And I believe that this is also part of the reason why trust is so important along the way to becoming successful. If employees don't feel trusted, they will lose their motivation and think, 'why am I even bothering if I'm not feeling respected, I can find a better job' in a sense. (Alina, Medico)

According to the statement of Alina, founders are dependent on a team that supports them in following their vision and drive their business to success. Respectively, she believes that appreciation and honest communication is the least she can ask for as an employee. An employee who feels distrusted and not openly communicated with, will lose motivation and can easily look for another job where they find the respective trust. Nick, supplemented this assumption by his observation of what happens, when transparency is not given.

> One thing I heard from a lot of people who have even worked in previous startups said, 'What I really like about this company is the transparency.' And I feel like once we started going into that rocky phase, a lot of that transparency was lost and there was a lot of mistrust building, which I did my best to moderate and kind of find a middle ground and also to share exactly these points with, with the business owners. (Nick, Medico)

With the company's growth it automatically becomes more challenging to ensure that everyone is always aligned and updated. Especially, at Foodo that grew extraordinarily fast in a short time, Mike described how the growth had a great impact on communication and that issues in communication are a natural consequence of the growth. He described the difficulty to get through with communication on all levels when it is 600 and not 100 employees anymore. Moreover, Mike and Sam, both, have indicated that poor communication has repeatedly caused high workloads and repetitive work.

> A big factor for us was the expansion department wouldn't communicate enough or we kind of grew a little bit of resentment towards them because they obviously were being told by strategy to expand, expand, expand and operations were already in 200% capacity then there was no team collaboration. (Mike, Foodo)

For Sam it also became frustrating to see that he raised problems that were ignored by managers.

The communication between the people that work in the office and in the warehouse was so poor. For example, when I was inventory associate, we started to receive high amounts of a certain product. A product was restocked hundreds of units but it wasn't sold that often. And they continued to restock this item everyday although I told them that we don't need that much. And obviously we had to throw away a lot of food and we were like raising this issue, but no one reacted.Three months later - nothing. (Sam, Foodo)

The previous observations have shown the problems that can arise from poor communication and therefore imply how good communication can assist in meeting the expectations of employees. In their interviews, participants Foodo stated that the miscommunication led to dissatisfaction, the feeling of underappreciation and general frustration among the staff. This observation can be linked to the findings of González-Cruz et al. (2020), which state that internal communication is often neglected and taken for granted in growth stages of startups. Nonetheless, as we learned from Jackson (2007), internal communication contributes to employee engagement and should therefore not be underestimated.

At Truckz communication practices have always played an important role and different channels and tools have been used to connect with employees. "Our founder Daniel, places great value on communication and culture, which is why this was sustained from the very beginning." (Hanna, Truckz). All interviewees that work at Truckz confirmed that there is a very open communication culture that encourages feedback and aims to keep everyone informed on what is going on within the company. To ensure all of the one thousand employees are being picked up on updates, an intranet, regular email newsletters, companywide meetings, team meetings are being held, as well as frequent feedback surveys and feedback rounds with managers and peers are being conducted. While Truckz employees found feedback survey to be useful and positive, Johns (1994) critically reflects on these and argues that they are helpful for benchmarking the levels of employee engagement across the organization, but also result in self-serving bias due to employee's self-reports. Nevertheless, growth in turn impacted communication flow, and new ways had to be found to ensure that communication permeated at all levels and that employees' sense of belonging remained intact despite organizational changes. "Across eight different countries, having eight offices, the communication gets a lot slower. There are just so many people and transparency is hard to maintain because there's a lot of information flow between different teams." (Sandra, Truckz). Interestingly, Sandra and Hanna observed that with the company's growth, different

levels of communications have established. In detail, communication now is not only on companywide level, but also on office level, team level and in between colleagues. In addition, even separate communication departments have established in almost all offices to ensure more localized communication.

In all companies, employees indicated that founder and manager communications play an important role in fostering a sense of belonging to the company and employee engagement. Therefore, the interviews were used to create an understanding of the practices and tools that managers use in their communications to promote their vision and goals.

4.6   Authentic Leadership Communication

At all stages of a startup's existence, it was deemed important to use communication to give direction and to ensure that everyone is working towards the same goal. For this, leadership communication comes into place. Eight of the interviewees have stated that they admire the founders and management team of their company for their authenticity in promoting the company's vision, their way to motivate the workforce, and their approachability that comes from flat hierarchies. This confirms the findings of previous research that discussed the relevance of charismatic leadership (Antonakis et al., 2016). Multiple participants believe that the passion and drive the companies have are based on the way founders interact and engage with the workforce. In their ways of communicating the vision, the founders of Foodo and Truckz use storytelling to convince employees and investors and to seek their support.

> He's selling a story and people love stories and that's the number one reason why it's successful in my eyes: he's not selling a product or anything, it's a narrative and a vision. And if you can make people believe in that, then you can get them to do whatever you want, essentially. (Mike, Foodo)

Hanna adds how the founders of Truckz use storytelling.

> Our founder, Daniel, takes every month, a big session with our new joiners as part of the onboarding program to kind of just connect and tell them the story about Truckz. And kind of just that whole big amount of storytelling that's part of the onboarding, I think that is a huge part of just making it a bit more digestible to people and kind of really connect to our culture and to Truckz in general. (Hanna, Truckz)

With this, founders are not only promoting a vision and seek for support from employees, investors and all involved stakeholders, it also creates a desire for change that channels the aforementioned startup mentality. Interviewees have stated that they admire founders and

take away learnings on how they communicate and how they act in certain situations. In particular, those who have plans to found their own startup in the future.

> I think what I like about him [the founder] is that he is really good with people. I think I can learn things from how he manages challenging situations with people and how he's always looking to work together towards a solution. He approaches these challenges with open communication, transparency, motivation and is always trying to do his best. (Nina, Medico)

However, employees also expect leaders to use communication as a tool to broadcast goals and to give direction. While Karen emphasized that communication overall at Truckz was very open and effortful, she feel that the goals where not aligned across departments. Moreover, she believes that the lack of direction was missed from a managerial level: "There is teamwork, departments goals are just not defined. Each department would just kind of do what they think is best on their end but there is no synergy I think, which results in the mess that I'm talking about." (Karen, Truckz).

As stated in Hanna's quote above, at Truckz the CEO and founder of the company takes time to connect with new starters at the first touchpoint during the onboarding. With this, it becomes evident of how communication, and even the personal values of leaders shape corporate culture and the sense of belonging in employees. Specifically in startups that thrive on close relationships between founders and employees, the way founders communicate convey to play a significant role in engaging employees. Next, the findings for a central concept of this study will be discussed to learn about the meanings employees assign to corporate culture.

4.7   Corporate culture

The analysis of the interviews showed the complexity of corporate culture as a whole and the different aspects that contribute to an organizational culture, *figure 4* provides an overview with the found differences. With that, it was found that all the aforementioned aspects and concepts form a culture as a context. To be more precise, corporate culture is seen as a given that develops without active effort, merely through the individuals working there with their interactions and individual characteristics in interplay with the general corporate concept. This links to the findings of Mumby and Kuhn (2019) that defined the purist approach, where culture is something, a company *is* and not something a company *has.* Beyond that, employers actively try to improve the culture and the work environment with additional offerings to create added value for employees that exceed their daily tasks, such as

events or discounts. In the context of this study, these active approaches are described as culture as a proactive element of the organization.

Figure 4

Types of Corporate Culture within startups
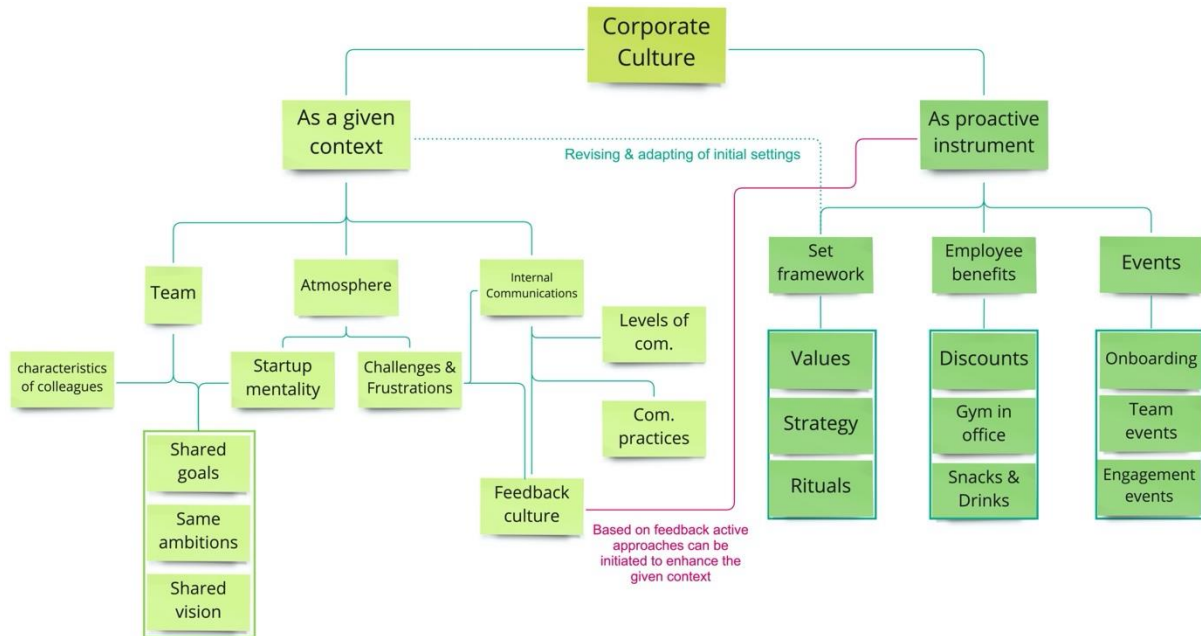
A joining element for culture as given context and the proactive approach to sustain culture was found to be feedback. Giving and receiving clear feedback promotes understanding of expectations and allows behavior to be adjusted as needed. Therefore, feedback is a vital aspect to corporate culture (Gupta, 2021). When asking participants how feedback within their company was handled, almost all of them confirmed to have a very open feedback culture that also allows bottom-up feedback to line managers. Different interviewees stated that this was again a typical feature of startups, but eventually was dependent on the specific person and that some could handle it better than others. At Foodo, "you're encouraged in meetings to at least question one decision from a manager that's higher up or even to C-level ["chief"-level, executive management] and it was kind of rewarded to do it because it keeps everyone engaged." (Mike, Foodo). Although employees liked the idea of that approach, they also mentioned that it was not always practiced because some managers would see it as a personal attack and employees would fear the consequences. At Foodo Mike observed a critical development that came with the company's increasing success: an unhealthy evolution of a blame culture, where communication was not open any longer and people refused to take responsibility for mistakes.

This was probably the most cancerous thing that happened. No one took responsibility for anything that went wrong. [...] I think that is a bit of a problem with the startups in general because everyone's trying to impress and everyone realizes how fast the company is moving and how much opportunity there is to grow and to get into a higher position and to get promoted. So no one wants to ever appear that they've done the wrong thing. Everyone just wants to look like a superstar at all times because they think, 'Oh, this can send me up.' And this is the thing, it's really important for people to make mistakes and to admit when they've made the mistakes. (Mike, Foodo)

Again, the link to this issue is being made with the combination of fast growth and the overly ambitious character traits of employees.

At Truckz a well-established feedback culture is used for the company to give feedback to their employees, in order to improve their performance and benefit from it as a company. However, as Hanna states, receiving feedback is equally important for the organization to improve. Therefore, a 360-degree feedback is encouraged to have development on employer as well as on managerial side.

Feedback for us is super important to kind of have a finger on how things are going, how can we be better, and then also to provide and create different platforms for also employees to have a voice and kind of have a chance to be proactive in that process of developing our culture as well. (Hanna, Truckz).

Throughout all interviews, it was shown that there is not one clear definition for corporate culture. However, looking at the different themes that developed from the analysis it became apparent that interviewees mainly speak about the atmosphere in the company and the team when talking about culture. This is linked to the corporate vision, values and beliefs that on the one hand develop naturally and on the other hand are actively defined to strengthen the culture. On that note, proactive approaches to foster organizational culture are created through events, employee benefits (i.e. discounts), workshops for skill development, to name a few.

At Truckz a People Experience team focusses on exactly these aspects and ensures employees feel respected, appreciated and valued at the company. As mentioned above, the onboarding program is one of these and intends to be an initial step to connect new starters with their colleagues and welcome them in the company. In that step they also have the first touchpoint with the corporate values which play a prominent role in the company, as employees state. Although Hanna was part of the team that defined the values, she believes they are important, but they are not actively lived in daily decision-making processes.

Our values are still very important to us and we live them. [...] And they're part of our engagement surveys and a way to have a measurement as to how people feel that they are lived. And then we have them as part of our feedback rounds that we do on a regular basis, as part of our promotion rounds as well. So, it's more sort of about how they're lived and not from the HR perspective. If we look at it from a strategic or business perspective, I wouldn't say that they're the first marker for decision-making. (Hanna, Truckz).

Although Hanna and Sandra were very familiar with the values and could elaborate on the reasoning behind, Tim and Karen who did not work in people-related departments, were not necessarily able to name them all. Since the latter two, in contrast to the People team, work in the Amsterdam office and not in the Berlin headquarters, the question arose to what extent it depends on the department and the office that the values or the culture as a whole do not reach all ends. Interestingly, the way interviewees from Truckz described the atmosphere in the team was very similar. All of the participants stated that the sense of belonging was strengthened by a family approach calling everyone part of the *Truckz family.*

Tim made an attentive observation and defined two kinds of cultures, giving the example of a performance-based culture, with teams that are skilled, and goal driven or a culture where the emphasis is more on fostering a sense of belonging. The latter refers to the discussed feeling of being a family where everyone feels connected on a personal level: "Colleagues feel more like friends than colleagues, which is good, but also doesn't help progressing with skills and work." (Karen, Truckz). On the contrary, Tim describes corporate culture that is performance based as follows:

In cultures that are performance-based, they are saying 'hey, we are not a family. You know, you're not my brother, but we are a team.' [...] They work very, very hard. They have very high expectations. But they really work as a team because they're really saying at work, we're not best friends, but we like working with each other and together we can make it. (Tim, Truckz)

To conclude, corporate culture is a wide field and can be discussed and defined from different angles. It can also be said that the preferences of how a culture has to look and which aspects should be fostered is very individual and may be altered from by company.

4.8   Employee engagement

As learned in the literature review, employee engagement refers to employees feeling connected to the organization in such a way that they act of their own accord in the interests

of the company (Bridger, 2014; Ahmed et al., 2020). On these terms, it was about understanding the expectations employees have and how they feel engaged in order to drive the company forward. Two subthemes emerged *from this*. *Employee motivation* describes the aspects that respondents indicated as relevant to maintaining their engagement, and *employee satisfaction* refers to the desired outcome resulting from engaged employees.

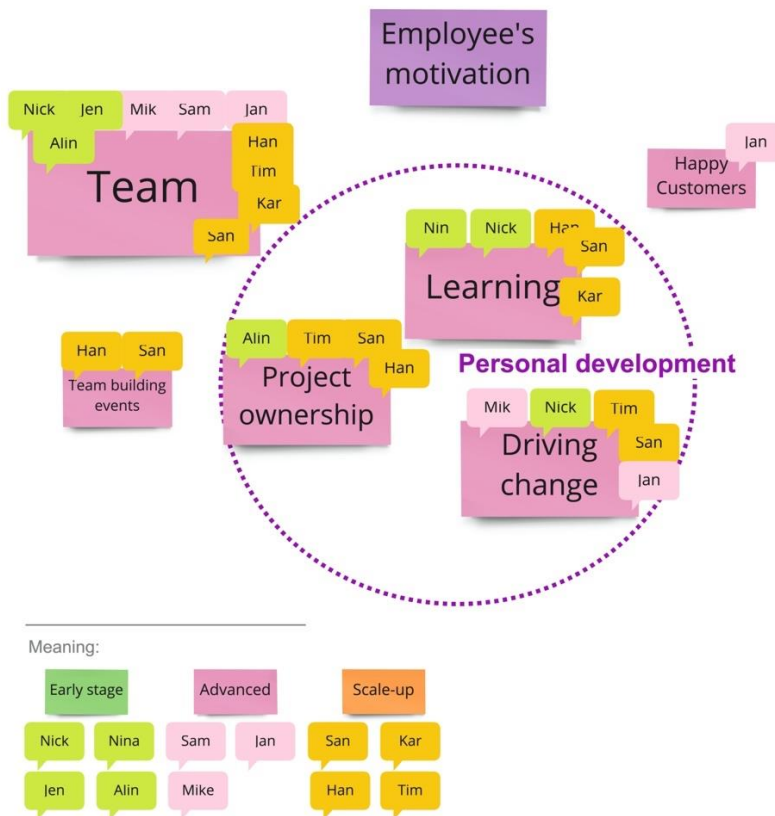**Figure 5**

Key Aspects to Employee Engagement

Figure 5 shows an overview of the main aspects of what employees get motivation of. Following this demonstration, it becomes evident that the *team* surrounding employees and *project ownership, learning*, and *driving change* were crucial aspects that motivate employees. For the analysis, I gathered the terms learning, project ownership, and driving change under the umbrella term *personal development*. Other aspects of driving motivation were events that foster *team building* or *happy customers*. Interestingly, no notable difference between employees' motivation and the company's stage could be identified. As the different colors in names show, companies are equally distributed regardless of the stage they are at, which indicates that the motivation is more related to individual preferences than the company.

Having a closer look at the statements of participants, the *team* as a motivator is a logical reason as it implies that working with friendly people brings joy and motivates employees. However, this is not per se a specific motivation factor only for startup employees but might be motivation for employees working in any type of company. Nevertheless, participants in this study elaborated that it is more about the team spirit, which refers to working with people who share the same passion. "I could see they [the team] have a great mindset, they were motivated and very open. That's something I missed before, that someone wants to do something and really is on fire for the idea." (Jen, Medico). A similar observation was made by Sandra (Truckz): "People take on a lot of responsibility and are driven by the same spirit; the whole vibe is pretty entrepreneurial. Besides, it is nice to work in young teams, where everyone also is kind of interactive and collaborative.". Part of this team spirit is also to be encouraging and supportive, as stated by multiple interviewees. "Sometimes it's really important to cheer each other up, even yourself. Without the team it would otherwise be very difficult to stay motivated, especially on stressful days. So, we are all very respectful and encouraging." (Jen, Medico). Also, Tim (Truckz) emphasizes the relevance of a strong team, "I would definitely take a pay cut for the team - 100%. I think having the right team environment is key." These statements indicate that coworkers share the general mindset to work towards a shared objective as a team.

Throughout the present study, it was brought up multiple times that personal development is one central reason for employees to work in a startup. Thus, it is evident that employees see this as a prerequisite to stay motivated and go the extra mile to support corporate objectives. In essence, as *Figure 2* illustrates, personal development has different aspects. First, being in charge of a project and having the power to make decisions is an aspect that employees value. "I like having ownership of my projects and that I'm really the person driving it that really gets me motivation because I know that I am the one in charge. I'm the one responsible for success." (Sandra, Truckz). Besides that, a steep learning curve, interviewees state, helps develop new professional skills that propels their career. "[In a startup] you get to try out new things, you learn a lot faster just by sort of being pushed into the cold water and kind of just having to solve some, or a multitude of problems." (Hanna, Truckz). Lastly, driving change in terms of having an impact contributes to personal growth.

> For me, it is really about working on something big, on something you believe that it
> really can accelerate change and contribute to solving a bigger problem. And then,
> because everything goes so fast you really see how your decisions make a difference

and you see that the hard work and the all the stress really pays off. It's almost like an addiction. (Alina, Medico)

While these aspects indicate employee expectations and aspects that drive their motivation, employee satisfaction is seen as the outcome when expectations are met. Thus, organizations should tie in with this and create a framework that enhances employee engagement.

Concluding from these observations, maintaining employee engagement from an employee perspective refers to sustaining the initial excitement employees bring when they join a startup. Startup employees decide to work for a startup to grow their skill set and pivot their careers. This, however, contrasts with the findings of Gruman and Saks (2011), which state that employee engagement would primarily refer to employees using their motivation to support the company in reaching corporate objectives. This underlines the relevance of the present study as it shows that shedding light on employee engagement from a different perspective, namely from employees, leads to different findings.

5   Conclusion

The present research has examined the meaning employees of startup companies assign to corporate culture. In essence, it was studied how corporate culture would drive employee engagement. In the scope of qualitative interviews, this research was guided by the question, "What meaning do startup employees assign to corporate culture to sustain their engagement?" The case study has proven to be an effective approach as it allowed gaining meaningful insights from employees working at hyper-growth startups at different stages and contribute findings from an inside point of view. The study additionally revealed how the concepts discussed in the theoretical framework are related and contribute to corporate culture overall.

The studies that could be found prior to this research and were discussed in the theoretical framework appeared to discuss corporate culture from the perspective of organizations predominantly. Implications analyzed the actions to should be taken on corporate culture and employee engagement to drive business success. However, I could not find literature that focused solely on culture and employee engagement from the employee perspective, understanding their expectations and perceptions. Moreover, the respective concepts were rarely analyzed in the context of startups. With the approach of this thesis, the results of the qualitative interviews go beyond the performance-based perspective of organizations and give an indication of how employees feel from a personal point of view. For instance, interviewees highlighted the challenges and frustrations that arise at both the employee and organizational levels, which are valuable contributions to existing literature. Thus, on the one hand, this research could supplement previous findings on the respective concepts from the specific angle of employees, and on the other hand, it revealed more insights into how hyper-growth startups operate internally.

Within the interviews, it was explicitly discussed how growth has an impact on the organizational culture. As stated by previous scholars, hyper-growth startups usually do not undergo growth unexpectedly. Quite the opposite, investors and business experts usually predict the potential of fast growth before the company's journey even starts (Sedláček & Sterk, 2017). With that, companies with such a premise work towards the goal of fast growth in order to succeed. In analyzing the interviews, however, it became apparent that growth is accompanied by a need for employees that are capable of adapting to new circumstances as their daily tasks may change frequently. In addition, it is not uncommon for short-term changes to the entire business model to occur, which in turn can lead to a restructuring of the

organization. In consequence, this frequently impacts the organizational culture as to changing stress levels, competitiveness, and the team atmosphere. While fast growth and development appear to be necessary for business development in these companies, it can also impact employee satisfaction.

Interestingly, the way employees experience rapid growth can go in two ways. One, growth gives the company exactly the challenges and drive that employees are seeking, as growth enables the main priority for employees: personal development. Conversely, growth is closely linked to stress, high workload, chaos, and lack of direction, typically resulting in frustrations and dissatisfaction. Against this background, the example of hyper-growth startups was interesting, as it seems to be both a blessing and a curse.

5.1 Discussion

As the title of this thesis already suggests, this study was about understanding what makes employees in hyper-growth startups tick. In essence, the research question "What meaning do startup employees assign to corporate culture to sustain their engagement?" was used to investigate the topic.

From analyzing the interviews, it can be concluded that corporate culture can be divided into two types. First, culture as a given context and second, culture as a proactive instrument of the organization. While the latter refers to active attempts, such as events or employee benefits of the company, to foster team building and the feeling of belonging, which eventually leads to enhancing the given context, the first was regarded as more relevant by employees. Interviewees primarily referred to the people they work with, the shared goals and achievement of milestones, as well as the atmosphere overall when speaking about the culture in their company. Next to others, these aspects are the ones that people connect with and that create a feeling of belonging. However, from the majority of interviews, it stood out that the culture itself is not a factor that can prevent employees from leaving the company. In fact, it was noted that company culture makes working hours more enjoyable and is important in creating a supportive atmosphere and building a strong team to achieve goals with, beyond that culture is not overly relevant. This also includes communication practices that are designed to broadcast the strategy and objectives down the line, as well as give feedback that allows employees to share and receive response to their work. Another central aspect is that employees state the importance of working in a cultural setting that leaves enough room to explore and experiment and still provides sufficient guidance to grow and develop on a personal level. To wit, these aspects have been named as

the essential aspects of culture that give employees the necessary motivation to work in the ambitious environment of a hyper-growth startup.

This observation leads to another central point of investigation in this study, the elements that drive employee engagement. Indeed, it was shown that employee engagement is linked to corporate culture, notably to the above-mentioned aspects that are classified as a given context, such as the team and the general atmosphere in the company. It is striking that all the stated points refer to the employee as an individual and are thus related to the identified key motivation of employees: personal development. As such, it becomes evident that employees in fast-growing startups feel primarily engaged by the opportunities they get to develop their personal and professional skills. Interviewees have shared their thoughts on how important it is to work in an environment that encourages them to go the extra mile every day and have a team to pick them back up when stress becomes overwhelming, and setbacks seem to prevail. In short, a team to go through good and bad times with, alongside colleagues that share the same passion and understand the ambition and drive behind the objective to achieve the corporate vision.

Interestingly, when analyzing the interviews, it stood out that the further a startup develops from early-stage startup to scaleup, employees' expectations develop with it. This means, at earlier stages, startups are closest to the definition of being agile and dynamic; thus, employees naturally have more project ownership and possibilities to learn and get insights into different teams and projects. Hence, their primary demand, personal growth, is fulfilled as the need for it is high and resources are low. In the process of growing to a scaleup, resources and team size increase and as a consequence, processes get slower, and reporting lines get longer. Thus, the workload on an individual level gets less as it spreads out across teams and coworkers and, respectively, the opportunities to learn as well. Although this does not necessarily imply that personal growth is no longer possible, it does refer though to slower development.

5.2 Implications

Overall, this qualitative interview study has revealed that employees appreciate a culture built on transparency, trust, encouragement, team spirit, and a shared passion. When these aspects are built into the general context of the corporate culture, a logical consequence will be to achieve employee engagement. Unexpectedly, proactive instruments to the culture that focus on actively shaping culture are regarded as nice to have but not as a necessity. In terms of the topic of this study, it can be summarized that corporate culture should not be

neglected. This implies that companies must create a space in which there is sufficient potential for personal growth. At the same time, communication must be specifically targeted to give feedback, structure, and guidance.

Further implications for organizations, job candidates should be selected according to the values of the company, and they ought to be shown trust and transparency from the very first moment. This goes along with providing transparent information about the current phase the company is at, the pressure, and the risks that might come with it, such as the potential absence of financial support and the resulting closing of the company. Essentially, communicating expectations clearly is a vital step in the recruiting process. In this way, chances are increased to eventually recruit suitable candidates with characteristics identified as adequate for startup employees.

Against initial assumptions, corporate culture is generally not the main driving force behind employee engagement. To be precise, startup employees do not feel that their engagement is sustained by the overall atmosphere, team, or supplementary initiatives, such as events or the similar. Such is seen as pleasant but not essential, as employees do not associate these aspects, particularly with startups but with workplaces in general. Actually, startup employees seek predominantly growth opportunities that allow them to develop their skills and drive their careers. This was confirmed by interviewees who had just left their company and were encouraged to share their reasons for resigning. Unexpectedly, all of these employees have stated that they enjoyed the atmosphere in the team and believed there was an excellent culture within the organization. Nevertheless, the reason for them to leave, was eventually, rooted in the fact that they did not see their personal development given the way they expected it to be initially. For companies, this implies that cultural efforts such as team events, feedback talks, and other initiatives that enhance the overall work atmosphere are appreciated. However, opportunities that accelerate personal growth are more relevant for sustaining employee engagement.

Overall, the findings of this research prove that corporate culture is an overarching term for the way organizations and people within the organizations communicate and work together. Corporate culture describes the atmosphere, values, and vision that are shared among the company, and eventually, it is the feeling people have when working for this company. One key takeaway for organizations is that employees expect a workplace that leaves them with a good feeling and take that as a prerequisite to fulfilling their job. Consequently, for a startup company that demands long working hours, stress and pays

comparatively low wages, it is imperative to foster a culture that makes time at work as enjoyable as possible.

5.3 Limitations

This research was limited in time resources; thus, the feasibility needed to be taken into account when deciding on the topic of this study. Since the recruitment of participants has happened to be a greater challenge than initially expected, sacrifices had to be made regarding the sample size. In essence, all participants were full-time working busy jobs and had to spare time to participate in the interviews. Hence, I needed to adapt to their schedule and ensure the feasibility of all interviews within the time of the thesis. However, I did not consider sporadically occurring troubles, such as sickness, short-notice cancellations, or difficulties in connecting with potential candidates prior to this study. Nevertheless, the point of saturation could be met for all companies in the case study, meaning that after three to five interviews were conducted and analyzed, the content of additional interviews became repetitive, and no new information could be gathered.

Another limitation may have been the setting of an interview in the context of this study. It is unclear whether this resulted in different behavior of the interview partners and if they, in turn, may not have answered entirely authentically. To counteract the apparent setting of a study, interviews in written form could be more helpful for uncertain participants because it would not feel too much like a study for them. Participants would also have more time to think their statements through and incorporate examples. In addition, a content analysis could be conducted with internal documents, chats, or emails to examine internal communication practices (Babbie, 2014). In addition, a participant observation study to understand how the culture is lived within the organization would provide additional information for the practical application of cultural practices (Brennen, 2017).

5.4 Future research

The present study succeeded in providing a valuable contribution to existing studies. The findings supplement the work of previous researchers with the perspective of employees to understand how they evaluate corporate culture and how they feel engaged. However, it is advised to further investigate the topic of this research for other sectors and industries. Thus, following research projects could go beyond the scope of logistics startups and examine other industries instead. In doing so, conclusions can be drawn about how the industry determines the outcome of the study. For instance, female-dominated industries such as the beauty

industry or companies with female founders. Doing so could help examine whether there are gender-specific expectations toward corporate culture and if men and women differ in the way they are motivated.

In addition, investigating the expectations and assigned meanings of employees that work in startups other than hyper-growth startups would be an interesting approach. Based on the knowledge of this and previous research, stressful work and fast decision-making in rapidly growing startups lead to neglecting cultural efforts (Kuratko, 2007). On that note, it is even more interesting to understand the thoughts and expectations of employees in companies that work with less pace. While this research has shown that employees often condone and compromise a lack of attempts to improve their well-being, it stands to reason that a study on non-hyper-growth startups would be interesting. Would these workers be more persistent in demanding cultural rewards? It is likely that in slower operating startup companies, personal development and advancement of the own skill set will not be something to compensate employees with. However, low salaries will remain a core issue as it is still a startup. Thus, the question arises whether there is a way to keep employees engaged if neither financial compensation nor personal growth can be used to reward employees. In addition, it may be explored if the people working in slower proceeding companies are fundamentally different in their characteristics from the ones working in fast-growth startups?

In conclusion, employee engagement is determined by multiple factors and overall describes employee motivation and satisfaction. It appeared that the ambitious type of employees that join a startup enter the company with a natural degree of engagement. However, with the fluctuant day-to-day life in startups, the initial enthusiasm and motivation may wane over time. Then it is up to companies to create an encouraging atmosphere that creates a pleasant working environment. In the course of this study, it was discovered that these aspects create the contextual framework of corporate culture, which primarily develops naturally. As *Figure 1* showed, the detected themes in this study stood in relation. In detail, hyper-growth startups are characterized as such because of the interplay of the company's and employee's characteristics. This forms a unique combination of ambitious employees working on an ambitious goal. However, this ambitious environment is driven by the pressure to perform within a short time. In turn, this leads to challenges and frustrations. At this point, employees often lose their motivation, and employers are required to counteract such. As the interviews have brought up, the theme of internal communication becomes crucial as it is on leaders, teams, and colleagues to communicate challenges and issues in an open and transparent manner and to share feedback. In turn, this will strengthen the sense of belonging

in employees and sustain engagement. As discussed before, these aspects form the corporate culture in a given context. As additional initiatives, clear communication of the vision, the values, and the corporate strategy can be applied as guidance for employees. Next to these aspects, team building events, employee benefits, or other initiatives are referred to as proactive instruments to sustain corporate culture. These proactive approaches will subsequently foster the given context of corporate culture and enhance employee engagement as well.

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Appendix A

Overview Interviewees

Name (Fictitious)	Company (Fictitious name)	Gender	Age	Job description
Hanna	Truckz	Female	32	Senior Principal, People Experience
Sandra	Truckz	Female	26	Culture Manager
Tim	Truckz	Male	35	Pricing Analytics Manager
Karen	Truckz	Female	25	Program Manager
Mike	Foodo	Male	27	Operations Manager
Sam	Foodo	Male	24	Rider
Jan	Foodo	Male	27	Supply Chain Associate
Nina	Medico	Female	24	Talent Acquisition Manager
Nick	Medico	Male	27	Chief of Staff
Alina	Medico	Female	25	PR Associate
Jen	Medico	Female	29	Sr. Expansion Manager

Table A1

Appendix B

Interview guide

Corporate culture in startups: what value employees attribute to corporate culture to sustain engagement					
RQ: What meaning do startup employees assign to corporate culture in order to sustain their engagement?					
Guiding questions: *What drives employees' job satisfaction?* *What does the employer need to offer to increase employee engagement?*					
Concept	What to find out?	Starting questions questions	Inspirational questions	Follow-up	Keywords
Introduction		- Please introduce yourself, briefly describe your job and day-to-day tasks. - For how long are you already working for this company?	- When you look back, how did it change over the past years?		
Startup	How do interviewees characterize startups? What do they think makes it different to other companies?	- How would you describe your company? - What do you think, makes it different to other companies? - To what extent did the product/service your company sells or the industry matter when you decided or that job?	- What do you think are typical startup characteristics? And to what extent do you find them in your company? - Why did you choose to work for that company? - What about flexible working? (working hours, tasks etc) - How does your office look? Does everyone have there own desk?	- What do you mean by this? - Can you elaborate?	Agile, dynamic, fast scalable Tech-oriented, innovative, less than a decade of existence, Challenges & obstacles
Corporate Communications	What are communication paractices in the company to ensure exchange of information? Top-down & buttom up.	- How would you describe the communication in your company? - What are the communication practices? - How does the CEO communicate?	- Which possibilities do you have to get updates about what is going on in the company? How was that affected during the pandemic, did you still feel connected? - How is the feedback culture in your company? Do you feel acknowledged and	- How did this develop through out the past years? - How do you feel	Communication

		- How is the communication amongst colleagues? - How is information distributed? - How is it handled when you make mistakes?	respected? - Which channels does your company have? (intranet, newsletter, town hall meetings, email) - What messages would you like to receive?	about that? Would you want it differently?	
Corporate Culture	Which approaches are implemented to drive employees and business success?	- What means corporate culture for you? - How would you describe the general vibe in the team? - How would you describe the values of your emplyoer? (what do they stand for/ What drives the business etc) - Can you describe the atmosphere in the office? - Do you have a feeling of belonging with your company? - To what extent do you think, you as an employee can shape the culture of your company? - How is it for a new employee to join the team? How did you feel back then?	- Is there a dresscode? - Can you identify with the values? - Do you feel like the values are really lived? - Do you feel heard in your organization? - Do you feel like the company cares about you? - Do you feel trusted by your employer? - Within your company is there a ritual, words, phrases or similar that creates a sense of unity or belonging? - Which benefits does your employer offer in your opinion? Is there anything you get rewarded with besides your salary? - Would you say that you are a different person privately or professionally? Does the company do anything for D&I? - How did you learn about the team and the atmosphere when you joined?	- Do you have an example? - How did this develop through out the past years? - why?	Corporate Values Internal atmosphere Employee benefits Acknowledgement hierearchies adhocracy
Employee Engagement	What makes employees tick? What motivates them?	- What motivates you for your work? - To what extent can you take risks at work? Do you have a possibility to try things out? - Do you appreciate the efforts of your employer? - How do you want to be rewarded for your work? - Did you ever advocate for	- Did your employer ever ask you to promote the company externally? - What role does your job play in your life? - If you could change or add anything that adds value to you and motivates you, what would it be? - What would be a reason for you to leave the company? What is most important for your employer to have?	- Can you describe that in detail? - How could you change that? - What would	Motivation, Organizational commitment Identifying with values Productivity Rewards Employee activism Job satisfaction

| | | your employer? If yes, how? If no, why not?
- What means job satisfaction for you?
- How do you feel about working over hours? Do you do it a lot? Is it appreciated?
- How do you describe your workload? How do you handle it when there's too much on your plate? | | increase your motivation? | |

Table B1

Appendix C

Informed Consent Form

Project Title and version	Master Thesis: Corporate culture in startups: what value employees attribute to corporate culture to sustain engagement
Name of Principal Investigator	Alessia Spiegel
Name of Organisation	Erasmus University Rotterdam
Purpose of the Study	This research is being conducted in the scope of my Master's Thesis. I am inviting you to participate in this research project about corporate culture in startups. The purpose of this research project is to examine the value employees attribute to corporate culture to sustain employee engagement.
Procedures	You will participate in an interview lasting approximately 60 min. You will be asked questions about your personal opinion. Sample questions include: "How would you describe the atmosphere in your organization? ". You must be at least 18 years old.
Potential and anticipated Risks and Discomforts	There are no obvious physical, legal or economic risks associated with participating in this study. You do not have to answer any questions you do not wish to answer. Your participation is voluntary, and you are free to discontinue your participation at any time.
Potential Benefits	Participation in this study does not guarantee any beneficial results to you. The broader goal of this research is to understand the impact of corporate culture on employee engagement.
Sharing the results	Your plan for sharing the findings with the participants should be provided. If you have a plan and a timeline for the sharing of information, include the details. You may also inform the participant

	that the research findings will be shared more broadly, for example, through publications and conferences.
Confidentiality	Your privacy will be protected to the maximum extent allowable by law. No personally identifiable information will be reported in any research product. Moreover, only trained research staff will have access to your responses. Within these restrictions, results of this study will be made available to you upon request. As indicated above, this research project involves making audio recordings of interviews with you. Transcribed segments from the audio recordings may be used in published forms (e.g., journal articles and book chapters). In the case of publication, pseudonyms will be used. The audio recordings, forms, and other documents created or collected as part of this study will be stored in a secure location in the researchers' offices or on the researchers password-protected computers and will be destroyed within ten years of the initiation of the study.
Compensation	*The participation will not be compensated.*
Right to Withdraw and Questions	Your participation in this research is completely voluntary. You may choose not to take part at all. If you decide to participate in this research, you may stop participating at any time. If you decide not to participate in this study or if you stop participating at any time, you will not be penalised or lose any benefits to which you otherwise qualify. If you decide to stop taking part in the study, if you have questions, concerns, or complaints, or if you need to report an injury related to the research, please contact the primary investigator: Alessia Spiegel

Statement of Consent	Your signature indicates that you are at least 18 years of age; you have read this consent form or have had it read to you; your questions have been answered to your satisfaction and you voluntarily agree that you will participate in this research study. You will receive a copy of this signed consent form. I have been given the guarantee that this research project has been reviewed and approved by the ESHCC Ethics Review Committee]. For research problems or any other question regarding the re-search project, the Data Protection Officer of Erasmus University, Marlon Domingus, MA (fg@eur.nl) If you agree to participate, please sign your name below.
Audio recording (if applicable)	I consent to have my interview audio recorded ☐ yes ☐ no
Secondary use (if applicable)	I consent to have the anonymised data be used for secondary analysis ☐ yes ☐ no
Signature and Date	NAME PARTICIPANT / NAME PRINCIPAL INVESTIGATOR Alessia Spiegel / SIGNATURE / SIGNATURE / DATE / DATE

Table C1

Appendix D

Code List

1-way communication	Fast impact/change	Problem solving issues
2-way comunication	Feedback Buttom-up	Productivity blocker
adaptability	Feedback culture	Recruitment
Advanteges Early-stage startup	feeling lost	Refelction
Alignment issues	Feeling of belonging	Relationship with colleagues
ambition	Financial compensation	Resignation
appreciation	Flat hierarchies	Responsibility
Approachability	flexibility	restructuring
atmosphere	frustration	Rich informant
Blame culture	fun	Risk Early-Stage
business oriented	Goal driven	Risk Late-Stage
Business success over employee satisfaction	Growth	Risk Middle-Stage
CEO relationship	hiring	Scale-up
Challenges	Inconsistency	short-term goals
Change	innovation	slower progress
Chaos	Internal Communications	Stability
Chat	Intranet	Staff tunover
Communication challenges	Job security	Startup Mentality
Communication issues	Lack of direction	Storytelling
Communication practices	Lack of understanding	Stress
Community feeling	Large hierarchies	Structure issues
Companywide Meeting	Leadership communication	Structured Organization
compensation	Lean processes	supportive
Competitive	Learning	Team building
Connectivity based cultue	Levels of communication	Team spirit
Contradicting	Long-term goals	top-down
Corporate Culture	Manager Relationships	transparency
Culture clash	Media attention	trust
Definition of organizational structure	motivating	undefined processes
Desire for change	Multinational company	Underappreciation
discussions	Newsletter	Values
Diversity & Inclusion	No Guidance	vision
Driving change	Onboarding	Working over hours
dynamic	Open communication	workoverload
Early stage structure	openminded	Young job candidates
Employee satisfaction	passion	
encouraging	People Experience	
Engaging employees	Performance driven culture	
entrepreneurial	Personal development	
Events	Potential	
Excitement	Pressure	
Experimenting	prioritizing	

Table D1