# SprintLab Ltd.'s Leadership and Culture and its Impact on Employee Performance and Satisfaction

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This thesis is commissioned by the company SprintLab Ltd. It describes, how leadership and organizational culture have affected employee performance and satisfaction.

The purpose of my study is to provide SprintLab Ltd. with valuable information regarding the whole organization, including whether their company culture, declared values and leadership practices are aligned with each other.

The objective of this thesis is to ascertain the current status of the company's culture and leadership, their effect on employee performance and satisfaction; what the most suitable leadership style for this company is and finally, how Latvian business culture and leadership has been developing.

Theoretical framework helped to gain a deeper insight of leadership and organizational culture within the company. Different leadership styles and organizational culture typologies were studied. It also gave better knowledge of Latvian business culture and leadership. As the main source was used Edgar Schein's book Leadership and Organizational Culture.

The empirical part was conducted in June 2016. Empirical data was gathered through case company's website, annual reports, as well as a survey questionnaire that was sent to the SprintLabs' employees, analyzing their performance and satisfaction. Furthermore, Skype interview was conducted with the managing director of the company. Results showed, that leadership practices and organizational culture have a positive impact on employee performance and satisfaction and employees share same values and goals within the company. Results led to conclude that for this company most successful would be benevolent authoritative and coaching leadership style.

| **Keywords** |
| Leadership, organizational culture, employee performance, employee satisfaction, leadership style |

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# 1　Introduction

To search for always new competitive elements, organizations are establishing client databases, quality management systems, new technologies and a variety of marketing strategies, but more difficult is to find that different, special way which competitors could not steal. For this reason, companies have to re-evaluate an organizations' true value. And only then most of the companies understand that it is the organization's culture, which has an area of expertise that cannot be borrowed or imitated.

This thesis aims to describe SprintLab Ltd.'s leadership and its culture and the effect on employee performance and job satisfaction. The different leadership styles and functions will be studied. The main emphasis will be on leadership and organizational culture.

The topic has been chosen for this research in order to gain more knowledge about leadership and organizational culture and its impact on employee performance and satisfaction and learn about more suitable leadership style and strategy for the chosen company. Nowadays it is a very significant issue and every company tries to find the best way to make a healthy organizational culture to gain the best results, and therefore it always need the right way of leadership which can lead the culture and make a positive impact.

## 1.1　Objectives of the study

The purpose of this study is to provide SprintLab Ltd. with valuable information regarding the whole organization, including whether their company culture, declared values and leadership practices are aligned with each other. Different leadership styles and organizational culture types will be studied to gain deeper knowledge and understanding of SprintLab's status regarding the relationship between leadership and culture.

The objective of this thesis is to ascertain the following. This will include, the current status of the company's culture and leadership, their effect on employee performance and satisfaction, what the most suitable leadership style for this company is and finally, how Latvian business culture and leadership has been developing.

## 1.2　Scope and structure of the study

This thesis consists of six chapters. The first chapter introduces with objectives and structure of this study, as well as with the case company. The second chapter tells about leadership and organizational culture, its different styles, and typologies.

The third chapter describes impact of leadership behavior on organizational culture and gives insight into different leadership behaviors, leadership practices and principles, as well as Latvian business culture and leadership development.

The fourth and fifth chapter concentrates on what approaches were used to gain results and explains in detail the empirical findings.

Chapter six provides conclusions and recommendations for the case company.

The scope of the thesis is leadership, organizational culture, leadership style, as well as employee performance and satisfaction regarding leadership's influence.

The theoretical framework serves as an excellent gateway understanding different aspects of leadership. As the main theoretical framework source will be used Edgar Schein's book Organization Culture and Leadership (2010) . This section also gives an insight of different leadership styles and its functions in the organization, as well as different types and levels of an organization's culture, and ways to measure the company's' culture. As the case company is situated in Latvia, it is necessary to look into leadership and business culture development in Latvia. A theory of leadership and organizational culture will be studied and compared with empirical findings.

## 1.3    Introduction to the case company

More than 70% of all economically active enterprises in Latvia are considered micro and small enterprises, including SprintLab, and their contribution is only 3.7 billion EUR or 7.2% of the total turnover of the Latvian economy, according to "Lursoft" selection carried out by the Ministry of Economy selected criteria. (Lursoft statistics 2016)

SprintLab is a design and printing agency, which offers such services as printing, logo development, the production and design of packaging, graphic design, website development and corporate gifts. It was established in the year 2011 and has been accepted by The Latvian Chamber of Commerce and Industry. It's Turnover exceeded 13.5 billion euros in 2013. They have got 60 new projects and six new customers during October 2016 and the company is searching for new markets continuously. (SprintLab, 2016)

The company's main core values are:

- Honesty. Towards our clients, co-operation partners and the government.
- Accuracy. Satisfying all the necessary requirements of our clients.
- Excellence. Only taking on projects for which we can guarantee outstanding results.
- Courage. Solving problems, instead of running from them.
- Development. New challenges and professional growth.
- Teamwork. The backbone of our success.

- High standards. That help us maintain excellent quality.
- Joy. Of having a pleasant work environment. (SprintLab, 2016)

The turnover in 2014 was about 189,484 € and in 2015 it was 243,178€. (see Appendix 3). The future plan is to expand their business to Scandinavian countries. The company has 9 employees, including the chairman. Bookkeeper is outsourced. For a closer look, here is the organization chart (SprintLab, 2016) of the company:

| MANAGING DIRECTOR Dainis |
|---|

| SENIOR PROJECT MANAGER Laura | OFFICE ADMINISTRATOR Dace |
|---|---|

| SENIOR SALES MANAGER Jūlija | SCANDINAVIAN PROJECT MANAGER Ervins |
|---|---|

| GRAPHIC DESIGNER Artūrs | GRAPHIC DESIGNER Ramona | GRAPHIC DESIGNER Olga | GRAPHIC DESIGNER Harijs |
|---|---|---|---|
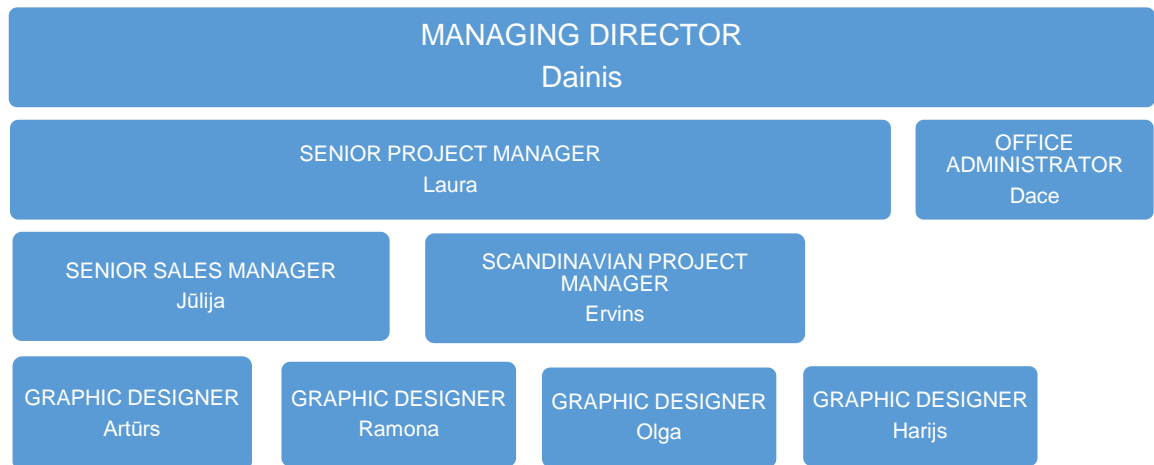
Chart 1 SprintLab Ltd. organizational structure (SprintLab 2016)

As depicted in the organizational chart, a chain of command is top down.
The Managing Director makes the final organizational decisions, while the Senior Project Manager alongside the Office Administrator is responsible for the coordination of the marketing, production, and Human Resources. Sales Manager is responsible for sales, purchasing, as well as assisting with marketing and sales training. Scandinavian Project Manager coordinates projects with Swedish and Norwegian customers. All the Graphic Designers are working for the projects which company gets.

# 2 Leadership and Organizational Culture

Small businesses like Sprintlab Ltd. usually has own distinctive features and patterns of development. In particular, small businesses often operate on regional markets and have a direct relationship with the customers, narrowly focused on a particular segment of the market of goods and services and have the ability to quickly respond to changing market conditions. All of these factors can be both advantages of a small business, and under certain conditions can become disadvantages hindering its development. Forming and maintaining a positive organizational culture in a small business can be a factor that will allow the most efficient use of the specific characteristics of small businesses and will lead to the disclosure of the best potential of the company and its further sustainable development. However, the most effective method of formatting organizational culture within the company is the behavior of a leader. Such company can have characteristics like the simplicity of the structure and a few staff, i.e. our case company. Very important is the company's leaders' firm belief in his actions, ability to encourage staff for independent decision-making and treating subordinates as the main strategic resource of the company. The leader then acts as a benchmark for his staff. In order for values and norms of behavior not to remain a mere formality, the leader must set an example of it in his own life, on meetings and while communicating with employees and customers.

Schein argues that ''the only thing of real importance that leaders do is to create and manage culture; that the unique talent of leaders is their ability to understand and work with culture; and that it is an ultimate act of leadership to destroy culture when it is viewed as dysfunctional. '' (Schein, 2010, 10) If leaders only create and manage culture, then Schein could suggest that leadership also directly influences the culture. Without a doubt, leaders have an influence towards company's culture, but every leader should know how to make culture stable in a strategic and positive manner. Also, there might be situations where companies are making joint venture or leaders of the company changes. In such cases, the existing culture might not accept new leader's influence and even build an alliance against the new management. Then the leader should be very confident and charismatic to break such coalition and come to a common solution.

## 2.1 Introduction of leadership

Many researchers are trying to find new factors and attributes of leadership. Leadership implies autonomy, independence, and novelty. Management can be impersonal, leadership - always personal. A leader cannot hide behind the procedures, rules or regulations. The leader is obliged to demonstrate the innovative behavior, encourage change, improve efficiency and have an impact on employees, encouraging them to take an action. Although not everyone can be a leader and have the traits what being leader

demands. Referring to the practice of managers who have bought leadership training for their employees and have been asked to answer a question: how their employee behavior should have changed after such training? Firstly, they usually expect innovative behavior and want their employees to think and analyze how they can work more efficiently without well-executed instructions. Secondly, managers wish employees to make new proposals for effective production, logistics and customer service. But a leader should understand that his path is not for everyone to take. Some workers might not appreciate that someone wants to make them as leaders.

Schein notes that ''with the changes in technological complexity, especially in information technology, the leadership task has changed.'' (Schein, 2010, xi) It is much different now because everyone can follow one's steps online and, therefore, any mistakes can be seen either. Also, it gives enormous power, if leaders know, how to use it. Great example for a successful leader in this new computer era is Richard Branson, the founder of Virgin Group. He is active in social media and bravely speaks out for the world's issues, as well as sharing his everyday work.

As the case company is situated in Latvia, it is essential to notice that most of the Latvian companies in the early 90's were managed in a so-called ''military management'' style with a strong hierarchical manner. Brooks has shared an interesting speech in his book of field Marshal Slim (1891-1970) in Adelaide, Australia, in 1957. Marshal Slim suggests that ''there is no such military management- there is only leadership. He said that in the Army they do not talk of ''management'', but of ''leadership''.'' (Brooks, 164, source: Brigadier John Hoskinson 2008). Marshal Slim also believes that ''there is a difference between leaders and management, and that the leaders and men who follow him represent one of the oldest, most natural and most effective of all human relationships.'' (Brooks, 164, source: Brigadier John Hoskinson 2008).

### 2.1.1 Modern typology and leadership function in the organization

''Organizations are ultimately the result of people doing things together for a common purpose. The basic relationship between the individual and the organization can, therefore, be thought of as the most fundamental cultural dimension around which to build a typology because it will provide critical categories for analyzing assumptions about authority and intimacy.'' (Schein, 2010, 163)

Edgar H. Schein names theory of Etzioni's (1975) fundamental distinction between three types of organizations that exist in every society:

''Coercive organizations: The individual is essentially captive for physical or economic reasons and must, therefore, obey whatever rules are imposed by the authorities.'' (Schein, 2010, 164)

''Utilitarian organizations: The individual abides by whatever rules are essential for the performance of the organization. Such type of organization also develops countercultural norms so that employees can protect themselves from exploitation by the authorities. '' (Schein, 2010, 164)

''Normative organizations: The individual contributes his commitment and accepts legitimate authority, as the organizational and individual's goals are basically the same. Examples include churches, political parties, voluntary organizations, hospitals, and schools.'' (Schein, 2010, 164)

Our case company is likely to have only features of the last two types of organizations because it combines some of the elements of the utilitarian and normative organization types.

In SprintLab, according to Schein, ''employee relations evolve around the work group and reflect the kind of incentive system that management uses.'' (Schein, 2010, 164) In such aspect, it would show utilitarian system type, because ''such systems are often built around task performance, close relationships are discouraged on the assumption that they might get in the way of clear task focus''. (Schein, 2010, 164). In this case, it is more applicable to the leader of SprintLab, who wants to know his employee's hobbies and interests, but at the same time wishes to stay distant, not losing his authority. Meanwhile, in the normative system, where employees are in closer relationships, relations between staff and leaders are relaxed and helps them in ''building strong motivation and commitment towards company's goals''. (Schein, 2010, 164.) This thesis case company has shown their correspondence to this system, as its management often makes sport related events and seasonal celebrations, as well as small celebrations after successful business deals. The main idea behind these events is team building and motivation, as well as part of the company's traditions.

### 2.1.2 Different leadership styles

Leadership style is a combination of methods of the development and implementation of leader's decisions. The style is usually developed by the influence of leader's traits and characteristics, his work experience, education, and self-awareness. Some features of the leadership style are inseparable from leaders' character. Every leader has its own special and good mix of different leadership styles, used regarding the situation. In practice, it is expressed in a way how leader inspires his team to a proactive and creative performance and the way he controls subordinate activities. The adopted leadership style, therefore, could be the quality traits of the leader and his ability to provide effective management activities and create a positive atmosphere between employees.

Rensis Likert (Hall, 1972, 17(4), 586–590.) has identified four leadership styles:

Exploitive authoritative- Leader is like a dictator. He makes main decisions in the company and subordinates should follow his rules without asking. In practice, this style is useful when there is critical situations and employees should come to a fast solution.

Benevolent authoritative- In separation from the previous style, a leader not only sets strict rules for employees but also take her of their well-being. He listens to their needs and desires, but the major decisions will be decided by top management.

Consultative- Leader rarely acts without consulting with subordinates; employees can share their opinions and propose alternative solutions, nevertheless, in result the leader is one to make the last decision.

Participative- leader involves subordinates in decision preparation and adoption. He considers subordinate alternative decisions equally important. Major solutions are made together and employees feel motivated and appreciated. (Hall, 1972, 17(4), 586–590.) Likert believed that if an organization wants to achieve optimum effectiveness, then the ''ideal'' system is participative. (Hall, 1972, 17(4), 586–590.)

In accordance to Goleman in his article, ''Leadership That Gets Results'' (2000) - ''leader's singular job is to get results''. He explains that leadership training programs and expert advice are not always effective because ''such experts offer advice based on inference, experience, and instinct, not on quantitative data.'' (Goleman, D., 2000; 1(3):5-14) Goleman did research of more than 3,000 executives and had given the insight into leadership behaviors which gives the most positive results. Emotional intelligence is very close to Goleman and this research has not been the exception. He proposed six well-defined leadership styles, showing emotional intelligence features in each of them. Below stated leadership styles are cited from Goleman's article (2000):

The pacesetting leader expects and models quality and self-direction. This style works best when leader's subordinates are highly motivated and ready to achieve the goals. ''Used extensively, however, this style can overwhelm team members and squelch innovation.'' (Goleman, D., 2000; 1(3):5-14)

The authoritative leader empowers members to achieve goals and trusts they will succeed. ''The authoritative style works best when the team needs a new vision because circumstances have changed, or when explicit guidance is not required.'' Authoritative leaders are gifted with leading skills and make everyone feel confident about reaching objectives. (Goleman, D., 2000; 1(3):5-14)

The affiliative leader works to create emotional bonds that bring a feeling of connection and acceptance to the organization. This style works best when there is vulnerability within the company and leader should support his subordinates and release the anxiety. (Goleman, D., 2000; 1(3):5-14)

The coaching leader helps people to be safe for the future. The coaching style works best when the leader wants to help teammates build lasting personal strengths that make them more successful overall.'' It is least effective when teammates are resistant and unwilling to change or learn, or if the leader lacks knowledge.'' (Goleman, D., 2000; 1(3):5-14)

The coercive leader requires fast results. ''The coercive style is most effective in times of crisis, such as in a company turnaround or a takeover attempt, or during an actual emergency like a tornado or a fire''. This style can help when dealing with resistant employees. (Goleman, D., 2000; 1(3):5-14)

The democratic leader creates harmony and concept with a help of cooperation. ''The democratic style is most effective when the leader needs the team to buy into or have ownership of a decision, plan, or goal, or if he is uncertain and needs fresh ideas from qualified teammates.'' This style does not work effective under pressure and vulnerability. (Goleman, D., 2000; 1(3):5-14)

SprintLab could have significant features from at least three of Goleman's leadership styles: affiliative, coaching and authoritative. But one should consider that for most of the Latvian employee's authoritative leadership style suits the best. Latvian mentality has been developed through many years of occupation and slavery. It is hard to adapt to freedom and act with confidence and without doubts about future. Every Latvian, sadly, has this little fear of what if again somebody will enslave them but at the same time, they are ready to be the ones who truly follow the leader. Latvians like strict rules at work because they are good at taking responsibility and following rules makes them confident that they will get good results. People really appreciate leader skills in Latvia and a good leader is always admired. Changes are happening all the time and, no doubt, younger generation of Latvians are more optimistic about future and wants to be the ones who lead. Coaching leadership style would be a good choice for leaders to use to empower employees for higher goals. Sometimes leaders are searching for outsourcing for different duties, but if the leader would be interested in his own employees, he could be surprised what their skills are. Some outsourced bookkeeper could be his own sales person with a diploma in auditing. Therefore, just a reminder to be open for information sharing within the company.

## 2.2   Introduction of organizational culture

Nowadays, there is a tendency to open small and medium-sized companies in various fields. The leaders of such companies all the time need to search for the most effective ways of development and success of their business - to be competitive.

It is necessary to provide psychological health within the organization, which includes staff satisfaction, emotional intelligence in the organizational culture, a friendly and welcoming atmosphere in the team, as well as, the ability of self-realization and freedom of expression. If leaders really pose and solve these steps, then the result is high efficiency and competitiveness of the organization.

In Schein's opinion, ''culture is both a dynamic phenomenon that surrounds us at all times, being constantly enacted and created by our interactions with others and shaped by leadership behavior, and a set of structures, routines, rules, and norms that guide and constrain behavior.'' He suggests that when leader of a company shares his own culture towards his subordinates, one could tell ''how culture was created, embedded, evolved, and ultimately manipulated.'' Nevertheless, culture provides employees with meaning and clear structure of a company's goals and strategy and gives them feeling of belonging and safety. Culture development in such way is very important for leadership and could ''make one realize that leadership and culture are two sides of the same coin.'' (Schein, 2001, 8) Even so, the information can be very influential and creates a certain system of values within the organizational culture. People are changing or manipulated under leaders' influence, placing their professional activity towards the company's values and priorities. In such way, the formation of organizational culture is carried out in the process of professional adaptation of the staff.

In accordance to Schein, how people act in specified society, company, or profession has been taught to them by their diverse experiences of socialization and serves ''to maintain the social order.'' However, ''social order rules make it possible to predict social behavior, get along with each other, and find meaning in people's actions.'' (Schein, 2001, 8). Schein also suggests that ''organizational cultures can vary in strength and stability as a function of the length and emotional intensity of their actual history from the moment they were founded.'' (Schein, 2010, 2.) This point of view is very useful when thinking of sharing the organizational culture and its values and rules with new employees. Most successful companies are those, where the new staff does not make a company's culture vulnerable. For example, if a company has a very strong culture and employees share its values and beliefs, but opposes the need for new staff to take part of it, then this culture will not be strong for a long and will suffer eventually. Strong organizational cultures are open for newcomers and make them feel as part of the family which makes it easier to introduce the company's values and strategies. Also, should remember that these situations are influenced by simple human behavior factors and emotional intelligence. Nowadays, instead of getting hired, many companies, e.g. Finnair, Saint-Gobain and Ernst & Young, require filling the psychological test hoping that it will enlarge the chances of getting the most suitable candidate with inherent traits and knowledge to fit in the existing organizational culture. It is both positive and negative because people are very skillful and even such tests can be misguided by making one look more active or passive.

These tests give an insight of person's emotional intelligence, personality, ability to adapt to different situations as well as ones' strengths and preferences.

Schein believes that ''one can view personality and character as the accumulation of cultural learning that an individual has experienced in the family, the peer group, the school, the community, and the occupation.'' We preserve culture all the time and carry it with. Culture is in our language, manners, our relationships we build in work and private life and how we see things. It can be hard to adapt to other culture and norms. In accordance to Schein, culture is the result of a complex group learning process that is only partially influenced by leader behavior. Although he has mentioned before that leader has very important role in organizational culture's development. In his mind, leadership should take action in situations, where organizational culture is struggling and vulnerable. In such occasions occurs ''that leadership and culture are conceptually intertwined.'' (Schein, 2001, 8-9).

Meanwhile, another researcher, Gibson, presumes that ''the relationships among individuals and groups in organizations create expectations for individual's behavior.'' (Gibson, 2012, 8). In his opinion, ''certain roles must be performed'', suggesting that there will be always leaders and followers and calls 'the pattern of basic assumptions used by individuals and groups to deal with organization and its environment as a company's culture.'' (Gibson, 2012, 8). In some cases, organizational culture serves as certain company's business card. The difference is in the way how others see and observe it. For some organizations culture as a whole community can serve like company's label, for example, Google. For other company, it can be its leader, e.g. Facebook co-founder Mark Zuckerberg. In both cases, the organizational culture ''results in shared thoughts, feelings, and talk about the organization. '' (Gibson, 2012, 8). If the staff feels good about the company they will share this information with their friends, relatives, and acquaintances, thus the good word will spread around. Although organizational culture can be observed in any company, it will always differentiate from each other because of the staff and their input and personality traits. Any classification, typology of organizational culture highlights some common types expressing only the leading trends in the activities of various organizations.

Gibson proposes that ''cultures of organizations can be positive or negative.'' (Gibson, 2012, 8) In accordance to Gibson, positive organizational culture enhances company's productivity, whereas ''negative culture can prevent behavior, interrupt group effectiveness, and hamper the impact of a well-designed organization.'' (Gibson, 2012, 8) Gibson encourages that leaders should be able to identify the reasons of bad quality of work, employee constant sick leaves, etc. in order to understand if it leads to a negative organizational culture. (Gibson, 2012, 8). Usually, in a positive and strong company's culture person knows how to behave, and does not feel any uncertainty, while in a

negative and therefore weak culture, an employee spends a lot of time figuring out what he/she should or should not do. The employee in the organization with a strong culture has the ability to identify with it, increasing its prestige in the eyes of others.

### 2.2.1 Different types and levels of an organization's culture

''At the surface is the level of artifacts, which includes all the phenomena that you would see, hear, and feel when you encounter a new group with an unfamiliar culture. Artifacts include the visible products of the group, such as the architecture of its physical environment; its language; its technology and products; its artistic creations; its style, as embodied in clothing, manners of address, and emotional displays; its myths and stories told about the organization; its' published lists of values; and its observable rituals and ceremonies.'' (Schein, 2010, 24)

Schein (2010) has offered three levels of organizational culture (explained below):''

1. Artifacts
   • Visible and feelable structures and processes
   • Observed behavior – Difficult to reveal
2. Espoused Beliefs and Values
   • Ideals, goals, values, aspirations
   • Ideologies
   • Rationalizations – May or may not be congruent with behavior and other artifacts
3. Basic Underlying Assumptions
   • Unconscious, taken - for - granted beliefs and values
   – Determine behavior, perception, thought, and feeling.'' (Schein, 2010, 24)

Schein explains that among the artifacts is the climate of the group. In accordance to Schein, some might see climate as the equal to culture, but it is better thought of as the product of some of the underlying assumptions and is, therefore, a manifestation of the culture. ''Observed behavior is also an artifact as are the organizational processes by which such behavior is made routine. Structural elements such as charters, formal descriptions of how the organization works, and organization charts also fall into the artifact level.'' (Schein, 2010, 24.)

Organizational culture's analysis typically starts at the top level, the level of artifacts, i.e. what can be seen and felt in the organization, followed by immersion in the sub-surface level of values and beliefs, and then made attempts to reveal the deep level of an organizational culture, i.e. basic underlying assumptions. These basic assumptions are ideas about the nature of time, space, reality, as well as human nature, activity, and relationships. This may also include the beliefs of employees, for example, the influence of religion on organizational behavior, and their ethical attitudes, i.e. appearance, work schedule, gender relations, and others. Artifacts are easy to observe, but it is difficult to interpret. At the same time, the formation of the organizational culture is, rather, in the

opposite direction. It can start from the deep level of underlying values going toward the level of values and to the level of artifacts. (Schein, 2010, 24-33)

In practice, when an entrepreneur starts a new business he must think about and formulate a clear mission, strategy, as well as hire a staff and approach customers. Employer both consciously and unconsciously creates company values and norms. Later on, these values are expressed in opinions, behavior and attitudes. Values represent the company's priorities and create operational rules. Collective rules of conduct may develop within a few days at the beginning of the company's operations. After some time, the organizational culture will develop with its pattern of shared and basic assumptions. Groups will be created and traditions will be adapted. When people have worked for a company already some years they do not think about processes so much but adapt to it, i.e. Monday meetings or ringing the bell for a successful deal.

Already at the beginning of a new company culture can reveal observable artifacts and shared values, rules, and norms of behavior. It is always easier to see all three cultural levels in new companies or start-ups when people at the very beginning share the same dreams and beliefs. Often organizational culture in such new companies is sharing entrepreneur's values and beliefs.

To understand the culture of the group, it is necessary to reach the level of basic concepts and to consider values and artifacts in the light of the above parameters. Therefore, ''leadership is originally the source of the beliefs and values that get a group moving in dealing with its internal and external problems.'' (Schein, 2010, 24-33) When leader at the start has proposed his own values and it has been accepted, it later becomes as shared assumptions. As ''individuals and groups seek stability and meaning, once achieved, it is easier to distort new data by denial, projection, rationalization, or various other defense mechanisms than to change the basic assumption.'' (Schein, 2010, 24-33.) Culture change and it is important for leaders to understand the deeper levels of a culture to assess the functionality of the assumptions made at that level, and to deal with the anxiety that is released when those assumptions are confronted. (Schein, 2010, 24-33)

Other researchers, Cameron and Quinn (2006) also developed a four - category organizational culture typology:

• Hierarchy: smooth-running organization, stability, predictability; formal rules and policies, rule reinforcement. (Cameron and Quinn ,2006, 41-44)
• Clan: family-type organization, shared values, and goals, solidarity, teamwork, employee development programs, empowering environment, customers as partners. (Cameron and Quinn ,2006, 41-44)
• Market: organization functions as a market itself, oriented toward the external environment, focused on suppliers, customers, regulators etc., the main focus on profitability, competitive advantage, capacity. (Cameron and Quinn ,2006, 41-44)

• Adhocracy: temporary (aerospace, filmmaking etc.), dynamic, emphasis on individuality, risk taking, power changes between employees, anticipating the future. (Cameron and Quinn ,2006, 41-44).

These cultural types can be helpful when taking look into performance and satisfaction questionnaire, where could be seen what SprintLab's culture is and therefore ascertain what and how strong the leadership impact is on employee performance.

However, as social media nowadays has taken so big role in everyday life, there could be more typologies about socially active and passive organizational culture. Those which pay attention be more visible and approachable and those which prefer to avoid social media. Even though it would seem that last type of culture could not compete with active ones, it is still arguable. Socially active companies are more vulnerable toward failures, while passive ones can put emphasis on their customers and spread a good word and hide failures within the company.

Schein summarizes that ''value of typologies is that they simplify thinking and provide useful categories for sorting out the complexities we must deal with when we confront organizational realities''. (Schein, 2010, 167-175). In accordance to Schein, these typologies offer categories which can be thought of and classified, but one cannot be sure, how correct and relevant they are. Therefore, main focus could be on just a few dimensions without finding a complex pattern between many other dimensions, as it cannot reveal what a given group's intense feelings are about. (Schein, 2010, 167-175).

### 2.2.2 Different ways to measure organizational culture

One way to measure organizational culture is a survey, but it is important, that the researcher understands, that, for example, for a statement "how the employees feel about the organization" it cannot be an absolute measure of the culture. It is necessary to look into company's values and see if the employees understand it, or what are their real values. If one of the SprintLab core values and backbones is teamwork, it would be surprising to find out, if employees prefer more individual work.

E.H.Schein offers six steps, how to measure organizational culture from the outside:
.1. Visit and observe.
2. Identify artifacts and processes that puzzle you.
3. Ask insiders why things are done that way.
4. Identify espoused values that appeal to you and ask how they are implemented in the organization.
5. Look for inconsistencies, and ask about them.
6. Figure out from all you have heard what deeper assumptions actually determine the behavior you observe. (Schein, 2010, 179)

It is significant to see how culture acts in real life, not just by collecting survey answers. Real culture might be hiding inside the building, behind the doors and only artificial aspects can be shown. Also, in the era of social media it is easier to follow some group's life online, i.e. see their posts, pictures from meetings and events. And most important, one can see whenever a company is being honest about their values and goals. If there is visible interaction with customers and bad comments have not been answered but deleted. If a company states that it cares about customers and every customer is special, then it will not look good into other customer eyes and the could think that their comments could be deleted as well. Or if the management is blaming others for such actions, there is clearly stress and distrust within the company.

# 3　Impact of Leadership behavior on organizational culture

A great influence on the development of the theory of leadership gave the concept of French psychologist G. Tarde (1843-1904), who claimed that all the achievements of civilization - is the result of the activities of outstanding individuals. The followers imitate the leader, the creative person. G. Tarde believed that follower imitation of the leader was the main law of social life. (Tosti, 1897, 508)

Schein has referred to Freud and his idea that ''one of the models we bring to any new group situation is our own family model, the group in which we spent most of our early life.'' (Schein, 2010, 105). The rules we learned and obeyed in our family in order to make good relationships are the ones we bring to the new community, working group. In accordance to Schein the different members of a new group are likely to have had widely varying experiences in their families of origin, they may start with very different models of what those relationships should be, leading to potential disagreement and conflict over the right way to relate to others in the new group. (Schein, 2010, 105). People have their own family model but most important is to realize that the working environment has its own rules and instead of proposing own rules, one should adapt to existing ones.

Lawler and Shuttle think that people achieve ''remarkable needs via non-work-related activities.'' People are different and so are their needs. Lawler and Shuttle research of the need hierarchy concept has shown, that when leaders make progress within organizations they do not feel secure and safe, whereas social, esteem and self-actualization needs increases. (Lawler.E.E. and Shuttle.J.L, 1972; 7, 87-265).

Sometimes, as in our case, where the founder is also the leader of the group, it has a significant role in the groups' performance and satisfaction. Founders of companies have their own ideas, how organizational culture should act and what values subordinates should prefer. Every leader has his own model of how the organization works. In such case it is even more difficult to be an inspiring leader because you have your ideas ready in your mind and accepting ''wrong'' suggestions from subordinates in a group could be sometimes very challenging. In many scholar works, they have named charisma as one of the tools to use when leaders want their subordinate awareness and propose their values and strategy. Schein has mentioned it also:

''Charisma is an important mechanism of culture creation, but it is not, from the organization's or society' s point of view, a reliable mechanism of embedding or socialization because leaders who have it are rare, and their impact is hard to predict. Historians can look back and say that certain people had the charisma or had a great vision. It is not always clear at the time, however, how they transmitted the vision. On the other hand, leaders of organizations without charisma have many ways of getting their

message across." (Schein, 2010, 220). Of course, charisma can be used for evil plans too, like Hitler or Stalin used their charisma to manipulate people. But in business world leader with a charisma and emotional intelligence is the one to succeed.

## 3.1 Studies on leadership behavior influence on organizational performance and job satisfaction

A leader needs to be emotionally intelligent and self-aware to understand how to motivate his subordinates. Nowadays it is even harder to motivate and keep employees satisfied when there are so many layoffs and people do not feel safe and stable anymore. In the most critical situations leader should find that strength within to make employees believe in company's future and stability.

House (1971, 1996) talked about leadership role on showing subordinates pathways so that they could get rewarded.  House's four path-goal types of leader behaviors are:

Directive- planning, setting expectations and clarifying instructions;
Supportive- offering friendly consideration, hearing out his subordinates;
Achievement-oriented- setting objectives and expecting them to be achieved;
Participative- involving subordinates in decision making. (Brooks, I.; 2009, 173).

House's leadership behaviors seem in a way like Likerts' and Goleman's leadership styles. These concepts have strong leadership features with strict rules and high expectations, i.e. directive behavior, exploitive authoritative and authoritative leader. But even when there are so many possibilities to measure leadership and its features, many researchers suggest to not choose only one style, behavior but use them per situation needed. Sometimes a leader must think of his employee characteristics and needs before choosing the right approach.  Directive leader behavior works well if subordinates need structural instructions to get results, whereas participating suggests more relaxed atmosphere and innovative minds. An achievement-oriented behavior might be useful when making a proposal for new sales campaign and motivating staff to achieve the goals. Supportive behavior, on the other hand, comes beneficial when a leader needs to hear out his subordinates and get useful information on what is going on within the company.

In accordance with Schein, the consequences for leadership are many. External issues are significant for leader and he is the one who creates the group and wants them to succeed. If a leader cannot arrange successful management and the group does not do well, it is automatically thought as leader's failure. In such case, the leader often is abandoned or voted out. To cope with such failure is hard but makes one understand about leadership's competencies and performance. (Schein, 2010, 92) After fiasco people

usually, realizes what they have done wrong and see clearly how to improve the situation. It requires emotional intelligence to acknowledge own mistakes and accept them by not blaming others, i.e. employees.

Edward E. Lawler suggests that people should be treated better nowadays, treated as human capital. The way people are treated within a company can show the company's future. Lawler gives a good example, why treating people right pays off for the leaders and organization itself, although he is not suggesting that right people alone will make the company prosper. (Lawler, 2003, 3-21) He sees the threat in many nowadays' companies. They are not so stable and assured anymore. New threats of today are start-ups, international competitors, legal changes and new technologies. Even though many of the start-ups does not live long, suffering and not be able to find skillful enough workers. The new environment can be insecure and permanent jobs have disappeared. People are constantly being laid off or changing workplaces. Lawler believes that ''all this is the result of the globalization of competition, the rapid development of scientific and technical knowledge, as well as death of the loyalty contract and the scarcity of skilled employees.'' (Lawler, 2003, 3-21.)

Lawler's main idea is that organization can work efficiently only when it treats its employees good and in return, employees are showing the best performance. Virtuous spirals start when employees are motivated and can perform at their best. A virtuous spiral commences ''when an organization takes intelligent, strategy-driven, conscious actions to attract, retain, motivate, develop, and effectively organize committed, high-performance individuals.'' (Lawler, 2003, 3-21.) Such actions give an organization high performance and boost the rewards for employees. Rewards, in its turn, develops employee motivation and commitment. When rewards and performance increases, an organization can attract more skillful and goal-oriented employees. From this point on, virtuous spiral forms and expands, ''bringing organization and its members to greater heights.'' (Lawler, 2003, 3-21.) Figure 1 captures this in graphic form.

Figure 1 A virtuous spiral (Lawler, 2003, 3-21.)

To keep spiral going, organization and leaders need to keep taking care of employee motivation, rewards and the great outcome will result in satisfaction for everyone. (Lawler, 2003, 3-21)

## 3.2   Studies of good leadership practices and principles

Leaders can enlarge employee behavior in many ways. According to Ivancevich et al some could be like these:

1. Try to use rewards rather than punishments for reinforcing and modifying subordinates' behaviors.
2. Be an open and frequent communicator. Share information with your employees to develop and maintain trust.
3. Listen carefully.  The leader should let his subordinates to say their opinions and express their needs.
4. Mentor employees. Give subordinates advice for work and help them use their skills to make a better career.
5. Admit mistakes and correct them with a positive attitude. Show employees leader does have mistaken too but everything can be fixed in a positive manner. (Ivancevich et al, 2011, 138).

In 2006 the group of academics in Venezuela made studies on leadership style effect on employee performance in small companies. They mentioned leader's ability to listen to his subordinates and involve them in decision-making process. They came to conclusions that in small companies' employees are motivated by participation, as well as when their opinions, proposals and needs have been accepted in the decision-making process. In accordance with Pedraja-Rejas et al, in small company's leader should collaborate with

his employees and provide a good work climate. A leader should take her of his subordinate's well-being and treat them fairly. (Pedraja-Rejas et al, 2006, 500-504.) Research also suggested that leaders should not make solo decisions regarding his employee work. Also, 'leaders should avoid setting the desired achievement standards and a working plan of action without the input of team members.'' (Pedraja-Rejas et al, 2006, 500-504.) Their research confirmed that supportive leadership style was the one most of the small company leaders used. Next was participative leadership style, and then the instrumental leadership style which is not so common. It was noticed that supportive and participative leadership styles positively influence effectiveness within small companies. (Pedraja-Rejas et al, 2006, 500-504.)

Although there is not one right leadership style, it is important for each leader to see and understand which style to use depending on the situation he faces. It is nevertheless important to assess the performance of employees and test whether it is affected by employees' perception of leadership style that is practiced by the immediate supervisor because it has been stated in earlier researches that leader effects the organizational performance. Especially, in the small companies the leadership style is crucial for the success of the business.

Another example of the effect of organizational culture and leadership on the satisfaction and performance of staff within the company is Google, which has been repeatedly recognized as the best employer in both the US and around the world. Thus, in 2015 the authoritative magazine Fortune has published a list of the 100 best employers to work for, which was the seventh-time Google took the first place. One of the factors that made the company receive this title is its organizational culture. One of Google workers has given an insight of its' company's culture:

 "The company culture truly makes workers feel they're valued and respected as a human being, not as a cog in a machine. The perks are phenomenal. From three prepared organic meals, a day to unlimited snacks, artisan coffee, and tea to free personal-fitness classes, health clinics, on-site oil changes, haircuts, spa truck, bike-repair truck, nap pods, free on-site laundry rooms, and subsidized wash and fold. The list is endless." (Fortune,23 June 2016) Google has many nice programs within the company that makes it so attractive to employees:

- ''Employee Resource Groups (ERGs) for underrepresented employees who share values of supporting diversity and inclusion at work and within our communities'',
- ''Expanded benefits: company provides a generous healthcare experience for all Googlers and their families'',
- ''Promoting pay equity: share data with Googlers about how company pays men and women equally.'' (Great place to work, Google 2016)

These and many more programs and opportunities make Google the best place to work for. One of the necessary factors for such success is a developed system of exchange of information, a newsletter to employees about important events in the life of the company, new developments, often before the information is made available to the media. Also, Google reigns the spirit of enterprise. Employees are given plenty of opportunities in their working activity: flexible, able to get the experience of participation in international projects, to diversify their career by trying out new positions. This company shows that their organizational culture is positive and strong, and their leaders are sharing important matters with everyone and exchanging ideas. All the benefits and working atmosphere have made this corporation attractive for employees and therefore they can show their satisfaction and performance with efficiency and productivity.

### 3.3   Latvian business culture and leadership according to Geert Hofstede

The Republic of Latvia (Latvijas Republika) is situated in Eastern Europe, situated on the Baltic Sea. Latvian neighbor countries are Estonia, Lithuania, Belarus and Russia. Latvia has been successively annexed by Russia and Germany from the late 18th century until the late 1980s. Latvia was under the rule of the Soviet Union when the liberalization of the USSR began, which allowed Latvia to seek independence. Full independence was recognized on August 21st, 1991 and Latvia became a member of NATO and the European Union in 2004. (Business Culture, 2014.)

The capital of Latvia is Riga, the largest city in the Baltic States, and an important financial, cultural, industrial, business and political center. Riga's population totals about one million inhabitants living in an area of 307.17 km2.

The age of the population in Latvia is distributed as follows: 14% are 14 years old or younger, 69.6% are between the ages of 15 to 64 and 16.4% are 65 years or older. The main ethnic groups are Latvians at 57.7%, followed by Russians at 29.6%, Belarussian 4.1%, Ukrainian 2.7%, Polish 2.5%, Lithuanian 1.4%, and others at 2%. (Business Culture, 2014.) See Chart 2.



**Ethnic groups in Latvia**

■ Latvians ■ Russians ■ Belarussian ■ Ukrainians ■ Poles ■ Lithuanians ■ Others
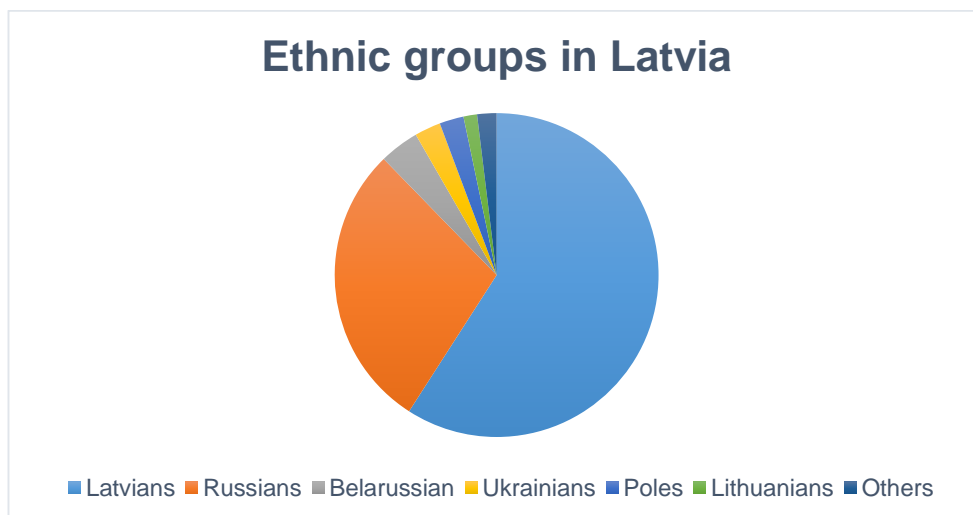
Chart 2 Ethnic groups in Latvia (Business Culture, 2014.)

Latvians are probably closer to Germans in their behavior, as are very reserved and do not like expressing their emotions in public. They do not like small-talks and prefer straight to the point manner. Therefore, it is best to adopt a very direct approach when addressing business topics with them. (Business Culture, 2014)

Latvians do not like long meetings, as they might think it is just waste of the time what could be used otherwise. It is, therefore, important to get ready beforehand for the business meeting and state business proposal clearly and with confidence. Any misleading from the main idea could be seen or thought as cheating. Latvians highly value honesty in business life.

Latvians usually arrive at a meeting on time, but if the Latvian business partner is a woman, it is approved to arrive 15 minutes late.

Latvians have a very formal approach to the way they dress and conduct meetings. Their business style usually follows a hierarchical approach and important business decisions are made by the top management in the organization, which can sometimes slow down the negotiation process. (Business Culture, 2014)

Latvia's main export partners are Lithuania, Russia, Estonia, Germany and Sweden Exported commodities include wood and wood products, machinery and equipment, iron and steel, textiles and foodstuffs. Imports come from Lithuania, Germany, Russia, Poland and Estonia. Imported commodities include machinery and equipment, chemicals, fuels, and vehicles. (Trade Economics: Latvia Exports/Imports, 2016).

Latvian economy is dominated by three main sectors of Services, Industries, and Agriculture. The Services sector provides the biggest employment opportunity in Latvia. It employs 60 % of the labor force and contributes 69.9 % of the country's annual GDP.

A majority of the respondents (58%) held the opinion that a large percentage of entrepreneurs from the Baltic States pay great importance to the company's reputation. Also, half of them held the view that a majority of enterprises working in the Baltic States comply with laws and regulations and are risk-takers. But the perception is that just a small percentage of Baltic enterprises willingly employ disabled people, new mothers, older people, and new professionals with no previous experience. In addition, entrepreneurs rarely involve employees in decision-making processes. At the same time, distinct differences can be seen in the countries. Entrepreneurs in Latvia, in comparison to other Baltic countries, rarely believed that a majority of enterprises in Latvia use transparency in business practices. (Kale et al, 2013, Business culture and values in the Baltic States)

Hofstede (Hofstede, 2015.) has made a scoring to offer a good overview of Latvian cultural dimensions. He has explained on his academic website, that these dimensions regard four anthropological problem areas that different national societies handle

differently: ways of coping with inequality, ways of coping with uncertainty, the relationship of the individual with her or his primary group, and the emotional implications of having been born as a girl or as a boy. (Hofstede, G., 2015.) See the column chart and the explanations in detail below.

## Latvian cultural dimensions
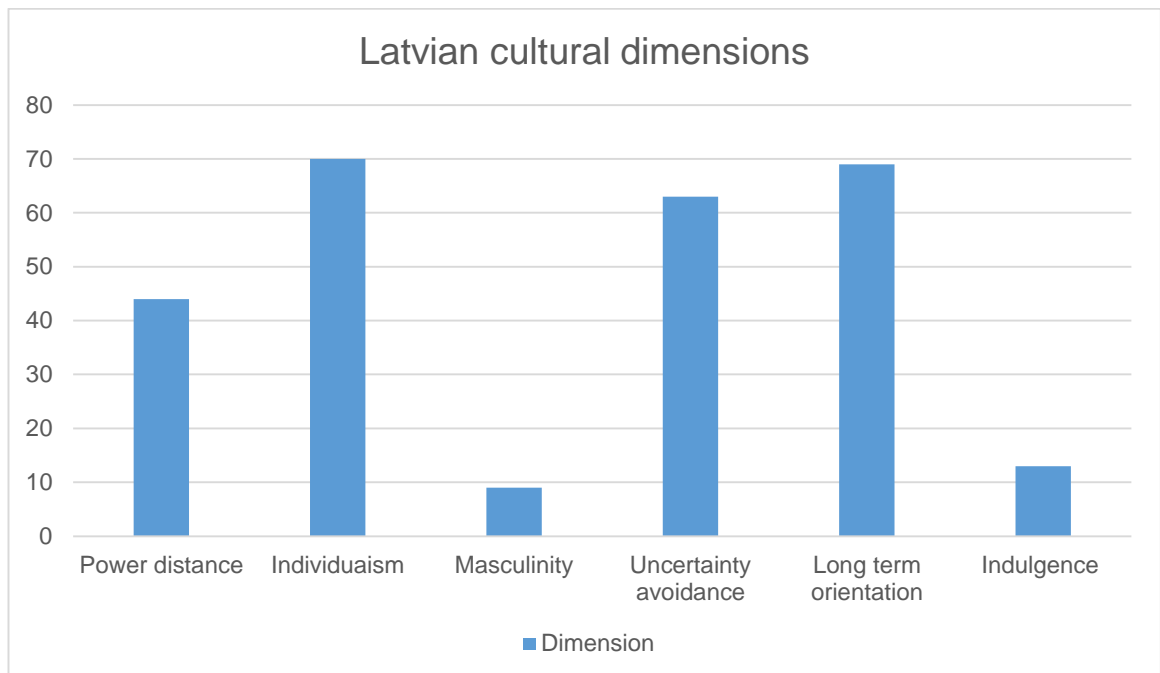


Chart 3 Latvian cultural dimensions (Hofstede, G., 2015)

As seen in the chart above, Latvia is an individualist country with a high score of 70 and in Hofstede's point of view, it is important to remember that Latvia remained individualist during the soviet occupation. He also points out that family has always been strong and keep in touch regularly while respecting each other's space. Children are taught to be responsible from a very small age. (Hofstede, 2001, 2015) Indeed, it is very important for Latvians to feel independent and take responsibilities. At work it is seen also, many will prefer to answer about their own tasks and management prefer more individual work as they can, therefore, better-foreseen the work of subordinates.

As a feminine country with a score of 9 Latvians have a tendency to feel awkward about giving and receiving praise. Latvians always think they could have done better and that achievement are not that significant. (Hofstede, 2001, 2015) Hofstede states that Latvian people are modest and keep a low profile, and usually communicate with a soft and diplomatic voice in order not to offend anyone. He also has noticed very well that Latvians tend to avoid conflicts and they are a relatively reserved culture with tolerance towards other cultures. (Hofstede, 2001, 2015)

With a score of 63, Latvia has a high preference for avoiding uncertainty. (Hofstede, 2001, 2015) Latvians maintain rigid codes of belief and behavior. Norms and rules are essential for this culture. Also, ''precision and punctuality are the norms, innovation may be resisted and security is an important element in individual motivation'' (Hofstede, 2001) This is

very precisely overseen. You will not see many Latvians, who will just enjoy the life and relax, there always is a rush, even on the streets, people are walking very fast and being without work could be even seen as laziness. There is no long-term help from the government when you are without work, so people have learned to survive themselves, which also leads to national proudness, just not to accept help, we can find the solution ourselves.

Latvia's high score of 69 indicates that its culture is pragmatic in nature. Latvian people, in Hofstede's opinion, believe that truth depends very much on the situation, context and time. Latvians easily adapt to new traditions, are result-oriented and likes to think about future by saving and investing. (Hofstede, 2001) Hofstede has given a deeper insight into last dimension, indulgence. This dimension is ''defined as the extent to which people try to control their desires and impulses, based on the way they were raised.'' Hofstede states that relatively weak control is called indulgence and relatively strong control is called restraint. Cultures can, therefore, be described as indulgent or restrained. (Hofstede, 2001)

With a very low score in cultural dimension of 13, Latvian culture is seen as restraint. In Hofstede's research shows that societies with a low score in this dimension have a tendency to cynicism and pessimism. Also, in contrast to indulgent societies, restrained societies do not put much emphasis on leisure time and control the gratification of their desires. People with this orientation, as Hofstede thinks, have the perception that their actions are restrained by social norms and feel that indulging themselves is somewhat wrong. (Hofstede, 2001) People feel that leisure time is somewhat sin, because, in all the folk songs and historical writings you can find that Latvian people are hard-working, that work is something that makes others respect you. Even in the education system it always has felt that there is an enormous amount of home works for pupils to teach them to do the ''work''. It can be good and bad, but preferably if there would be given more leisure time while studying and more time for creativity. We could learn from Finland hat it has invested much more in education and therefore there are more innovative start-ups, businesses and people are more creative in working life too, they are not so afraid to say their opinion to the employer, while Latvian will keep it in, getting afraid of possible argument with his employer. Although while working in Finland and listening other experiences, then it would seem that Latvian working relations are closer, employees are sharing more their private life and making closer friendships.

# 4    Conducting the research

This chapter discusses the methods used to conduct the research study to investigate the status of the case company's culture, leadership and its' effect on employee performance and satisfaction. This chapter offers insight of research methods, such as quantitative questionnaire and qualitative interview, its design and data collection, as well as a brief review of literature used for this research.  Also, this thesis validity and reliability has been discussed.

## 4.1    Research methods, design and data collection

This is a research-oriented thesis. Both quantitative (questionnaire) and qualitative (interview) research methods were chosen in order to discover, how the theory works in practice within SprintLab Ltd. Also, company's website, Facebook page, and annual report were used to gain a better insight of the company.

The quantitative questionnaire for the staff of total eight respondents included sectional statements to obtain results about how organizational culture and leadership has influenced employee performance and job satisfaction.

The Likert-scale was used to examine the organizational culture and leadership relationship in the company. It was developed in 1932 by Rensis Likert in order to measure attitudes, the typical Likert scale is a five- or seven-point ordinal scale used by respondents to rate the degree to which they agree or disagree with a statement. (Likert R., 1932; 22(140):55.)

 Survey Monkey was used as the platform for the quantitative questionnaire.
The answers provided was set as follows:

- Strongly disagree
- disagree
- agree
- strongly agree
- N/A

The questionnaire helped to obtain data from the staff on their level of performance and satisfaction within the case company and their perception of leadership and culture. The questionnaire (Lusthaus et al, 1999, 5-99) section on employee's work satisfaction and performance had a five-point rating scale answer selection:

- Not at all important
- Slightly important
- Important
- Very important
- Of utmost important.

The questionnaire was designed on a computer and sent as a computer file to SprintLab staff via e-mail. The employees received the file and completed the questionnaire on their computers. After all responses were collected, answers could be seen in Survey Monkey file.

The data was analyzed with quantitative research methods, i.e. with percentages.

The purpose of the interview was to achieve a profound understanding of the framework under which the company operates and to measure its overall organizational culture and its leadership style.

## 4.2    Quantitative and Qualitative research methods

Punch (1998) has given a very simple definition of quantitative and qualitative research methods: '' *Quantitative research is empirical research where the data are in the form of numbers. Qualitative research is empirical research where the data are not in the form of numbers.''* (Punch, 1998: 4.)

Both quantitative and qualitative research methods have been used in this thesis:

- Quantitative method – questionnaire with numerical (percent) results and
- Qualitative method- interview, company's website, annual report 2014-2015

In the qualitative field research in Oxford Journal, there was given a great insight of qualitative research benefits: ''...In the validation stage, the contribution of qualitative research can be of great value. Certain phenomena or subjects are just not amenable to quantitative research. Here qualitative research can be extremely useful. Qualitative data is in the form of texts and descriptions of behaviors and actions or practices. The verbal statements and actions of the subjects are being analyzed for meaningful interpretation. (..)'' (The Journal of Tropical Pediatrics, 196).

An interview as a qualitative approach has given a wider view on how organizations leader sees what is important for him and how he manages his subordinates. Qualitative method has helped to reveal leaders character and his thoughts deeper, by listening and analyzing, when the interviewee spoke with passion, uncertainty, and sarcasm. The quantitative data has also given the opportunity to quantify SprintLab employees' attitudes and behaviors, i.e. their performance and work satisfaction.

## 4.3    Validity and reliability

Survey questionnaire and interview were developed in Latvian; as the English language is not fluent for a few of the SprintLab employees. The author made an English translation of questionnaire and interview by applying a sequential forward and backward translation

approach. As the research was made by a native speaker, it did not cause any problems. The final version of the questionnaire was tested by using a random sample of three office workers and found to be well accepted and easy to fill in. The translated questionnaire and interview were found to be understandable and could be completed in about 5- 20 minutes.

As for the questionnaire regarding the job satisfaction and performance there was used Likert-type scale with five-point answer choice, the survey system automatically showed the rated average result, by counting the answer weight as follows ''from strongly disagree=1 to strongly agree=5'' and for job satisfaction statements as ''not at all important=1 to of utmost important=5''.

It is necessary to take both the theory and empirical data into consideration to ensure validity and reliability in the research conducted. As mention in the theoretical framework, the majority of the data collected is from established academic books and articles, and it is, therefore, reason to believe that the data gathered is reliable. Regarding reliability as a measure of the accuracy of the questionnaire (Heale 2016), results could change according to employee or company's internal changes in case of repeated questionnaire. However, the questionnaire statements have been gathered and improved from Charles Lusthaus et al. academic book and is considered reliable, as the survey have been tested and it has given needed information and showed respondent stable answers.

# 5    Empirical Findings

Empirical findings have given a wider insight into SprintLab Ltd.'s organizational culture and leadership, as well as its effect on employee performance and satisfaction. The interview has shown how case company's leader is managing his subordinates and what factors are important, in his opinion, to be a good leader. Also, findings have helped to estimate company's leadership styles and its culture. The questionnaire has given a better understanding, how employees feel about the company and how satisfied they are with an overall atmosphere and leadership in SprintLab.

## 5.1    Analysis of the Interview

The managing director of SprintLab Ltd., Dainis Kozlovskis, was interviewed on June 28th via email and phone. As inspiration for interview questions served Hyatt's interview on June 2010. (Hyatt, M., 2010) Dainis has more than 15 years' experience in printing and design industry. He started printing and design company ''Skats'' with his friend while studying economics in Latvian University of Agriculture in 1998. After successful 12 years as a Project Manager and Chief Executive, he decided to make his own company SprintLab.  Now he has been running the company for more than 3 years.

The interview gave valuable and useful information on leadership style and performance, as well as the relationship with managing directors' subordinates. As qualitative method was used for the interview, it was analyzed by coding the answers and searching for the information, which would help to point out the leadership style.

If we look from the Likert's' perspective, then Dainis would use both, consultative and benevolent authoritative leadership style. Dainis says that ''the great ideas in our company comes from the brainstorming meetings and from every employee individually'' (Kozlovskis, 28 June 2016) This looks like consultative leadership, where ''... the leader is making genuine efforts to listen carefully to ideas, but, nevertheless, major decisions are still largely centrally made.'' (Hall, J. W., 1972, p. 586–590). Although at the same time there are quality check every month, where he ensures, how managers are communicating with customers to make sure the core values of excellence and high standards are put in practice.

 Mr. Kozlovskis thinks that employee cooperation and collaboration is efficient, when one can ''measure each employee's individual contribution'' (Kozlovskis, 28 June 2016). This showed the benevolent authoritative signs with tight work standards and less trust. From the company's values, it is interesting to see that SprintLab most likely is strongly customer-oriented company and only then comes teamwork and pleasant work environment. Excellence, high standards, and satisfied clients are very strong values in the company. Also expecting high performance from his employees' points to the four

path-goal achievement type of leader behavior, where leader sets challenging goals for his followers and shows confidence in their ability to meet this expectation. (Brooks, I.; 2009, p.173).

When looking into Goleman's six leadership styles, then SprintLab leadership style would be pacesetting with features of democratic, coaching and visionary leadership style. Pacesetting leadership goes together with Dainis desire for high standards and performance. (Goleman D., 2000, 1(3):5-14). SprintLab managing director Dainis always have been confident and goal-oriented and therefore wants his employees to have the same attitude and efficiency. Although the subordinates working process has to be stated in CRM system, and later on discussed in the company meetings, it does not seem that employees would feel they are being controlled. They see it more as one of the points on the things to do list. Managers know what has been expected from them and understand that much of responsibility is on their shoulders, but as there are not so many assistants or special departments, then the problem of some group feeling that they have more work to do than others does not occur. Later in the questionnaire, it is well seen that employees are working well together and they have positive organizational culture.

On the question ''what are you doing to ensure you continue to grow and develop as a leader?'', interviewee answered that he is '' Learning from other leaders and borrowing their ideas if those are in accordance with my beliefs. Devote more time to educate new leaders, empower others to be leaders and learn from me.'' (Kozlovskis, 28 June 2016) Here comes the positive sign of coaching leadership style, where leader helps the employee to improve their performance and develop people for future. This is an essential part of every company. Also democratic and visionary style features have been noticed while interviewing and observing SprintLab's leader performance and attitudes. Dainis says that ″it is important to know what are his employees' hobbies (.) and that he is trying to be emphatic and getting into employees' shoes, but it does not always work.″ (Kozlovskis, 28 June 2016). By knowing hobbies and interests of the employees helps him to make more common values in organization and create team spirit.  As most of the workers enjoy sports, it has become a tradition to make company teambuilding events including all kind of sports activities.  As their main value is honesty, it helps the company have a higher morale, better job satisfaction, and improved effectiveness in relationships with clients, co-operation partners and the government. They try to an carry emphasis on honesty into all interactions within the organization: group to group, individual to individual.

## 5.2       Analysis of the questionnaire

Even though the response rate was relatively low, the quantitative methods were used to analyze the staff attitude on their job satisfaction and performance. There could be used rating average also, but because of so few respondents, it is more convenient to use

percentages because then the weighted average is not a good tool to rely on. For example, let's take a look on first question results in Table 2.

Table 2 Questionnaire on performance and satisfaction results, autumn 2016 (Insberga 2016)

| Q1 SprintLab is a pleasant place to work. | | | | | | | |
|---|---|---|---|---|---|---|---|
| Answers | Strongly disagree | Disagree | N/A | Agree | Strongly agree | Total | Weighted average |
| Responses | 12.50% <br> 1 | 0.00% <br> 0 | 12.50% <br> 1 | 50.00% <br> 4 | 25.00% <br> 2 | 8 | 3.75 |

If we want to get the rated average, then by using formula (Survey Monkey, 2016) it would be like this:

w = weight of answer choice

x = response count for answer choice

N = weighted average

$$\frac{x_1 w_1 + x_2 w_2 + x_3 w_3 \dots x_n w_n}{\text{Total}} = N$$

⬇

$$\frac{(1*1)+ (0*2) + (1*3) + (4*4) + (2*5)}{8}$$

30/8=**3.75**

From weighted average, it would look that it is close to a good place to work in, while percentage and numbers as such shows us that 75% or 6 from 8 respondents thinks that SprintLab is a pleasant place to work in.

Referring to Cameron's and Quinn's studies on culture types, SprintLab culture is in between clan and market culture. SprintLab has many features from clan culture- family-like, sharing values and goal-oriented with strong teamwork. Also, market culture is noticeable in SprintLab, where its culture supports productivity and create competitive advantage. The company is focused on customers and excellent service with a major focus on sales. (Cameron, K. & Quinn, R., 1999, 39-41). The survey supports it by the answers in Table 3:

Table 3 Questionnaire on performance and satisfaction results, autumn 2016 (Insberga 2016)

| Q7 SprintLab does not place enough emphasis on the quality of service it provides. | | | | | |
|---|---|---|---|---|---|
| Strongly disagree | Disagree | N/A | Agree | Strongly agree | Total |
| 0.00% 0 | 87.50% 7 | 12.50% 1 | 0.00% 0 | 0.00% 0 | 8 |
| Q11 My colleagues inspire me to work with enthusiasm and efficiency. | | | | | |
| Strongly disagree | Disagree | N/A | Agree | Strongly agree | Total |
| 0.00% 0 | 25.00% 2 | 0.00% 0 | 75.00% 6 | 0.00% 0 | 8 |

These two statements show that almost all employees consider their company place enough emphasis on the quality of the service and therefore gets good results and 6 out of 8 employees can say that their co-workers inspire them to work with efficiency. Also, 75% of the respondents showed a positive attitude towards work and job performance by showing their will to contribute to the organization more than is being asked and the same percent of the respondents also have stated, that they understand the organization's long-term strategy. So, on a big scale, these results show that it is a strong and united organizational culture inside SprintLab, and the further question would be just why one-quarter out of the 8 respondents have not felt the same and how to motivate them. It could be that one of the respondents, who answered that he/she do not know the long-term strategy of the company, is a new worker and have not get the chance to understand what are the company's strategy about and where it is heading. In such case, it would be a good reason for the leader to share the information and make sure subordinates can relate to the values of the company and see its strategy and therefore see their place and importance within the organization. Gibson mentioned this awareness of leader and explained why it is important for leaders to know what to look for in terms of structure, process, and culture and how to understand what they find. He emphasized that leaders must develop diagnostic skills, be trained to identify conditions symptomatic of a problem requiring further attention. Problem indicators include declining profits, declining quantity or quality of work, increases in absenteeism or tardiness, and negative employee attitudes. (Gibson, James L., 2012, 14th ed., 8). Also, it could be that those employees who work most of the times individually do not feel ''on the same vibe'' with others and their needs and satisfaction may be different. Although it may seem that most of the time 75% of the staff has shown same feelings about the survey statements, it is interesting that in this one the numbers have split more. We can see that only for one respondent getting recognition is not important but in the similar statement, it is appreciated by more than half of the respondents. See table 4.

Table 4 Questionnaire on performance and satisfaction results, autumn 2016 (Insberga 2016)

| Q8 For a job well done, I am getting the proper recognition. | | | | | |
|---|---|---|---|---|---|
| Strongly disagree | Disagree | N/A | Agree | Strongly agree | Total |
| **12.50%** 1 | **0.00%** 0 | **25.00%** 2 | **37.50%** 3 | **25.00%** 2 | 8 |

| Q21 What is important to make you feel happy at work in SprintLab? Feedback from my superior about my work. | | | | | |
|---|---|---|---|---|---|
| Not at all important | Slightly important | Important | Very important | Of utmost important. | Total |
| **0.00%** 0 | **12.50%** 1 | **50.00%** 4 | **25.00%** 2 | **12.50%** 1 | 8 |

In the first statement in table 4 already three out of eight respondents have chosen to either strongly disagree or stay silent ''No Answer''. This only emphasizes, that even if employees put their effort for high standards and efficiency, not all gets the recognition or at least not such what they would expect to. But again, it must be remembered that in Latvia it is a bit complicated because the culture and mentality itself have not been so open for recognition and appreciation. Manager may think employees work is perfectly done, but could just say ''well done!'', with no extra emotions. This is definitely the path to learn for both, i.e. leaders and subordinates, how to give a nice feedback for a good work and make people feel appreciated. In statement 2, it is very well seen, how crucial the feedback is for the employees to make them feel happy and satisfied with their work. Also, social guarantees and bonuses are very important. See chart 4.
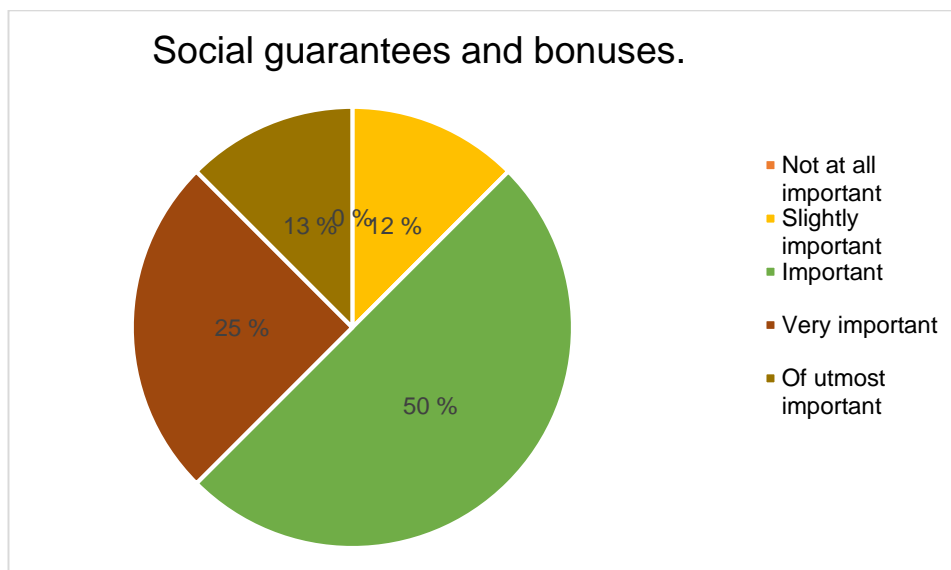


Chart 4 Social guarantees and bonuses (Questionnaire on performance and satisfaction results, autumn 2016, Insberga 2016)

This chart shows us that SprintLab employee's value safety at work and they want to that their work is appreciated and rewarded fairly. This could be a tip for the SprintLab managing director to offer a reasonable benefit plan to attract and retain employees. As in the small company, it is usually tight financially to afford huge bonuses, but there always can be more of non-monetary bonuses, such as staff training for the most productive ones, flexible working time, which SprintLab already provides. They also have ''The Worker of the Month'', which is a good idea, but sometimes could be a bit complex in a way that others may feel they deserved it and therefore make bad atmosphere within the company, while on the other side there should be some competition to make everyone alert on the tasks and result.

Based on the answers to the questionnaire about employee performance and satisfaction, we got to know that SprintLab staff highly values the spirit of cooperation and good colleagues, as well as the equity and honesty in the workplace. This makes it successful for the main value of the company: i.e. honesty. So, it is important for everyone in the organization and it is shared value, as well as the need for clear vision within the company, which makes sense because it is hard to make any goals in the workplace, if there is no clear vision. Organizational values are important for all the employees. See Table 5.

Table 5 Questionnaire on performance and satisfaction results, autumn 2016 (Insberga 2016)

| Q19. Strong organizational values. | | | | | | |
|---|---|---|---|---|---|---|
| Not at all important | Slightly important | Important | Very important | Of utmost important. | Total | |
| 0.00% 0 | 12.50% 1 | 62.50% 5 | 25.00% 2 | 0.00% 0 | 8 | |
| Q13. SprintLab company has management problems. | | | | | | |
| Strongly disagree | Disagree | N/A | Agree | Strongly agree | Total | |
| 0.00% 0 | 87.50% 7 | 0.00% 0 | 12.50% 1 | 0.00% 0 | 8 | |

Only 12, 5 % has agreed that there are management problems in SprintLab, so we can say confidently that management is working efficiently most of the time. When looking at Likert-type scale answers, then it has been pretty stable all the time with a positive attitude towards job performance and satisfaction by 75-87% respondents, which gives us a reason to assume that leadership has a positive impact on organizational culture and therefore job satisfaction and performance in SprintLab.

# 6    Conclusions and recommendations

The purpose of my study was to provide SprintLab Ltd. with valuable information regarding the whole organization, including whether their company culture, declared values and leadership practices are aligned with each other. If in a negative organizational culture there is no agreement about what is considered to be really important and what methods or tools can bring the best results, what values should be maintained. Therefore, we can make the conclusion that SprintLab has a positive organizational culture, where most than half of the employees are able to find a common point of view on shared values, norms, and rules of conduct.

I gained new knowledge about leadership and organizational culture and understood that there are so many useful sources out there, which could be used. This thesis was completed in between the end of June 2016 until November 2016.

Main objectives of this thesis were to find out the current status of the company's culture, leadership and, therefore, the influence on employee performance and satisfaction, as well as what is the most suitable leadership style for this company. To get a relevant understanding of the research topic, comprehensive frameworks of leadership and organizational culture were analyzed. After analysis of interview and questionnaire, I came to conclusion, that there is not one specific leadership style in the case company, although there are many features which point out to the consultative and benevolent authoritative leadership style (Likert, 1967), as well as four path-goal achievement type of leader behavior, where leader sets challenging goals for his followers and shows confidence in their ability to meet this expectation. (Brooks, I.; 2009, 173). Results showed that for this company most successful would be benevolent authoritative and coaching leadership style, as our leader wants to share his knowledge and is ready to put more time on training new leaders within the company.

Sometimes leaders are expected to exceptionally impact followers' behavior by ''lifting ordinary people to extraordinary heights'' (Boal & Bryson, 1988, 11) and causing followers to do more than they are expected to do (Yukl, 1989, p. 272) and that we could see by analyzing the data, when case company's employees showed that they are ready to do more than expected and they feel confident to offer customers the highest standards. Therefore, it helps us to make assumptions that leader has a great impact on organizational performance in SprintLab.

To conclude this chapter, I would like to say that commissioner of this thesis has been very helpful and open and I could feel that he is passionate about leadership. If there is any recommendations to the managing director and leader of SprintLab group, it would be to continue to hear out his all employees, their ideas and suggestions and continue to make them feel they are the part of the company and choose the leadership style according to desired outcome criterion. Also, giving feedback to his subordinates more

often and encourage managers to do it too, because not everyone feels getting enough recognition. Similar questionnaires could be done by the company every month to see if there are some important issues to talk about and listen to subordinates' suggestions.

I sincerely wish best of luck and success to all SprintLab staff and hope they keep inspiring each other for great results and positive organizational culture.

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**Appendix 1. Interview**

Interview questions (Hyatt, M., 2010*)* for the managing director of SprintLab Ltd. Dainis Kozlovskis.

1.  *Can you name a person who has had a tremendous impact on you as a leader? Maybe someone who has been a mentor to you? Why and how did this person impact your life?*

    *Man ir biznesa konsultants, kurš palīdz globālu jautājumu risināšanā, personīgo mērķu sastādīšanā, iedvesmošanā un virzību uz tiem. Par cik darbs aizņem ½ no dzīves laika, tad bezšaubām tas atstāj ietekmi arī uz privāto dzīvi.*

    *Translation: I have a business consultant who helps me with global issues, as well as draws up personal goals, inspires, and shows progress towards my goals. As the work takes ½ of my time, then without a doubt it has an effect on the private life also.*

2.  *What are the most important decisions you make as a leader of your organization?*

    *Kompānijas, kā vienotas sistēmas izveide, iekšējā kultūra un klientu apkalpošanas standarti. Šīs lietas veidoju jau no pirmās dienas un darbs pie šīm lietām nekad nebeidzas*☺

    *Translation: I make a decision about the company, as a single system, the internal culture, and customer service standards. These things I have created already from the first day and work on these things never ends :).*

3.  *How do you encourage creative thinking within your company?*

    *Pie šī jautājuma vēl jāstrādā, lai to kā sistēmu iedzīvinātu. Viens no veidiem ir kreatīvo sapulču sasaukšana brīžos, kad ir jāizdomā kāda ideja kādam Klientam. Bet būt kreatīvam nav viegli, tas praasa daudz enerģijas un reālu darbu, kaut vai grāmatas izlasīšanu par to kā citi ģenerē idejas un tas prasa piepūli līdzīgi kā mazdārziņa ravēšanu – neravēsi, nebūsi kreatīvs un konkurētspējīgs.*

    *Translation: I would still need further work on this question to reinvigorate it as a system. One of the ways is to make a creative brainstorming meeting in moments when we need to come up with an idea to a client. But to be creative is not easy, it requires a lot of energy and a real job. Even like reading a book about how others generate ideas, and that requires effort, like gardening weeding - if you will not do it, you will not be creative and competitive.*

4.  *Where do the great ideas come from in your organization?*

    *Ideju sapulces un no katra individuāli.*

    *Translation: From brainstorming meetings and from each individually.*

5.  *Which is most important to your organization—mission, core values or vision?*

    *Svarīgākā ir misija, jo tai pakārtojas viss pārējais.*

*Translation: The most important is a mission because everything else subordinates for it.*

6. *How do you communicate the "core values" in your company?*

   *Piemēram kvalitātes kontrole, neviens darbs netiek nodots bez kvalitātes pārbaudes. It kā pats par sevi saprotams, ka taam ir jābūt, taču mūsdienu steidzīgajā laikmetā, kad dienā menedžeris strādā vienlaicīgi ar 5-10 projektiem to nav vienkārši realizēt.*

   *Translation: Such as quality control, no work is passed without quality checks. It would be only understandable that it must be so, but in today's hectic era, when manager daily is working at the same time with 5-10 projects it is not so easy to realize it.*

7. *How do you ensure your organization and its activities are aligned with your "core values"?*

   *Vērtību izpildei seko vadītājs, parasti tā ir kontrole visos posmos. Piemēram, reizi mēnesī veic pārbaudi kā menedžeri komunicē ar Klientiem.*

   *Translation: The head follows the performance of the values set, usually, it is the control at all stages. For example, the monthly check is carried out to see how managers communicate with clients.*

8. *How do you help a new employee understand the culture of your organization?*

   *Izlasa instrukcijas, kur ta sir aprakstīts.*

   *Translation: He/she reads the instructions, where it is described.*

9. *When faced with two equally-qualified candidates, how do you determine whom to hire?*

   *Novērtējam kā kandidāts darbojas praktiski. Jo CV sarakstīt un sastāstīīt intervijā var daudz:)*

   *Translation: We evaluate how candidate is working in practice. Because to write and tell all kind of things in the CV and interview can everyone :).*

10. *What is the biggest challenge facing leaders today?*
    1. *Atrast laiku stratēģiskām un taktiskām lietām.*
    2. *Lai būtu laiks, vajag sev vietnieku, nodaaļu vadītājus utt. Lai to visu nodrošinātu, uzņēmumam jāpelna, lai pelnītu vajag pārdot, lai pārdot, vajag pārdevējus, lai pārdevēji efektīvi strādātu vajag sistēmu, lai izveidotu ssistemu vajag misiju, lai veidotu misiju vajag atrast vajadzību, jeb atrast savu nišu pakalpojumam un produktam, kurš ir nepieciešams.*

    *Translation:*

    *1. Find a time for strategic and tactical things.*

    *2. In order to have the time, you need an alternate, department managers, etc... To ensure it all, the company should be able to earn. In order to earn, it is necessary to sell. To sell, you need sellers. In order for vendors to*

work effectively one needs a system and to create a system, you need a mission. Furthermore, to build a mission you must find a need, or search your own niche for your services and products, which is necessary.

11. Would you agree that the best work is done when employees cooperate and collaborate?

*Viss atkarīgs no tā, kas tas par darbu. Koopērēšanās ir laba lieta ar nosacījumu, ja var izmērīt katra darbinieka individuālo ieguldījumu.*

*Translation: It all depends on what is the job about. Employee cooperation and collaboration is efficient when one can measure each employee's individual contribution.*

12. What is one mistake you witness leaders making more frequently than others?

*Laika trūkums un zināšanu trūkums, problēmas priortāšu noteikšanā, nesakārtota garīgā dzīve. Kļūdaina domāšana, ka būt līderim ir viegli un bezatbildīgi, taču līderim būt ir liela atbildība.*

*Translation: Lack of time and lack of knowledge, problems in setting priorities, disorganized spiritual life. Erroneous thinking that being a leader is easy and irresponsible, but to be a leader is a great responsibility.*

13. Are you an excellent listener, able to put yourself in another's shoes?

*Cenšos, bet ne vienmēr sanāk. Es to saucu par iejušanos cita darbinieka krēslā.*

*Translation: I'm trying, but not always succeed. I call it ''to get in other employees' chair''.*

14. Are you an instinctive problem solver?

*50%*

15. Do you often chat with your employees about their lives outside work?

*Jā, bet ne bieži. Vadītājam ir jāzina, ar ko nodarbojas, kas interesē viņu darbiniekus, vismaz tuvākos.*

*Translation: Yes, but not often. The head must know, what are the interests and hobbies of his subordinates, at least the closest ones.*

16. Do you generally let your employees' complete tasks the way they want to?

*Liela daļa no darba uzdevumu veikšanas ir jāpaveic pēc instrukcijas, pārējam pieļaujas improvizēšana.*

*Translation: A large part of the work tasks are carried out following the instructions, the rest part is allowed for improvising.*

17. Do you like to check in with your employees often to see where they are at on projects?

*Jā, tas ir redzams CRM programmā un to pārrunājam sapulcēs.*

*Translation: Yes, it is shown in the CRM program and we discuss it on meetings.*

18. *What are you doing to ensure you continue to grow and develop as a leader?*

*Mācīties pie citiem līderiem un pieņemt no citiem lietas, kas ir saskaņā ar manu pārliecību. Veltīt vairāk laika jaunu līderu audzināšanai par līderiem, dot iespēju citiem būt par līderiem un mācīties no manis.*

*Translation: Learning from other leaders and borrowing their ideas, if those are in accordance with my beliefs. Devote more time to educate new leaders, empower others to be leaders and learn from me.*

## Appendix 2. Questionnaire for the staff

SprintLab Ltd. would like to find out how you feel about the organization. Please help us by answering the following questions. Do not give your name. Results will be grouped, and all individual comments will be kept anonymous.

**Performance and job satisfaction.** Please indicate the extent to which you agree or disagree with the following statements and select one answer from the list of choices.

1. SprintLab is a pleasant place to work.

| Strongly disagree | Disagree | N/A | Agree | Strongly agree | Total | |
|---|---|---|---|---|---|---|
| 12.50% 1 | 0.00% 0 | 12.50% 1 | 50.00% 4 | 25.00% 2 | 8 | |

2. I understand the organization's long-term strategy.

| Strongly disagree | Disagree | N/A | Agree | Strongly agree | Total | |
|---|---|---|---|---|---|---|
| 12.50% 1 | 0.00% 0 | 12.50% 1 | 75.00% 6 | 0.00% 0 | 8 | |

3. How many% of your working time do you use effectively?

| 50%— | 75%— | 85%— | 95%— | 100% | Total | |
|---|---|---|---|---|---|---|
| 12.50% 1 | 0.00% 0 | 12.50% 1 | 75.00% 6 | 0.00% 0 | 8 | |

4. How efficiently in your opinion works SprintLab team?

| 50%— | 75%— | 85%— | 95%— | 100% | Total | |
|---|---|---|---|---|---|---|
| 25.00% 2 | 12.50% 1 | 12.50% 1 | 37.50% 3 | 12.50% 1 | 8 | |

5. I can see a long-term future for myself here.

| Strongly disagree | Disagree | N/A | Agree | Strongly agree | Total | |
|---|---|---|---|---|---|---|
| 0.00% 0 | 0.00% 0 | 12.50% 1 | 87.50% 7 | 0.00% 0 | 8 | |

6. I'm getting rewarded according to my contribution to the company.

| Strongly disagree | Disagree | N/A | Agree | Strongly agree | Total | |
|---|---|---|---|---|---|---|
| 0.00% 0 | 50.00% 4 | 0.00% 0 | 37.50% 3 | 12.50% 1 | 8 | |

7. SprintLab does not place enough emphasis on the quality of service it provides.

| Strongly disagree | Disagree | N/A | Agree | Strongly agree | Total | |
|---|---|---|---|---|---|---|
| 0.00% 0 | 87.50% 7 | 12.50% 1 | 0.00% 0 | 0.00% 0 | 8 | |

**8. For a job well done, I am getting the proper recognition.**

| Strongly disagree | Disagree | N/A | Agree | Strongly agree | Total | |
|---|---|---|---|---|---|---|
| 12.50%<br>1 | 0.00%<br>0 | 25.00%<br>2 | 37.50%<br>3 | 25.00%<br>2 | 8 | |

**9. I usually do not know what is going on in the company.**

| Strongly disagree | Disagree | N/A | Agree | Strongly agree | Total | |
|---|---|---|---|---|---|---|
| 0.00%<br>0 | 37.50%<br>3 | 25.00%<br>2 | 25.00%<br>2 | 12.50%<br>1 | 8 | |

**10. SprintLab management evaluate their staff.**

| Strongly disagree | Disagree | N/A | Agree | Strongly agree | Total | |
|---|---|---|---|---|---|---|
| 0.00%<br>0 | 12.50%<br>1 | 25.00%<br>2 | 37.50%<br>3 | 25.00%<br>2 | 8 | |

**11. My colleagues inspire me to work with enthusiasm and efficiency.**

| Strongly disagree | Disagree | N/A | Agree | Strongly agree | Total | |
|---|---|---|---|---|---|---|
| 0.00%<br>0 | 25.00%<br>2 | 0.00%<br>0 | 75.00%<br>6 | 0.00%<br>0 | 8 | |

**12. I want to show a better performance and do more, as mentioned in my job description.**

| Strongly disagree | Disagree | N/A | Agree | Strongly agree | Total | |
|---|---|---|---|---|---|---|
| 0.00%<br>0 | 0.00%<br>0 | 25.00%<br>2 | 62.50%<br>5 | 12.50%<br>1 | 8 | |

**13. SprintLab company has management problems.**

| Strongly disagree | Disagree | N/A | Agree | Strongly agree | Total | |
|---|---|---|---|---|---|---|
| 0.00%<br>0 | 87.50%<br>7 | 0.00%<br>0 | 12.50%<br>1 | 0.00%<br>0 | 8 | |

**14. If something unexpected happens in my work, I usually know whom to ask for help.**

| Strongly disagree | Disagree | N/A | Agree | Strongly agree | Total | |
|---|---|---|---|---|---|---|
| 0.00%<br>0 | 12.50%<br>1 | 12.50%<br>1 | 62.50%<br>5 | 12.50%<br>1 | 8 | |

**15. What factors are important for SprintLab to succeed? More emphasis on innovation in the company.**

| Not at all important | Slightly important | Important | Very important | Of utmost important. | Total | |
|---|---|---|---|---|---|---|
| 12.50%<br>1 | 12.50%<br>1 | 50.00%<br>4 | 25.00%<br>2 | 0.00%<br>0 | 8 | |

### 16. Excellent customer service.

| Not at all important | Slightly important | Important | Very important | Of utmost important. | Total | |
|---|---|---|---|---|---|---|
| 0.00%<br>0 | 0.00%<br>0 | 25.00%<br>2 | 62.50%<br>5 | 12.50%<br>1 | 8 | |

### 17. Regional co-operation.

| Not at all important | Slightly important | Important | Very important | Of utmost important. | Total | |
|---|---|---|---|---|---|---|
| 0.00%<br>0 | 12.50%<br>1 | 75.00%<br>6 | 12.50%<br>1 | 0.00%<br>0 | 8 | |

### 18. A clear vision of the organization.

| Not at all important | Slightly important | Important | Very important | Of utmost important. | Total | |
|---|---|---|---|---|---|---|
| 0.00%<br>0 | 0.00%<br>0 | 75.00%<br>6 | 25.00%<br>2 | 0.00%<br>0 | 8 | |

### 19. Strong organizational values.

| Not at all important | Slightly important | Important | Very important | Of utmost important. | Total | |
|---|---|---|---|---|---|---|
| 0.00%<br>0 | 12.50%<br>1 | 62.50%<br>5 | 25.00%<br>2 | 0.00%<br>0 | 8 | |

### 20. SprintLab management concern for employee well-being.

| Not at all important | Slightly important | Important | Very important | Of utmost important. | Total | |
|---|---|---|---|---|---|---|
| 0.00%<br>0 | 0.00%<br>0 | 12.50%<br>1 | 62.50%<br>5 | 25.00%<br>2 | 8 | |

### 21. What is important to make you feel happy at work in SprintLab? Feedback from my manager.

| Not at all important | Slightly important | Important | Very important | Of utmost important. | Total | |
|---|---|---|---|---|---|---|
| 0.00%<br>0 | 12.50%<br>1 | 50.00%<br>4 | 25.00%<br>2 | 12.50%<br>1 | 8 | |

### 22. Social guarantees and bonuses.

| Not at all important | Slightly important | Important | Very important | Of utmost important. | Total | |
|---|---|---|---|---|---|---|
| 0.00%<br>0 | 0.00%<br>0 | 37.50%<br>3 | 25.00%<br>2 | 37.50%<br>3 | 8 | |

### 23. Career and growth opportunities within the organization.

| Not at all important | Slightly important | Important | Very important | Of utmost important. | Total | |
|---|---|---|---|---|---|---|
| 0.00%<br>0 | 0.00%<br>0 | 37.50%<br>3 | 25.00%<br>2 | 37.50%<br>3 | 8 | |

### 24. The spirit of cooperation and good colleagues.

| Not at all important | Slightly important | Important | Very important | Of utmost important. | Total | |
|---|---|---|---|---|---|---|
| 0.00% 0 | 0.00% 0 | 37.50% 3 | 37.50% 3 | 25.00% 2 | 8 | |

### 25. Equity in the workplace.

| Not at all important | Slightly important | Important | Very important | Of utmost important. | Total | |
|---|---|---|---|---|---|---|
| 0.00% 0 | 0.00% 0 | 25.00% 2 | 50.00% 4 | 25.00% 2 | 8 | |

### 26. A pleasant working environment and working conditions.

| Not at all important | Slightly important | Important | Very important | Of utmost important. | Total | |
|---|---|---|---|---|---|---|
| 0.00% 0 | 0.00% 0 | 25.00% 2 | 50.00% 4 | 25.00% 2 | 8 | |

### 27. What the company can do to increase your job satisfaction?
Answered: 1
Skipped: 7

Give me an office chair with massage. 28/06/2016 1:14 PM

**Appendix 3. Annual report 2015**

*Sprintlab, SIA*
*Gada pārskats par 2015.gadu*

## PEĻŅAS VAI ZAUDĒJUMU APRĒĶINS PAR PERIODU, KAS NOSLĒDZĀS
### 31.12.2015 (pēc apgrozījuma izmaksu metodes)

| | Piezīmes numurs | 2015 | 2014 |
|---|---|---|---|
| | | EUR | EUR |
| Neto apgrozījums | 1 | 243 178 | 189 484 |
| Pārdotās produkcijas ražošanas izmaksas | 2 | -220 947 | -175 637 |
| **Bruto peļņa vai zaudējumi** | | **22 231** | **13 847** |
| Pārdošanas izmaksas | 3 | -10 854 | -11 099 |
| Administrācijas izmaksas | 4 | -15 029 | -13 103 |
| Pārējie saimnieciskās darbības ieņēmumi | 5 | 117 | 0 |
| Pārējās saimnieciskās darbības izmaksas | 6 | -1 447 | -374 |
| **Peļņa vai zaudējumi pirms ārkārtas posteņiem un nodokļiem** | | **-4 982** | **-10 729** |
| **Peļņa vai zaudējumi pirms nodokļiem** | | **-4 982** | **-10 729** |
| **Pārskata gada peļņa vai zaudējumi** | | **-4 982** | **-10 729** |

**Pielikums no 7 . līdz 15 . lapai ir neatņemama šī finanšu pārskata sastāvdaļa.**

Dainis Kozlovskis          _____          2016.gada 11.aprīlis
                                  paraksts