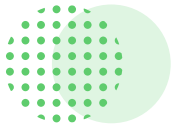


# Developing and Retaining Organizational Culture During Hyper-Growth.

Gordon B. Zellers III and Gary L. Wooley  
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Peabody College, Vanderbilt University



## Gordon Zellers' Acknowledgements

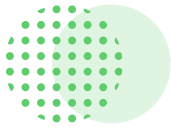
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# 01.

## Executive Summary

**Our Capstone project endeavored to support our partner organization,** a hyper-growth firm called Li-Cycle Holdings Corporation (Li-Cycle), to assess a strategy to retain its organizational culture through a rapid growth phase. Li-Cycle is poised to grow organically from 130 employees to over 400 in the next few years based on their projections. Retaining the founders' aspirational organizational culture, one that reflects the founding values, during this high-growth phase is important to the leaders throughout the organization.

Li-Cycle currently has a set of values they espouse to be valuable to the company. The organization's leadership believes their organizational culture is a strategic and competitive differentiator and responsible for helping to get the company to where it is today. A review of the academic literature revealed that organizational culture can indeed be a strategic advantage as it is linked with organizational performance; however, the research also suggests that fast growing firms' organizational culture tends to become diluted during rapid organizational growth due to multiple factors. These factors led us to our problem of practice for Li-Cycle, to provide guidance for future-proofing the company's organizational culture as it grows.

Our overarching research question is, "How does Li-Cycle maintain and develop its positive current-state organizational culture as it evolves from a nascent, entrepreneurial start-up firm to a maturing, rapidly growing company?" To refine the problem, and uncover operational recommendations, we sought to answer two specific questions:

- **Question 1:** How do Li-Cycle's current employees feel about the current state of organizational culture and how does it measure up against a preferred state?

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- **Question 2:** Is communication and learning, both vertically and horizontally, throughout the organization's structure effective?

To answer our research questions, we started by reviewing the existing literature to define organizational culture and explain its demonstrated relationship to organizational performance. We began with a standard definition from the Society of Human Resource Management. "An organization's culture defines the proper way to behave within the organization. This culture consists of shared beliefs and values established by leaders and then communicated and reinforced through various methods, ultimately shaping employee perceptions, behaviors and understanding" (www.shrm.org). We reviewed the challenges of building and retaining organizational culture and discovered unique issues that fast-growing and multinational organizations experience. We then compared how these issues are relevant to Li-Cycle.

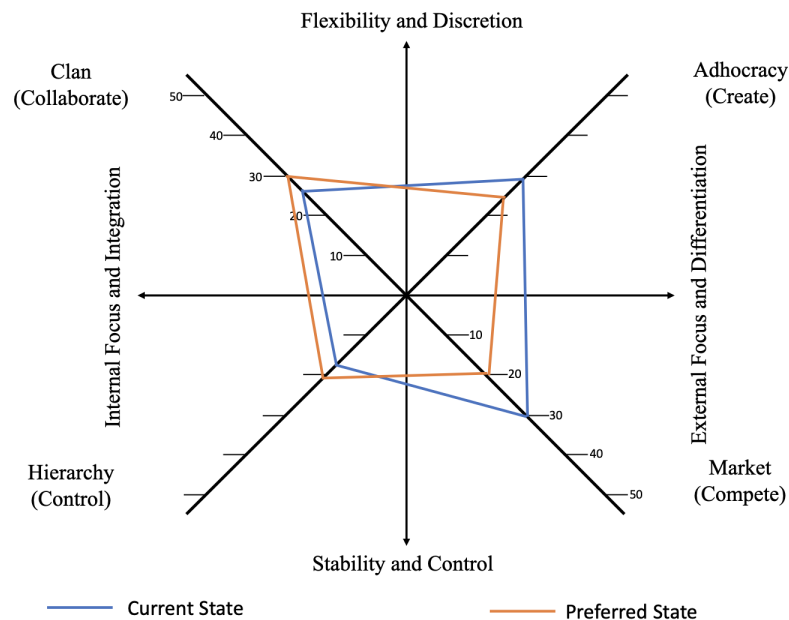
To investigate Li-Cycle's culture, we selected a model established in the literature with broad applicability to multiple industries called the Organizational Culture Assessment Instrument (OCAI) tool by Cameron & Quinn (2011) which looks at both the current state and a preferred state for the future. We surveyed all Li-Cycle employees and 58% responded and completed the OCAI. We then supplemented, contrasted, and compared the OCAI model results with qualitative data from open-ended survey questions and nine semi-structured employee interviews to provide additional context and to probe for new discoveries.

## Findings

### **Research Question #1:** How do Li-Cycle's current employees feel about the current state of organizational culture, and how does it measure up against a preferred state?

Our primary finding is that the current state is focused on its growth phase with gaps in a preferred state reflecting the need to prioritize programs to develop employees and operational structure. The results from the OCAI revealed a gap between the current state and the preferred state of organizational culture. Li-Cycle's current culture is dominated by the Market and Adhocracy culture attributes. The highly dominant Market orientation tells us that Li-Cycle's current culture state is mainly focused on external factors, with an emphasis on competitive actions such as winning market share and achieving its goals and targets.

The preferred culture is different, with the results showing a desire for a shift to a more inward focus to Clan (Collaborate) that focuses on collaboration, and employee care and development. If left undirected, the culture will pull in a direction of its own accord as more employees join the company showing a need for leadership to provide guidance to preserve the current state with careful consideration given toward the cultural shift if leadership sees value in the change.



Our interviews revealed a priori themes that were anticipated from our academic literature review regarding communication and ongoing dilution of culture due to the scope and scale of new hires, and evidence of developing subcultures within Li-Cycle. These themes illustrate the need for greater cultural balance. The main themes encompassed:

1. Importance of retaining core values
2. Development of subcultures and culture islands
3. Lack of cultural training, hiring, onboarding, and training new employees
4. Dilution of organizational culture due to new hires
5. Diversity, equity, and inclusion issues
6. The need for more refined processes and procedures



## **Research Question #2: Is communication and learning, both vertically and horizontally, throughout the organization's structure effective?**

Our primary finding is that communication throughout Li-Cycle is stymied by a lack of formal structures to share learnings. Official communications are pushed through email and other systems without the ability for employees to find answers on their own. Additionally, both the cadence of official communication and content needs to be more targeted and contextually relevant to the recipient.

Through our interviews and open-ended questions in our survey, a pervasive theme emerged that was not anticipated from our review of the academic literature. We discovered widespread acrimony to Li-Cycle's decisions and communications relating to the Return to Office process post COVID. The main themes encompassed:

1. Communication – wide consensus from the interviews demonstrate that communication is seen as lacking and needs immediate improvement.
2. Return to Office (post Covid) – an unanticipated yet dominant theme that usually related to questions on communication emerged from the Return to Office decisions and communication.

## **Recommendations**

Based on the findings from the literature and our analysis of the OCAI model, survey, and interviews; our recommendations encourage Li-Cycle to proactively guide the organizational culture in several impactful ways. While our findings show a strong desire to keep what is currently strong externally, there is need for more internal focus to the organization on enhanced communication and sharing of learnings, operational processes, and building guidance for employees to avoid an unintentional and unguided cultural shift to a dominant inward focus that tends to happen naturally as companies mature. Our four specific recommendations are:

1. Implement a Community of Practice Model to enable employees to share and communicate new learnings as the company moves from an entrepreneurial phase to one focusing on operational excellence.
2. Train for organizational culture during onboarding and beyond through emphasis on retaining the culture to prevent dilution as the company's headcount grows.
3. Reconsider the new Return to Office policies to follow the contemporary trends in workplace flexibility.
4. Proactively optimize and balance for organizational culture using the findings from the OCAI model to prioritize the needs of employees and the organization.

We were able to satisfactorily answer both of our research questions through investigation of the academic literature, data from the quantitative OCAI survey, and data from the qualitative interviews. This project delivered findings that allowed us to offer four concrete and substantive recommendations to Li-Cycle to support its efforts to retain the elements of the organizational culture they want to keep and to proactively manage aspects that will change as the company continues to grow and evolve into a more mature organization



## 02. Introduction

### **Li-Cycle is a leader in the lithium-ion battery resource recovery industry.**

In July of 2019, Li-Cycle merged with a venture capital company, and is now listed on the New York Stock Exchange with the ticker "LICY." Li-Cycle expects to grow rapidly over the next few years as they use their patented processes to exploit an underserved market. The firm wants to maintain its organizational culture through this fast-growth phase over the next few years and moving forward. The organization's leadership knows their organizational culture is a competitive differentiator and wants to maintain this strategic advantage. Lauren Choate, our main contact, and organizational Human Resources leader for Li-Cycle, knows from past experiences while working for other Fortune 500 firms that organizational culture can become diluted during rapid organizational growth. In addition, there have been concern from longer-term employees, including the founders, about building and maintaining the organizational culture in a positive way that helps sustain their competitive advantage both operationally as well as for hiring and retaining talent. This led us to our problem of practice.

The purpose of our Capstone is to collect quantitative and qualitative data and analyze to guide Li-Cycle's leadership team to identify how the colleagues view the current organizational state, communicate their thoughts on an ideal future organizational state, and to ensure that their organizational culture is maintained and strengthened during this next high-growth phase. Li-Cycle's leadership believes the organizational culture will be a competitive differentiator in the future. Given that the organization's business model is based on sustainability, other factors such as Diversity, Equity, and Inclusion (DEI) are also important for the sustainability of their company and how it impacts their organizational culture. Additionally, the founders have stated that they want

to ensure their corporation is sustainable and reflects the founding values.

Leadership and employees alike are concerned about the organizational culture changing and losing the founding and initial set of employees that have helped to build the organization. The intellectual capital loss from that would be immense. With emerging industries, it is difficult to recruit candidates that can be plugged into the organization without considerable training (Miles, 1993). Li-Cycle's HR leadership currently believes in something called the "service profit chain model." They see organizational culture, employee engagement, and employee satisfaction as driving customer satisfaction while driving shareholder results.

Li-Cycle could grow in the near term without specifically tending to its organizational culture. If it did, its organizational culture could shift based on the large number of new hires, all bringing their own prior experience and values. The company is not large enough yet to grow and promote enough leadership or functional experts internally, so there is concern among the leadership that growth will challenge their mission and organizational culture, but they aspire to retain their organizational culture throughout this next stage of their evolution. Li-Cycle is set to incrementally grow from 130 employees to well over 400 in the next two to three years based on their projections. This is all anticipated organic growth and yet there are also two potential acquisitions, each with 120 or more employees. Maintaining the organizational culture during this high-growth phase is important to leadership throughout the organization.

Thus, Li-Cycle's leadership wants to ensure that their organizational culture is maintained and strengthened during this next high-growth phase. While not an acute strategic issue currently, they fully anticipate this becoming a strategic issue while moving through this inflection point. Li-Cycle may grow successfully, but at the expense of losing its organizational culture, by hiring and failing to further train individuals that do not align with the desired organizational culture. Our project focuses on supporting the organization by giving guidance based on the academic literature to offer 'frameworks to identify, recruit, hire, onboard, and train individuals that align with the desired organizational culture as we know that culture impacts organizational performance and productivity.

## 03.

# Organizational Context

**Li-Cycle was founded in 2016 and has become a leader in the lithium-ion battery** resource recovery industry. The international company has headquarters based in the city of Toronto, Ontario, Canada with spokes and hubs, that is, a succession of processing plants, in multiple geographies including Canada, the US, Europe, and Asia.

Li-Cycle utilizes proprietary and patented technologies to deliver a sustainable “end-of-life” solution for lithium-ion batteries. The result is an environmentally safe process that creates a secondary supply of critical battery materials for future use. Lithium-ion rechargeable batteries are increasingly utilized as a global energy source in a variety of industries including automotive, energy storage, consumer electronics, industrial, and household applications. Li-Cycle's technology and supply chain solutions solve the problem of what to do with the end-of-life point of these batteries, and to meet the rapidly growing demand for critical and scarce battery-grade materials through a closed-loop solution.

The company sees itself operating in a unique mix of industries including green-technology, recycling, urban mining, commodities (lithium), and transportation logistics. Its mission focuses on the idea that it wants to be “the most sustainable, vertically integrated, and globally preeminent lithium-ion battery resource recovery company” (Li-Cycle, 2021). The emphasis is on sustainability not just for the company but for the environment and the world by solving the global problem of growing battery waste. The company serves clients such as Tesla and Volkswagen and many other entities that use lithium-ion batteries. The company has two distinct customer bases: One for recycling batteries and a second for the reclaimed components and raw materials resulting in a

singular customer for both forming closed loop recycle and supply chains.

Li-Cycle has rapid expansion plans which will increase the headcount significantly over the next few years. Most of the headquarters' staff work in Canada, with a few others, such as the HR VP permanently working remotely. The headquarters' office staff has been remote since the COVID-19 lockdown; however, the company shifted back to a hybrid environment during the first quarter of 2022. The hub and spoke plants are fully staffed with protective measures in place.

Our key stakeholders include Li-Cycle's senior leadership team (Co-Founders and other C-suite members including and our project sponsor, the Chief People Officer). Our findings and recommendations will guide their organizational culture strategy to ensure they retain the core elements that they wish to maintain and to help purposefully guide them forward in areas where the organizational culture will need to shift as the organization matures. Our project recommendations will inform decisions related to their organizational culture as the organization moves through this hyper growth stage. Using research by Cote (2000) that suggests successful strategy execution can be summed up in five key points, Our project endeavored to investigate the following areas:

1. Gaining commitment and buy-in from the employees to the strategic plan;
2. Aligning jobs to the strategy;
3. Communicating clearly to empower the employees;
4. Utilizing the right performance measurement system; and
5. Balancing an organizational culture appropriately between innovation and control.



## 04. Problem of Practice

**Our Problem of Practice was identified by Li-Cycle** as we first engaged with them – to provide a framework for future proofing against the dilution and decay of the company's organizational culture through this hyper growth phase. Retaining the founders' aspirational organizational culture, one that reflects the founding values, during this high-growth phase was important to the leaders throughout the organization. As we met with our project sponsor, she told us this was one of the most important strategic initiatives of the organization. Thus, our project goal was to help Li-Cycle to identify, develop, and present an actionable framework to help Li-Cycle's leaders protect, nurture, and develop its organizational culture during the fast growth phase of development and beyond. One of the critical goals for a fast-growing organization is maintaining its unique organizational culture as it scales (Salas et al., 2015). Unfortunately, an organization may employ hiring practices that are ineffective or even detrimental to keeping its desired organizational culture.

In this project, we examined the efficacy of culture-focused hiring models based on the idea that if an organization focuses on this concept, it will be more likely to maintain and enhance the desired characteristics of its organizational culture throughout the hyper-growth stage of its evolution. The findings from the study will inform both Li-Cycle and possibly future organizations going through this stage of growth.

Li-Cycle currently has a set of values that it espouses to be valuable to the company. The intent is to encourage a set of behaviors and skills that the employees will value (Appendix A). These include 10 traits: sustainability, judgment, communication, impact, curiosity, innovation, courage, passion, honesty, and selflessness. (Li-Cycle, 2021).

The values presentation defines these attributes and gives brief examples of what they mean, but the company lacks codification and operationalization frameworks with actionable policies to ensure these values can serve as a real guide for how employees work and interact with each other and be measurable. Additionally, there is currently not a way to build the values into hiring, onboarding, and ongoing training except to espouse the intended organizational culture within Li-Cycle.

A framework from which to define and build upon the organizational culture is needed to ensure that Li-Cycle can protect its organizational culture during this time of fast growth. Our project endeavored to identify and recommend processes, based on best practices found in the academic research, to maintain the aspirational organizational culture with current employees through this rapid growth stage, help the organization to identify and hire high-potential candidates that align with their organizational culture, support onboarding practices for their employees using a defined process, and build a sustainable system for maintaining the organizational culture during this next stage of their evolution.

## **Literature Review**

In what follows, we describe the current body of literature that calls on researchers and practitioners to consider the relation of organizational culture, organizational performance, and other factors including employee productivity, engagement, satisfaction, and retention. We contextualize the current organizational culture environment before discussing the conceptual framework from the academic literature that is most relevant to our problem of practice. We first discuss the importance of building and retaining a strong organizational culture, move to a discussion related to what we know from the literature specifically in rapidly growing firms, and finally introduce the additional nuances, including cultural issues and obstacles that exist, with these factors in multinational organizations. We will summarize what is known to-date on how organizational culture can be retained as a strategic advantage, supporting both organizational performance and employee productivity.

## **Background**

Organizational culture is a multifaceted concept with many layers and possible descriptions. It is defined by Merriam Webster (2021) as, "the customary beliefs, social forms, and material traits of a racial, religious or social group." Within sociological circles, the idea of organizational culture is problematic as its meaning is often taken for granted without addressing the ambiguity of how components of organizational culture interact within themselves and with other organizational cultures (Smith, 2016). Another definition



cuts through the ambiguity surrounding the definition of organizational culture by examining how multiple contextual definitions generally come to the same set of broad attributes (Birukou et al., 2013). In this work, organizational culture consists of something shared or learned by a group of people. Each group, in this view, acts according to a set of traits consisting of a largely homogenic combination of behavior, knowledge, ideas, and beliefs. The connection between traits and actions can be reflected in the way that groups take the basic assumptions from ideas learned interacting within a group, by integrating and adapting to the successful results of problem solving thus validating how the group functions (Schein, 2010).

Organizational culture has very practical considerations and is studied by academics and by business associations. For instance, the Society for Human Resource Management (SHRM) is a well-established advocacy organization for human resources professionals. Its mission is to “empower people and workplaces by advancing Human Resources (HR) practices and by maximizing human potential” (SHRM, 2002). With an eye toward practicality, while still allowing for the debate around nuances and multiple viewpoints, SHRM defines organizational culture as, “An organization's culture defines the proper way to behave within the organization. This culture consists of shared beliefs and values established by leaders and then communicated and reinforced through various methods, ultimately shaping employee perceptions, behaviors and understanding” (www.shrm.org). This definition encompasses the concepts of culture we are addressing in this project and carries a weight of legitimacy within the Human Resources community and our key Human Resources partner stakeholders in the project. As such, it is the definition of organizational culture we use throughout our study.

## ➤ **Importance of Building and Retaining Organizational Culture**

Research suggests that the organizational culture of a firm may be as important, or even have greater importance to colleague engagement and satisfaction, than the actual work performed (Robak, 2013). Prospective employees frequently join organizations specifically because of the intangible feeling that the positive environment is amenable to their well-being and success (Keyton, 2005). Employees are often looking for an organization that aligns with their cultural aspirations and developmental goals. They cite attributes like alignment with personal values, needs, and future career development in employee satisfaction and engagement surveys.

It is the unique and essential role of leaders to understand their organizational culture and to manage it during the inevitable changes that will occur. Leaders

should see the investigation and knowledge of their organizational culture as an effective tool they can leverage for improving productivity, effectiveness, and the ability to turn the best cultural elements into positive financial results (Keyton, 2005). Of particular interest has been the identification and imitation of healthy organizational cultures.

Organizational cultures do not just develop overnight; they are the result of repeated efforts to grow and sustain healthy practices. An understanding of organizational culture is essential for leaders to be effective in their role. According to Schein (2010), a key aspect of leadership is establishing, guiding, and retaining organizational culture. He believed that once organizational culture is established, it is the role of leadership to guide and maintain it. If senior leaders do not provide continual guidance and organizational culture becomes dysfunctional or ineffective, then the organizational culture will manage the leadership.

Organizational culture and effective organizational operations are intertwined (Lee & Yu, 2004). Organizational culture can be thought of as an outcome of organizational practices but can also be the cause for those same practices. Both practices and organizational culture are important and have a reciprocal effect on the other. A team of researchers outlined a set of attributes for both high-performing and low-performing organizational cultures (Warrick, et al., 2016). They note running an organization well depends on building and sustaining organizational culture, regarding communication, collaboration, and adaptation to change.

Characteristics for high-performing organizational cultures include elements that are lacking in low performers, who also fail to take proactive steps to engage organizational culture. Cultural dichotomies often exist in organizations (Warrick, 2017). For example, in workplaces where lower-level leaders, administration, and C-suite members make top-down decisions without consulting other employees, there is lower performance and productivity, whereas in organizations where collaboration, communication, and teamwork are the norm, employees feel a sense of valued purpose and therefore their performance and productivity is higher. When critical elements, such as clear vision, values, ethics and goals, do not exist, the climate produces inconsistent behaviors that can impede progress especially during times of change (Warrick, 2017).

Effective leaders see opportunities in their organizational culture as an important tool to improve financial results through improved productivity (Keyton, 2005). Of particular interest has been the identification and imitation of healthy organizational cultures. According to Kotter and Heskett (1992), who conducted an 11-year longitudinal study of organizational cultures, companies with a healthy organizational culture increased their sales an average of 687% as opposed to unhealthy organizational cultures

who only experienced 166% growth. Beyond top-line sales, the bottom-line net income went up as well. The study showed that firms with performance-enhancing organizational cultures grew their net income 75% between 1977 and 1988, as compared to only one percent for firms without performance enhancing organizational cultures over the same period.

There is quite a bit of evidence to suggest that positive organizational culture will have a positive impact on its financial performance. Between 1990 and 2007 more than 60 research studies, covering 7,619 companies and small business units in 26 countries, found a positive correlation between organizational culture and positive organizational performance across more than 35 performance measures, including return on investment, revenue growth, customer retention, market share, new product sales, and employee performance (as cited in Gallagher, Brown, & Brown, 2007). Other research points to the relationship between organizational culture and employee productivity. Researchers have studied levels of work-related stress, enjoyment of work and self-perceived productivity and found that there indeed is a link between these factors and organizational culture (Olynick & Li, 2020). Their work demonstrated the importance for senior leaders to consider the role that organizational culture plays in employee performance, well-being, and workplace functioning. Further, organizations that actively manage their organizational culture are more likely to deliver on their strategic objectives over the long run (Chatman & Cha, 2003).

A recent survey showed 92% of CEOs believe improving organizational culture would increase their company's business value and performance (Graham et. al., 2017). They found that although senior leaders seem to understand that an unhealthy organizational culture can impact employee engagement and organizational performance, a disconnect remains in how companies and organizations might create positive organizational cultures.

Research suggests that companies need to execute their business strategy to continue to be successful and that organizational culture plays a significant role in this process. For example, Charan and Colvin (1999) performed groundbreaking research investigating why CEOs fail. Up to that point, most industrial economists believed that firms with well-formulated and unique business models emerged from the pack; however, this research discovered a more basic difference between the "winners and losers" in business. Winning, they found, came down to executing on their stated business strategy. Charan and Colvin's (1999) findings suggest that firms whose strategies were simply decent or reasonable, but were executed completely and fully, were generally the most successful. Taken in this light, we can draw the conclusion that a

focus on strategy execution, not strategy formulation is important to success. Strategy execution is the implementation of a strategic plan to reach organizational goals. It is often composed of the organizational structures, processes, systems, and operational goals that set the firm up for success. Even the best strategic plans can fail without the right execution.

Setting strategic goals, formulating a plan, and executing a strategy each require a different skillset, as each also comes with their own challenges. Successful strategy execution is summed up by Cote (2000) in five key points:

1. Gaining commitment and buy-in from the employees to the strategic plan;
2. Aligning jobs to the strategy;
3. Communicating clearly to empower the employees;
4. Utilizing the right performance measurement system; and
5. Balancing an organizational culture appropriately between innovation and control

All of these, in some shape or form, relate to the organizational culture. CEOs that have the disposition to recognize that executing a goal requires tapping into their people tend to focus on these tactical and imperatively important areas, thus increasing their chance of success.

A positive organizational culture can relate to high operational execution (Smith, 2004). One example is looking at Southwest Airlines, a company known for its transparent and basic strategy consisting of high passenger volume, short and convenient flight patterns utilizing only a fleet of fuel-efficient 737s, incredibly short turnaround times (15 minutes versus competitors' average of 35 minutes), which culminates in lower operational costs and an ability to offer passengers low-priced fares. Instead of allowing their planes to have long stays at the jetway, employees across functional lines collaborate to get the planes turned quickly, which results in an average plane utilization of ~12 hours per day versus the industry average of closer to 9 hours.

To reinforce how organizational culture affects operational excellence, Southwest Airlines' strong financial success hinges not on a unique or exceptionally brilliant strategy, but on the alignment between its organizational culture and strategy. It relies on how clearly employees understand the organizational culture and how intensely they feel about it. This case study demonstrates that an effective organizational culture is closely related to business strategy. When the business strategy, the company goals, and the employees are each pointed in the same direction, the alignment fosters the right

scenario for hyper growth (Smith, 2004).

Past research has used many key performance indicators (KPIs) and financial metrics to measure organizational performance. Profitability is one of the best indicators to identify whether an organization is performing well, thus profitability can be a primary measurement of organizational success (Doyle, 1994). Other KPIs such as return on assets, return on equity, and return on sales have also been the common measures of financial profitability (Robinson, 1982; Galbraith & Schendel, 1983). Additionally, sales growth, net profit and gross profit are other financial measurements used to measure performance (Kassim et.al., 1989). Further, organizational culture is not just seen as an important factor of an organization; it is the central driver of superior business performance as culture does not just influence performance and profit, "a company's culture influences everything such a company does. It is the core of what the company is really like, how it operates, what it focuses on, and how it treats customers, employees, and shareholders" (Gallagher, Brown & Brown, 2007, p. 25).

## **Building Organizational Culture**

A strategic priority should involve building and retaining organizational culture, as hiring and assimilating new employees based on shared values and cultural beliefs has been proven over time to lead to positive results (Chatman & Cha, 2003). Organizational culture fit may, in fact, be the most important aspect of retaining great employees, especially when the company is facing significant changes. Organizations' abilities to adapt, progress, and even survive is dependent on how they evolve and execute in the face of change, which is inevitable for any business. However, firms do not always attend to their organizational culture in a proactive manner, allowing it to progress in haphazard ways against what they might intend.

Organizational culture must be built and sustained through proactive actions that go beyond simply talking about it or setting guidelines and expecting leaders and employees alike to act accordingly (Warrick, 2017). Organizational culture is developed in one of two ways. It can be decisively defined, nurtured, and maintained from the inception of the organization through its evolution; or it can be developed haphazardly because of various beliefs, experiences, and behaviors of colleagues. Organizational culture, if left to evolve on its own, may not develop in ways that are healthy to the organization and may even lead to the spread of unhealthy behaviors (Warrick, 2017). Specific deliberate actions need to take place that turn the desired cultural outcomes from thoughts and ideas into the ways members of the organization interact and work.

## ➤ Retaining Organizational Culture

One of the key difficulties in retaining positive organizational culture is addressing how vulnerable it is. Organizational cultures can be seen as assets that can be damaged if leaders and employees alike don't continuously actively engage in preventing cultural damage through the inability to innovate or adapt to change (Warrick, 2017). An organization begins as a small group and as it grows it often becomes an assemblage of small groups with the challenge of blending the organizational cultures between them (Schein, 2010). Preventing cultural damage becomes a process of managing change through the cycle of the organization as it matures.

When considering Southwest Airlines, which saw significant change and growth for many years, the overall perspective of the company's emphasis on developing and maintaining a great organizational culture can be best summarized by the airlines' co-founder and Chairman Emeritus Herb Kelleher, who said: "The business of business is people." He explained that even though the company values all people involved in its business - employees, customers, supplier/vendors, and shareholders - the company puts its employees first. Southwest Airlines recognized that treating its employees well creates happy customers, which in turn results in financial success (Robertson, 2022).

Retaining organizational culture involves three organizational stages that affect retaining it over time (Schein, 2010). The stages represent the opportunities to be leveraged and problems to monitor and address as a company grows and matures. First, the founding and early growth stage is where change is incremental and begins the promotion of hybrid variations within the organizational culture. Second, the midlife stage is where "subcultures" promote from within and there is the beginning fusion of outsiders into the organizational bringing with them prior organizational cultures. Additionally, new technology can become an issue as it forces change and adaptation to ways of working. Third, the maturity and decline stage is where negative impact to organizational culture presents the strongest possibility of cultural damage. In this stage, changes in common behaviors and operational habits cause divergence from the original organizational culture. Further, change must occur through deliberate turnaround efforts in the best of cases, and through mergers and acquisitions in the worst of cases. It can also result in destruction of cultural elements followed by the introduction and rebirth of new organizational culture. The faster an organization moves through these cycles, the more difficult it is to recognize the problems faced within each and to react to them (Schein, 2010).

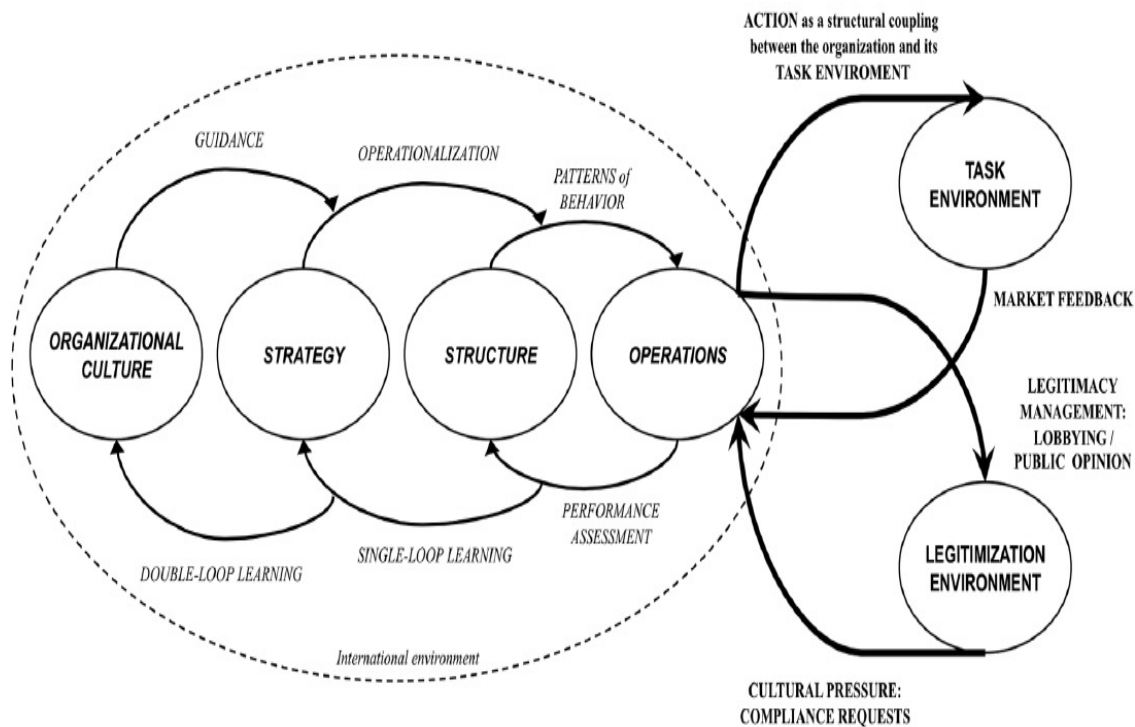
Strong organizational cultures are based on two main characteristics, “high levels of agreement among employees about what’s valued and high levels of intensity about these values. If both are high, a strong culture exists; and if both are low, the culture is not strong at all” (Chatman & Cha, 2003, p.23). As organizations hire and onboard new employees, the current state can become diluted by new entrants. This is the main challenge to retain organizational cultures over time and as companies grow and inevitably experience some level of attrition.

The research from Chatman and Cha (2003) revealed how companies need to purposely attend to misalignment and disagreement as it occurs, and not passively allow it to take hold. They give an example of disagreement between functional groups that place a different prioritized emphasis on either product features or elegant product design revealing conflict and the pull to the more dominant group. There is not necessarily a binary, right or wrong, answer to these employee squabbles; however, left unchecked they can damage the organizational culture. They point out that organizational culture cannot simply be focused on making people feel good only in the moment, it needs to be broader in time and scale. Most organizations are aware of the importance of proactively managing organizational culture but can make the mistake of attending to feelings in the moment rather than developing the clarity and comprehensiveness to encourage discourse and diverse opinions while ultimately focusing intensely on executing strategic objectives (Chatman & Cha, 2003).

As the understandings around retaining organizational culture have evolved, they have also become more complex. The current popular and often referenced configuration models exploring the relationships between elements of organizational culture, strategy, operations, and structure have been built upon with the consideration of the increased complexity of the operating environments in today's organizations. Recognized models are often limited in their applicability in complex and dynamic settings, simply because they were not necessarily designed for such contexts (Dauber, Fink, & Yolles, 2012). They took the popular models by Schein from 1985 and Hatch in 1993 and integrated their research to form the conclusions that the organization's external environments needed to be considered to provide context. Researchers suggest that coping with changes in an organization needs a robust model for consideration in ensuring the organization can adapt to change (Dauber et. al., 2012). Their research focused on empirical research into organizational change because of mergers and acquisitions. That type of upheaval and manifest change in an organization could reflect similarities in fast growing organizations like Li-Cycle with building and maintaining its organizational culture as it undergoes its own significant changes. They assert the need

for a robust model is necessary for those that wish to investigate complexity in organizations and the processes for change.

Figure 1: Integrated Approach Model



The importance of their model shown in Figure 1 from Dauber, et. al. (2012) is the way it illustrates the integration of six processes related to its own internal environment, as indicated in prior research connecting to the four major categories. It also integrates three additional processes addressing the need for single and double loop learning related to learning and organizational change through assessment. These attributes also look at processes through guidance, operationalization, and patterns of behavior. In combination, they tie into the importance of linking operations and operability to the task environments, the market, and the business space in which the organization operates, and the environment involving all stakeholders such as customers, shareholders, and business partners. This tie-in is in line with Open Systems Theory (OST) in that each organization needs to have a sense of equilibrium with its operating environment. It is an important concept to include, as “changes in any domain necessarily lead to a process of response to this change, irrespective of the effectiveness and efficiency of the response or the respective processes” (Dauber, et. al. 2012, p. 11).



## ➤ Importance of Building and Retaining Organizational Culture in Rapidly Growing Companies

Many factors play into workplace performance and productivity in high-performing growing organizations (Kontoghiorghes, 2016), including effective management, mutual respect, and effective collaborative communication as components contributing to positive organizational culture. These components drive satisfaction and motivation amongst workers. This in turn increases workplace commitment and leads to talent retention and talent attraction, which are both very important to high growth firms' abilities to scale quickly. Along with retention and attraction, companies with high-performing growth indicators also experience a positive organizational culture where employees enjoy reduced stress, high employee camaraderie, and more effectively solve problems together (Sergeant & Laws-Chapman, 2012).

Within the context of larger organizations, organizational and job designs that support an ability to innovate or act independently are instrumental in developing positive organizational culture (Schein, 2019). Organizational culture is one of the important levers that can be exploited by senior leaders to optimize financial and operational performance as measured by employee productivity.

A newcomer to this problem might ask, 'Why is building and maintaining organizational culture so important to fast-growing firms?' and, 'Is organizational culture different for more established firms? More than 60% of organizations have difficulty retaining their most valued employee base and most employers expect this to continue into the foreseeable future (Willis Towers Watson, 2021). Although hiring has increased in the past several years, so have turnover and attrition rates according to the global consultant. In addition, the survey results found nearly three in four employers (73%) are having difficulty attracting new employees. That number is nearly three times the number (26%) that reported difficulty the previous year. Turnover is especially expensive, with estimates to replace a highly trained employee exceeding 200% of their annual salary and average employee tenure only 4.6 years in the latest available data from the Bureau of Labor Statistics (2020).

However, when employees are engaged at work, they are 59% less likely to leave (Gallup, 2015). Being open to innovative ways of developing employee talent is a key strategic initiative within a rapidly growing firm with an agile organizational culture. An organizational culture that provides these learning opportunities will attract high performers. Putting systems in place that provide for "learning communities of practice"

with ample learning opportunities are key to enabling innovative capabilities (Pattinson, Preece, & Dawson, 2016). One survey reports 91.6% of employees rank “outstanding training and educational opportunities” among the top reasons for remaining with their firm (Russell & Stone, 2002). Conversely, lack of attention to personnel career development can lead to increased employee turnover.

Finally, organizations that want to stay on the cutting-edge of being competitive with their employees need to consider a comprehensive reward system (Fleetwood, 2007). These systems consider total compensation, benefits, and recognition. This reward system needs to be focused both holistically on the employees and focused on their individual needs. Beyond traditional benefits offerings, a broader array of lifestyle benefits which support the demands of balancing a work/life dynamic should be considered. In addition, things like flexible work schedules, work from home options, compressed workweeks, and even employee concierge services are being adopted. Employees want to feel appreciated and recognized for their work efforts. Beyond compensation and benefits, a comprehensive reward program that provides both internal and external recognition should be considered. Over time this formal recognition program will become intrinsic to the organizational culture if regularly demonstrated by the firm's leadership.

The organizational culture within a firm remains one of the most important factors in attracting and retaining productive colleagues (Earle, 2003). This is essential for fast growing firms that need to both hire and retain to scale quickly. Employees look for an organization that provides opportunities for meaningful work. An organization that provides interesting and challenging work within a structure that is considered supportive, equitable, and positive will be at each significant competitive advantage. Past research has discussed how an agile organizational culture focuses on learning opportunities (Robak, 2013). This type of an organizational culture supports employee development of skills that will lead to attraction, retention, and advancement opportunities and provides a comprehensive reward system.

The business environment constantly evolves and companies that meet changing human capital (especially hiring and retention conditions) will be the most successful. This requires flexibility. In contrast, firms that hold onto the typical ways of hiring and retaining employees may well be left behind. The key is to be proactive and agile rather than holding on to a traditional model. Given the research on the benefits of agile organizational cultures, it is imperative for senior leadership to focus on this as a key priority (Mergel, Ganapati, & Whitford, 2020). Attracting and retaining high-performing employees is essential for an organization to flourish. Agility is what allows an

organization to adjust in real-time and pivot from a failing strategy rapidly so that they can exploit future opportunities.

Firms poised for expansion often confront significant challenges as they struggle to capitalize on growth opportunities. As demand for the firm's products or services increase, it frequently results in the hiring of additional personnel. Rapid growth in employment, however, creates managerial problems requiring firms to design processes and systems that direct colleague attention toward a shared vision and support the firm's strategic objectives (Hambrick & Crozier, 1985; Kotter & Sathe, 1978).

Rapidly-growing firms are challenged to strike a balance between multiple levers that come into play during this phase and that management may, in fact, need to respond to contradictory pulls (Fombrun & Wally, 1989). For example, a decision between bureaucratization versus decentralization is often a challenge during high growth. Increased hiring stimulates bureaucracy as firms must formalize procedures as staffing doubles or even triples. Employee participation in decision making and general autonomy tend to decline, which changes the organizational culture from its initial position when less formalized decision processes and greater decentralization were the norm.

There is a recognition that the firm's existing human resources may lack the necessary skills to manage the larger portfolio which leads to turnover at the senior ranks. Fombrun and Wally (1989) found that organizational cultures that support risk taking, autonomy, and employee participation in decision making portend well for future success in retention. Additionally, innovation in today's marketplace requires collaboration and the willingness by employees to take personal risks without fear of undue negative reprisals (Chatman & Cha, 2003). Of concern, is how bureaucratization and the design of formal systems inhibit risk taking in favor of autonomy. There needs to be a balance unique to each organization between the strategic emphasis on metrics such as quality and cost, and on forward-looking innovation, the absence of which can lead to culture-robbing infighting and employee friction.

Once established in the market, rapidly growing firms strive to simultaneously control costs, enhance product quality, and increase product offerings beyond the initial portfolio (Demir, et al., 2016). This tradeoff analysis is best achieved by more formal systems of decision making and evaluation with a focus on operational efficiency, which discourages the individual decision making that the earlier stage firm had likely employed (Littunen & Tohmo, 2003). This is a change in organizational culture that can affect the former employees' feelings of the organization while attracting new employees that are more comfortable with this shift in approach. Fombrun and Wally's

(1989) further findings suggest that managing surges in growth involves many challenges that relate to organizational culture, especially the natural tendency to centralize processes to retain control while simultaneously finding a way to encourage the contributions of autonomous, self-managed professionals to deliver maximum value within the organizational culture.

Fast-growing firms require experienced and specialized talent to be infused into the organization to support their growth as they scale quickly (Fombrun & Wally, 1989). Creative schemes are often necessary to meet the demands of these new employees. Millennials are challenging the traditional notion of concepts such as work-life balance, work from home, and flexible scheduling (Rizky, 2018). Work-Life balance (WLB) is often cited as a concept that improves morale and employee engagement. It is best understood by thinking about the existing relationship between work and personal life. Factors such as stress, well-being, quality of life, organizational performance, and health are factors to be considered, among others. Creating an environment that is fluid and flexible is key in WLB. WLB policies have been a growing trend since the 1990s and are increasingly recognized as being a strategic initiative for organizations due to the reduction in cost to replace high quality professionals by increasing retention (Cappelli, 2000; Hill, et al, 2008; Lambert, 2000; Bruck, et. al., 2002).

Other employer benefit schemes such as childcare services, flexible parental leave, and enhanced support to single parents all increase WLB (Lunau et al, 2014). Yet, the organization must be cognizant of the impacts of implementing these programs. Research suggests that meeting the needs of an organization's employees leads to a more content workforce who tend to share their positive work experience with others (Patwa et al, 2018). In addition, this leads to additional positive impacts on the firm's clients and on the organization (Taris & Schreurs, 2009). Evidence also exists that employees reporting poor WLB also report more health problems (Lunau et al, 2014). Poor WLB becomes an additional stressor which can lead to high blood pressure, heart rate, and cortisol levels (Grzywacz & Carlson, 2007). Given that the research connects organizational culture to organizational performance and employee productivity, these are all important data points that employers should proactively address as they look to hire a large swath of new talent into the organization during hyper growth.

## ➤ Importance of Building and Retaining Organizational Culture in Rapidly Growing Multinational Companies

Multinational companies, especially those in the early growth stage, often have the added challenge that communication and organizational problems are the same as in domestic firms, only worse (Schein, 2010). The challenge for these leaders is to recognize how small “microcultures” evolve and whether they reflect the norms at the macro-organizational level or if they have developed cultural islands as a function of their place geographically or functionally. The cultural islands can serve as a landing point for understandings to build across the organization but can also stifle the ability to carry the organizational culture across international and national cultural boundaries (Schein, 2010).

One of the challenges specifically faced by fast growing multinational companies is retaining its organizational culture as it quickly grows in headcount (Schein & Schein, 2019). Organizational culture in a new organization is created by its initial founders and leaders. They choose the initial set of employees and leaders based on a wide variety of talents appropriate for those early stages. But the hiring process becomes more bureaucratic from that point forward. Job descriptions are created for senior leaders and others down through the ranks. Future candidates are often chosen by profile, skillset, and resume matching. By the time the organization is large and mature, the existing organizational culture may have been perpetuated without accounting for change either internally or externally unless there is a proactive plan. Hiring decisions are based more on technical skills and perhaps by who fits in socially without considering how a person may perpetuate and affect the organizational culture (e.g., without considering the future for the sake of continuing innovation.)

Multinational firms face additional challenges in cultural development based on the variety of factors that come into play. Language, customs, and employees' funds of knowledge, all can be quite different when an organization has a global footprint and is drawing from a global pool of talent. Adaptability, which would inherently be necessary in a multinational organization given these differences, has been found to positively affect organizational profitability and market share (Amah & Ahiauzu 2012).

Multinational firms face many of the same issues and challenges that have previously been mentioned in domestic firms, and yet due to their broad footprints in other geographies, and the universe of colleagues that reside in different countries, also need to deal with a wider array of additional complexity such as global human resource development, labor practices and standards in other countries, regulatory issues such as equal opportunity and employee empowerment across a broad and diverse landscape,

equitable wage structures and incentive schemes that fit within the various nations, possible political turbulence, and performance management systems incentives. These are all business challenges that multinational firms face and that can have a positive or negative impact on organizational culture (Horwitz, 2011).

The same human resource practices, such as skills formation, performance management, or training which could build social capital and trust in one country, may fail to do so in another country. The complexity of each human resource practice that a rapidly growing firm considers implementing should be filtered through a localized view to proactively identify possible tension with local values and customs. The chance for a misstep, then, seems to be greatly increased due to these potential blind spots. Colleague capabilities such as technical and managerial competencies, and organizational culture and institutional/regulatory environment issues all have nuances that must be explored. Analysis should allow for localized modifications that will ensure the practice to be culturally fit, to fully understand the required dissimilarities of implementation (Khilji and Wang, 2006).

Successful multinational companies consider their organizational culture to be a sustainable advantage in the same way that domestic companies do. Research shows that leading multinational companies have the added complication of deploying training and development across their entire enterprise to reinforce organizational culture. Even across multiple local organizational cultures, these companies inculcate values, leadership principles, and ethics of value to the organization, but unique challenges remain for multinational companies in managing a coherent human resource strategy and leadership approach to maintaining positive organizational culture. For many companies, a multifaceted approach is required to meet specific local challenges, as often a singular approach doesn't work across national and cultural borders. The organization's industry can dictate though whether it allows far-flung business units to operate more autonomously or integrated with its other global components (Stahl et al., 2012). Cultural aspects such as shared mission, employee involvement, and shared values were found to be positively related to key performance indicators such as profitability, productivity, and market share in the multinational firms in the same way that they are for domestic entities (Amah & Ahiauzu, 2012).

# 05.

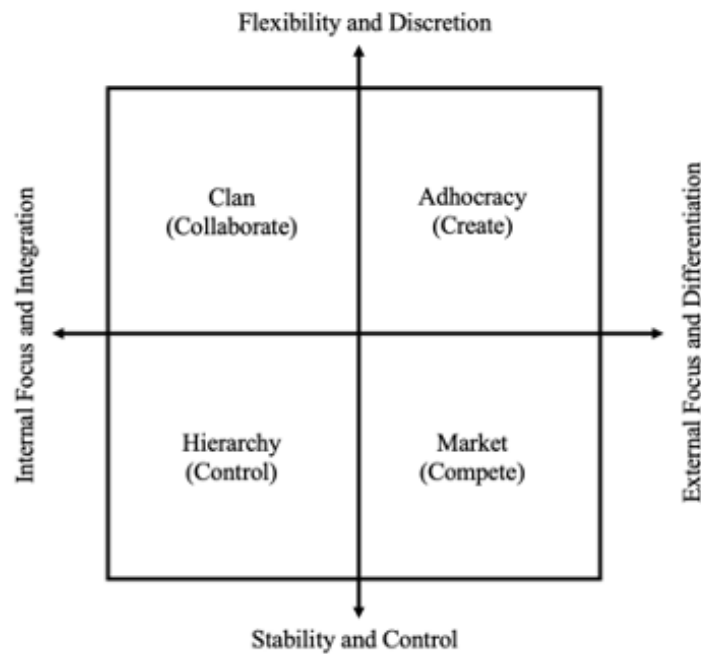
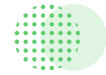
# Conceptual Framework

## Organizational Culture Assessment Instrument (OCAI)

To help evaluate and quantify the current and preferred state of organizational culture within Li-Cycle, we used the Organizational Culture Assessment Instrument (OCAI) by Cameron and Quinn (2011). This model was selected after a broad review of the literature of many popular organizational culture models used within the field of management science. Models from authors such as Schein and Heskett are often used for theoretical research, while the model from Cameron and Quinn is suited for revealing organizational culture as a complex system in a practical way (Turlais & Dubkevics, 2017)

Below in Figure 2, we offer the visual representation from Cameron and Quinn's (2011, p. 60) OCAI model. Each quadrant represents and builds upon four core values that are competing and contrary. Flexible at the top and stable on the bottom, with internally focused left and externally focused on the right. The quadrants themselves represent values that make up the spectrum. The upper left represents encompassing values that focus on organic and internal attributes. The opposite spectrum on the lower right represents values with a control and external focus. The upper right quadrant represents values that focus on organic and external attributes, and the opposite on the lower left with control and internal values (Cameron & Quinn, 2011). The four core values have their own unique basic identities as elements of the organizational culture.

Figure 2: OCAI Themes



In the upper left quadrant, exhibiting the higher traits of flexibility and internal focus, is the Clan organizational culture, so named due to the way companies that lean in this direction bear a close resemblance to a family-run organization. The organizations that heavily identify with the Clan organizational culture value revolve around shared values and goals, with loyalty and traditions binding the employees of the company to its mission with a high degree of commitment. They emphasize consensus building participation beyond hierarchical boundaries and working together as a team (Cameron & Quinn, 2011).

In the upper right quadrant, exhibiting the higher traits of flexibility and discretion, and with an external focus and differentiation is the Adhocracy organizational culture. The term comes from the term ad hoc, meaning something that is created for purpose and can be temporary and highly specialized. The organizations that identify with this value revolve around the need to be flexible and adaptable to ever changing business conditions. Creativity is seen as important for developing and launching new and innovative products with an emphasis on being at the cutting edge of new technologies. Risk taking is usually the norm and exemplified by the organization's leadership (Cameron & Quinn, 2011).

In the lower left quadrant exhibiting the higher traits of stability and control, and



an internal focus is the Hierarchy organizational culture. The organizations that identify with the Hierarchy value utilize formal structures, a high degree of specialization with rules and policies to affect smooth running and highly efficient operations. Clear lines of authority and decision making are preferred and are exhibited by strict standards, rules, and procedures to maintain control and stability.

[In the lower right quadrant](#) exhibiting the higher traits of stability and external focus is the Market organizational culture. This form of organizational culture focuses on profitability, results, and building its customer base. The workplace is results oriented and there is an emphasis on winning. These organizations' goals reflect highly competitive environments so winning in the marketplace is a top priority. The environment is demanding, reflecting leadership styles that are highly demanding of results.



## 06. Project Questions

Li-Cycle anticipates continued rapid growth. Its plan is to more than double headcount in the next few years. Thus, our overarching question is, "How does Li-Cycle maintain and develop its positive current-state organizational culture as it evolves from a nascent, entrepreneurial start-up firm to a maturing, rapidly growing company?" Below are our specific research questions used for this project:

- **Question 1:** How do Li-Cycle's current employees feel about the current state of organizational culture, and how does it measure up against a preferred state?

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- **Question 2:** Is communication and learning, both vertically and horizontally, throughout the organization's structure effective?

Our findings were used to identify its current organizational culture as the baseline, and subsequently learn how Li-Cycle can optimize its organizational culture as it dramatically increases in size over the next several years.



## 07. Project Design and Methods

### ➤ Data Collection

Our project utilized a mixed methods design including a survey, asking questions about how communication is perceived and Cameron & Quinn's Organizational Culture Assessment Instrument (OCAI), and nine interviews with a cross section of employees from Li-Cycle to evaluate the current and preferred state of organizational culture from multiple levels in the company between departments and functional areas.

Our data collection included first conducting a survey asking questions about communication and featuring the Organizational Culture Assessment Instrument (OCAI) by Cameron & Quinn (2011) to evaluate the current and preferred state of organizational culture from all levels in the company and functional areas (Appendix C). We then conducted interviews with a cross section of employees for additional insights and context (Appendix B).

### ➤ Survey Data Collection

To administer the survey to Li-Cycle employees, we constructed and distributed it using the Qualtrics platform. The distribution of requests consisted of a total of 216 email addresses that were obtained from Li-Cycle's Human Resources (HR) department, all the employees with an active company email address. The survey was open for two weeks after the first email was sent requesting participants to take part in the survey. Reminder emails were sent every other day during the open period to the employees on the

distribution list that had not completed or had not started the survey. To reach employees that did not have a company email address or for those that were keenly concerned for privacy, a completely anonymous web address link and a mobile device friendly QR code was made available to distribute internally. To help foster additional participation, Li-Cycle's HR team sent an email to leaders of teams that had employees that did not have a company email which contained the link and QR code to distribute physically to help encourage full participation. A total of 139 fully completed responses were obtained before the survey was closed, representing 58% of current employees. The final tally of completed survey responses based on distribution method are shown below in Table 1.

**Table 1: Survey Responses by Request Mechanism**

Survey Response Channel	Count
Email	115
Anonymous Link	17
QR Code	7
<b>Total</b>	<b>139</b>

### ➤ Survey Construction

The survey consisted of the six OCAI questions (Appendix C) which were asked twice. They were asked once all the way through the sequence for participants to reflect on the current state of organizational culture and asked again a second time to capture the preferred organizational culture projected five years into the future, for a total of 48 measurement responses per respondent. Each of the six questions included four descriptions where the respondents were asked to indicate how they viewed the organizational culture by allocating a total of 100-points among each of the four alternatives. The survey response design was constructed within Qualtrics to ensure a total of 100 points were required for each question, and that only positive numbers were used. At the end of the survey, an open-ended question asking, "Is there anything you'd like to tell us about what it is like to work at Li-Cycle" allowed participants to comment if they wished to do so.

With communication effectiveness a key component of organizational culture, and ubiquitous throughout the literature we reviewed, we asked 10 additional questions focusing on communication within Li-Cycle (Appendix D) to get a sense of the current effectiveness specifically of official communication. The questions used a combination of forced responses. A five-point Likert scale was used to gain perspective on awareness and effectiveness. We also asked questions with a forced yes or no response to ascertain the adequacy of communication around policies and ongoing changes in the organization. To get broader context, we asked two open-ended questions to provide respondents with the ability to address their own specific issues or opinions. Additionally, we asked questions about how respondents receive communication, and the pathways they found to be more effective.

In addition to the OCAI model and communication effectiveness, we included multiple choice questions asking for the length of employment, which functional area they worked in, and in which country they currently resided in. These questions were added to ensure that there were adequate responses from throughout Li-Cycle. We wanted to ensure that responses from all functional areas and locations were represented so if an area was lacking, more proactive and targeted means of requesting participation could be used. Due to the widespread participation verified by our key stakeholders, additional requests were not needed. Table 2 below shows the distribution of the survey responses by the participants' functional area within Li-Cycle, and Table 3 shows the responses by location.

**Table 2: Survey Sample Breakdown by Functional Area**

Functional Area	Length of Employment in Months				Total
	0-5	6-11	12-17	18+	
<b>Operations</b>	2	10	7	11	50
<b>Technology</b>	4	7	2	5	18
<b>Human Resources</b>	6	6	1	3	16
<b>Finance</b>	6	2	4	2	14
<b>Commercial</b>	5	4	1	2	12

Executive Team, Legal, or IR	4	2	2	2	10
HSEQ	5	0	3	2	10
Strategy, Marketing, Corporate Development	4	3	1	1	9
<b>Total</b>	<b>56</b>	<b>34</b>	<b>21</b>	<b>28</b>	<b>139</b>

**Table 3: Survey Sample Breakdown by Location**

Location	Count
Canada	75
USA	56
Europe	5
Other International	3
<b>Total</b>	<b>139</b>

### ➤ Interview Construction

We supplemented the quantitative data from the OCAI, and the thematic responses to the open-ended questions in the survey with nine interviews. The names and roles of these individuals were obtained from Li-Cycle’s Human Resources department based on our desire to obtain a cross section of input from functional and geographic areas. We sent emails to ten individuals, inviting them to participate, and nine of the ten responded affirmatively. We scheduled each interview for one hour and most were completed in approximately 45 minutes. After short introductions and an explanation of the process, including our efforts to keep their answers confidential, we moved ahead using semi-structured probes including the following questions and follow-ups:

1. How would you describe Li-Cycle’s current organizational culture? Tell us more about how you experience the organizational culture? Tell us more about what you value most about the organizational culture at Li-Cycle?

2. What do you experience as the most important value of Li-Cycle's organizational culture? Why is that?
3. Have you seen others actively live up to Li-Cycle's values? If so, were they recognized for it? If so, how? If not, do you know why not?
4. As Li-Cycle grows, what values in the organizational culture do you see as most important to retain? Do you have any worries about retaining them?
5. Specifically relating to Li-Cycle's organizational culture, how do you see yourself contributing to the organizational culture?
6. If you could change or improve anything about the organizational culture at Li-Cycle, what would that be?
7. Where do you see a difference between the espoused organizational culture and the lived organizational culture?
8. As part of your onboarding process, include what you remember from the Li-Cycle organizational culture handbook, do you remember the values that were discussed?
9. How do you, as a current Li-Cycle employee, feel about the current state of organizational culture, and how does it measure up against an ideal state?
10. Are there specific things that Li-Cycle can do to build and retain its organizational culture proactively as it grows?



## 08. Data Analysis

### ➤ Survey Data Analysis – OCAI

To score the OCAI model, the survey data was downloaded from Qualtrics into an Excel file. As each of the 12 total OCAI questions in the survey consisted of four choices, we needed to add an identifier which indicated which of the four major organizational culture types that the question corresponded to. Each first response in each question matched to the Clan organizational culture type, the second response matched to the Adhocracy organizational culture type and the third and fourth responses matched to the Market and Hierarchy organizational culture types respectively. The sets of questions were also named to indicate current or preferred state.

Using a pivot table from the data, the scores were combined by type and filtered by whether it reflects the current state or the preferred state. The combined scores were summed by type and then averaged. The scores for all A (clan) questions were summed and divided by six, reflecting the number of questions, to get the mean for that type. This score was then divided by the number of participants to get to the final percentage. The same process was repeated for the other three types for current state, and again separately for the preferred state scores. The sum of the four calculated arithmetic means for “now,” and separately for “preferred” total 100, as they reflect the percentage of Li-Cycle’s total organizational culture that the type represents.

In addition to the overall scores by the four culture types, the OCAI model offers the opportunity to investigate the individual cultural characteristic profiles that each of the six questions measures.



The six individual characteristics include:

1. Organizational Characteristics
2. Organizational Leader
3. Management of Employees
4. Organizational Glue
5. Strategic Emphasis
6. Criteria of Success

Each survey question with its corresponding four response choices represents a specific characteristic. Using a pivot table from the data, the scores for each of the four responses in each of the questions were summed and then each was divided by the number of participants to get the mean score. This process was repeated for each of the 12 questions, six representing current, and six representing preferred. The responses for each paired set of questions for that characteristic type for both now and preferred were scored together and combined for the final results.

## ➤ **Survey Data Analysis – Communication Section**

Communication was already a concern for our key stakeholders at Li-Cycle, so we included a few key questions to investigate the timeliness and effectiveness of the current ways Li-Cycle's management broadly communicates with its employees (Appendix D).

Our questions were simple in terms of the analysis required to get a sense of the respondents' viewpoints. We used a pivot table in Excel to count the responses for their value in the Likert scale, and for the yes or no questions and the responses to the open-ended questions were coded thematically. .

## ➤ **Interview Analysis**

We recorded each interview using Zoom, then transcribed these recorded interviews and coded them using a priori themes (based on our research from the academic literature) as well as one emergent theme (that was unanticipated and presented during the interviews). The a priori themes were categorized and combined to provide additional context, and to help reveal nuances and impressions of the current culture and effectiveness of communication. The eight a priori themes are listed below (with additional context included in Tables 6 and 7 In the Findings section):

1. Communication;
2. Retaining core values;
3. Multinational issues (especially language issues);
4. Development of subcultures ("culture islands");
5. Hiring, onboarding, and training new employees;
6. Dilution of organizational culture due to new hires;
7. Diversity, equity, and inclusion issues; and
8. Need for more refined processes and procedures.

For information we encountered that did not fit our a priori coding structure, we developed one emergent theme that was not anticipated prior to the interviews. This included the key theme of returning to office (post Covid) that was repeated frequently among the interviewees.

Only a few times did we encounter a challenge where one person told us something different than the others. After analysis, we decided this was due to the seniority of the individual who was privy to information that many, if not all, of the others were not. There was no evidence of triangulation, so we accept this as very narrow, yet likely evidence.

Once the interviews were transcribed, each theme was labeled using a unique color and each interview was then coded based on these themes. This information was used to provide additional depth to the quantitative data. We analyzed the survey findings first, to understand how the respondents viewed the organization's current state versus ideal state, then used the interview data to supplement and broaden our understanding of findings. We used this combined data to draw conclusions about each of our research questions.

## **Data Discussion**

Our data collection and analysis concerns are limited but they do exist. First, we did not capture everyone's feedback in the survey. Although we received a fairly high response rate overall, the operators in the plants did not have a high response rate. They did not have corporate emails, so we used a QR code to allow them to access the survey in this manner. However, some individuals did not possess the technical aptitude or desire to do this. Second, we were able to conduct nine interviews from a cross section of individuals; however, there may be other relevant feedback that we did not capture that

may have further deepened and supplemented our understanding.

Given the number of survey respondents, the geographic and functional reach, and the richness of the interview feedback, we do believe our findings allow us to identify Li-Cycle's current vs preferred state of organizational culture as the baseline, and subsequently help us develop recommendations on how Li-Cycle can maintain and deliberately build toward an ideal state of organizational culture as they double in size over the next few years.



## 09. Findings

The academic research suggested there are several phenomena that growing organizations often tend with during this stage. These include issues with communication issues, retaining the firm's core values, multinational issues such as common language, the process of hiring, onboarding, and training new employees at a high rate, the dilution of culture due to new hires from the outside; diversity, equity and inclusion issues, and an acknowledgement and requirement for more formal processes and procedures. An emergent theme presented, in addition to these a priori themes, relating to Li-Cycle's decision and communication related to Return to Office after Covid lockdowns, and the subsequent return to previous work locations.

### Research Question #1



How do Li-Cycle's current employees feel about the current state of organizational culture, and how does it measure up against a preferred state?

### Finding #1.

The current state is focused on its growth phase with gaps in a preferred state reflecting the need to operationalize and develop employees.

#### Current Organizational Culture

Overall, the culture is positive and appreciated by Li-Cycle's employees. In the survey when asked the open-ended question, "Is there anything you'd like to tell us

about what it is like to work at Li-Cycle?" the responses were largely positive. One of the a priori themes that we found is that Li-Cycle is a great place to work, with one respondent indicating "Honestly, the best employer I have ever had. The company seems to care greatly for its employees." There were several that indicated that it was a good place, and a great work environment. There were also responses that pointed toward the theme that Li-Cycle is a hard-driving and chaotic workplace with dynamism a key trait of everyday work life with responses like "Exciting, fast-paced, aggressive" and "Fast paced. Dynamic. Fun. Extremely busy." From the analysis of the OCAI results we see that the organizational culture at Li-Cycle is perceived to be dominated by two major characteristics:

1. Market at 29.7% and Adhocracy at 29.2%; and
2. Clan and Hierarchy at 24.1% and 17.05% scored respectively.

There is a distinct leaning toward the top two categories with less influence from the others. The competing values framework within the OCAI has the indicated elements to attribute to and describe Li-Cycle in the following way in Table 4.

**Table 4: Li-Cycle – OCAI Scores – Current State**

Category	N	Min	Max	Mean	Rank
<b>Now (Market)</b>	139	0	100	29.68	1
<b>Now (Adhocracy)</b>	139	0	100	29.20	2
<b>Now (Clan)</b>	139	0	100	24.08	3
<b>Now (Hierarchy)</b>	139	0	100	17.05	4

With the Market orientation at 29.7%, this shows that Li-Cycle is mainly focused on external factors. Li-Cycle's organizational culture is results-oriented with an emphasis on competitive actions such as winning market share and achieving goals and targets. Core values that drive Li-Cycle are competitiveness and productivity with an emphasis on control and external positioning in the marketplace with winning the glue that holds the organization together. Almost equally as important at 29.2%, the Adhocracy element shows that Li-Cycle is a dynamic and creative workplace with an emphasis on structures that are temporary, specialized and continuously dynamic. Risk taking is dominant with experimentation and innovation part of the glue that holds the organization together.

For the Clan orientation at 24.1%, Li-Cycle also shows, to a lesser extent, values that focus on shared goals within teams including being a friendly place to work while attending to loyalty and commitment. Teamwork, participation, and consensus are part of the glue that holds the organization together. Least importantly is Hierarchy at 17%. Li-Cycle lacks many formalized structures and deemphasizes command and control procedures. Jobs are multifaceted and may not have established protocols resulting in a highly flexible environment.

## ➤ Preferred Organizational Culture

The preferred organizational culture at Li-Cycle is perceived to be more dominated by the Clan characteristic at 30.5%, with Adhocracy and Hierarchy in the middle at 24.6%, and 23.7% respectively. The Market category is least preferred at 21.1% in direct contrast to the current organizational culture where it leads the scores.

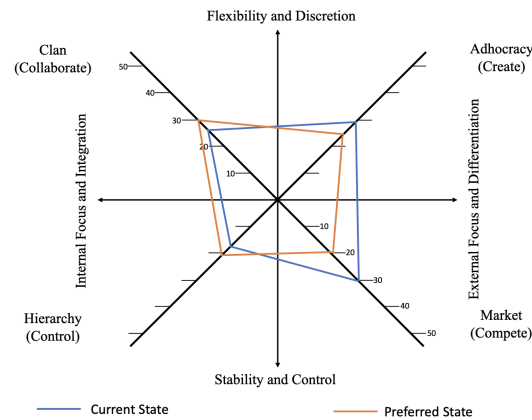
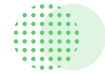
Table 5: Li-Cycle – OCAI Scores – Preferred State

Category	N	Min	Max	Mean	Rank
Preferred (Clan)	139	0	100	30.54	1
Preferred (Adhocracy)	139	0	100	24.64	2
Preferred (Hierarchy)	139	0	100	23.69	3
Preferred (Market)	139	0	100	21.13	4

As seen graphically in Figure 3, there is a contrast from the current organizational culture to that of preferred. The Clan category is seen as an element that needs to increase in the preferred state indicating teamwork, consensus, and a greater emphasis placed on employee development. The Hierarchy category is seen by the survey respondents as an element that needs to increase. The difference indicates a need for more formalized structures, policies, and procedures. Employees are looking for more stability and efforts toward running the organization smoothly. The Adhocracy characteristic should enjoy continued influence but to a lesser extent, with the Market category reflecting the most change. Li-Cycle's current dominant market facing

organizational culture shows a need to be more in balance with the other categories.

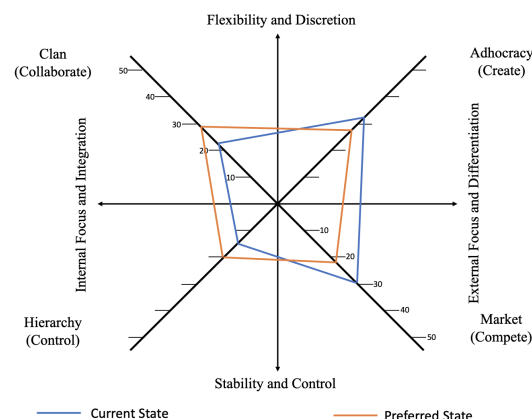
Figure 3: Li-Cycle OCAI Comparative Results



### Comparison of Key OCAI Components

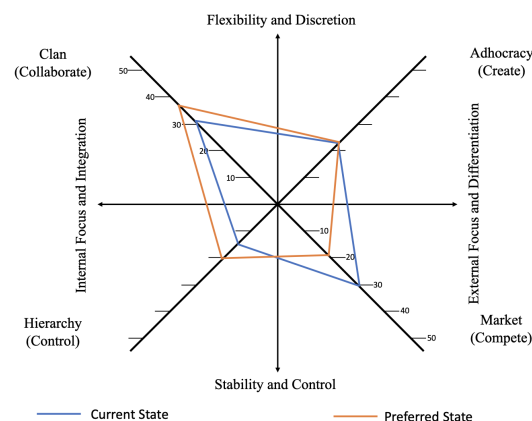
In addition to the overall key components of organizational culture, the individual component types gave us insights into the more significant areas to investigate. The overall scores for all six characteristics are shown in Appendix F, with the comparative graphs shown in Appendix G. The analysis revealed two organizational culture types that give us the most significant picture of the potential pull toward change; Organizational Glue which describes the common attributes that bind the organization together, and Management of Employees which describes the overall work environment, and the way employees are treated.

Figure 4: OCAI Individual Component: Organizational Glue



The current Organizational Glue as shown in Figure 4 is dominated by Adhocracy and Market types, with a preferred state balanced more toward Clan and Hierarchy. The company's spirit of innovation and entrepreneurial mindset, which the key stakeholders are most interested in preserving, is reflected with a current focus on building and risk-taking as shown by Adhocracy as the highest type with a score of 32.99. The Market type also dominates with a score of 29.71. The company's aggressive efforts at winning share in the marketplace and making and achieving key targets are reflected here. The Clan type Current score of 22.5, below the Preferred score of 29.68 shows a potential gap in preferences for Li-Cycle to focus more on teamwork and involvement, with more of a focus on employee engagement and development. The Hierarchy type also shows a gap with a Current score of 14.79 well below the Preferred score of 20.32. The gap here illustrates the potential need for more structure aimed at operational efficiency with clearer lines of authority, and accountability.

Figure 5: OCAI Individual Component: Management of Employees



The Current State for the Management of Employees component seen in Figure 5 is dominated by the Clan and Market types with a Preferred State angled more toward Hierarchy, and even further toward Clan. The Adhocracy type is close in both states. Li-Cycle's emphasis on winning and building quickly in a dynamic and competitive market is reflected in the overall work environment with a dominant Market type Current score of 30.33. Overall work is transactional rather than transformative, and employees are focused on achieving goals. The Preferred score for the Market type was much lower at 19.01 indicating that there may be too much focus on the external environment and not enough internal focus. The Clan type also had a high Current score of 31.37 indicating that



employees have a high degree of commitment to Li-Cycle's mission, with an emphasis on autonomy within teams. The Preferred score was even higher at 35.18 indicating a preference to increase employee engagement, and a need for more commitment by Li-Cycle's management to its employees. The Hierarchy type also shows a gap with a Current score of 14.63, below the Preferred score of 21.22. The gap there illustrates a preference for Li-Cycle's management to look at efficiency with additional structures in place for consistency and the reflection of specialization within its growing workforce.

Overall, the analysis of the Individual components within the OCAI model reveal how Li-Cycle's current culture is dominated by the Market and Adhocracy culture attributes, with a gap toward Clan and Hierarchy. The environment will pull in this direction of its own accord as more employees join the company, or it can be guided to preserve the current state with careful consideration given toward a cultural shift if management sees value in the change.

## ➤ Findings from the Interviews

As previously mentioned, based on the academic literature review, there were several a priori themes that we anticipated and one emergent theme that was not anticipated prior to the interviews. The eight a priori themes and one emergent theme are listed below. Each theme is listed, followed by a summary of findings and sample evidence (quotes from the interviews) based on its relevance to answer each research question.

First, we captured key quotes that provide evidence for each of our findings regarding how Li-Cycle's current employees feel about the current state of organizational culture, and how it measures up against a preferred state:

**Retaining Core Values** – Many mentioned how important retaining core values is to the long-term stability of Li-Cycle although there is some disparity on whether these are in immediate danger. For instance, some employees praised the current culture,

“Our current culture is very accepting and open and fast paced. We have a lot of things to do in a short amount of time and everyone understands that.”

“Having leaders like Ajay and Tim really kind of drive it (culture) down through the organization - explaining this is what we're doing, and this is why we're doing it.”

However, other employees are concerned that if more attention is not paid to maintaining culture, it will be problematic for LiCycle,

- “ “A lot of people have a lot of pride in this business, myself included to be honest. I think it has to do with having that road map for the future and how we can keep the best parts of the company while we experience exponential growth. That is something everyone needs for our culture to thrive.”

Additionally, another remarked,

- “ “Before the big boom of the growth there was a camaraderie. There was a sense of pride in ownership at all levels, whether you were the CEO or whether you're an operator on the line who just started. There was a drive for it to succeed. Then we had this growth boom and it seemed we lost it all.”

In fact, people have already resigned because of a shift in the work environment.

- “ “You see what's been happening. You see people that have put it in resignation and it's like Yep see ya and then you have another person put in resignation and they do everything they can to retain them. You hear about it. You know it's because it's for growth.”

### ➤ **Multinational issues (especially language)**

Although Li-Cycle works in several different geographies there was no mention of this as an issue. One limitation to note is we talked with only two colleagues that work and reside in non-English speaking countries. There was a lack of any commentary related to multinational or language issues in the interviews.

### ➤ **Development of subcultures/“Culture Islands”**

Behind communication, this was the second most dominant theme from the interviews. Many mentioned that the organizational culture varied upon functional roles and geographies.

- “ “The culture shifts from site to site because of the different plant managers and their own personalities. Of course, the teams will adopt their personality and the direction they want to go within the company and each site has its specifics.”

Another noted the differences by location,

- “Our culture changes based on location so absolutely the size matters. It's manageable at a smaller group and then leadership definitely fluctuates throughout what location you're looking at. So, it changes based on that.”

### > **Hiring, onboarding, and training new employees**

A third dominant theme related to how the onboarding process must improve. Little was retained from the onboarding, and this is a key inflection point that can be used with new hires to reinforce key organizational culture messages. One employee remarked in their experience,

- “There was no retention quality part of it. There are no quizzes to say that you retained any of it. It's just a barrage of information.”

We heard from more than one employee that remarked about how fleeting the training was,

- “I honestly don't remember a lot about my orientation at all. I do not remember much from the early days, but we need to improve the onboarding process to help our people retain things about our culture.”

We heard about some difficulties in the onboarding,

- “Onboarding wasn't very smooth for me. Half seemed relevant to our business and half wasn't. There was a call with Ajay. I think it happened maybe after I'd been here for a month, so it didn't happen the first week when I was onboarding but yeah likely the best part of the onboarding experience was the time that we got to spend with Ajay just going through the company presentation and when we started, we all read it we read it a second time. We all read it a third time but just hearing Ajay talk through it just adds so much more than sitting around and reading the slides for yourself. That is something they really need to keep. But the other stuff needs to be revised.”

### > **Dilution of organizational culture due to new hires**

Several mentioned they viewed a dilution of the culture from the rapid and broad hiring. Nostalgic reminiscing from days past was a key theme. Li-Cycle should address this perception.

“They've (new employees) walked in off the street saying, 'great I've got a job, this is awesome, this is what I do' but they don't have the same ownership that the rest of us have.”

We heard from many about the commitment to the mission.

(The new employees) “Not just see it as an 8-hour job and you know in the early days we had that in spades, and you know everybody just felt the passion and was so committed to whatever the next step was to achieving it and being successful. So, to me it's how do you maintain that passion and enthusiasm for what we're doing. That's the most important thing to retain in our culture with all the new people.”

There was concern for how the entrepreneurial attitudes had changed recently and how new employees were bringing a different mindset to the job, telling us that,

“There's no more of that pride and ownership amongst a lot of the new people that we've brought in because they just don't have that background. They see it as a job and that we're already successful whereas those that have been there for a while see we haven't achieved success just yet.”

It's different now because a year ago we had a lot of people who were very entrepreneurial. A lot of young people who were right out of school, so they didn't really have a lot of experience in a good way or a bad way you know. They were fresh and eager and just loved what we were doing and loved the work no matter what kind of work it was. So now that we're at the phase ...where we now have a combination of that start up entrepreneurial attitude coupled with you know people who have come from multi-billion-dollar companies who like lots of process lots of procedures lots of forms and lots of controls and then we've got a culture that is now almost competing with itself trying to figure out how do we balance those two cultures within the same company.”

## > Diversity, equity, and inclusion issues

Surprisingly, this was not an issue that was presented during the interviews. There was limited commentary related to DEI in the interviews. However, the one quote we captured from the OCAI survey said,

“There is a lack of respect, lack of DEI, immaturity and poor competencies, folksy mom and pop shop.”

## > Need for more refined processes and procedures

Many acknowledged and even advocated for better defined processes. If the culture continues to support innovation, all accept the fact that processes will need to be defined and followed as the company grows.

“I mean it's really how do we find the right balance between the approach for more process, more controls, more systems, more structure while we maintain our entrepreneurial spirit? I think that's actually something I do spend time thinking about and trying to balance both perspectives as we grow.”

“We need to button it up and it will allow for that culture to really flourish because we can focus on the measurements, and we can push it and promote it and it's gonna be at the forefront of everyone's minds as opposed to the other stuff.”

Another remarked on the difficulty in scaling up and trying to launch new facilities at high speed but without enough procedural and organizational support,

“We're trying to put in a lot of infrastructure that I've seen other companies take five years to do and we're trying to do it right now. So, there's maybe three themes going on – there's the entrepreneurial, the addition of a lot of systems, and the need to hire people who are used to managing more consistent and mature businesses with lots of controls and measurements to help us scale and grow the right way.”

## Research Question #2



Is communication and learning, both vertically and horizontally, throughout the organization's structure effective?

### Finding #2.

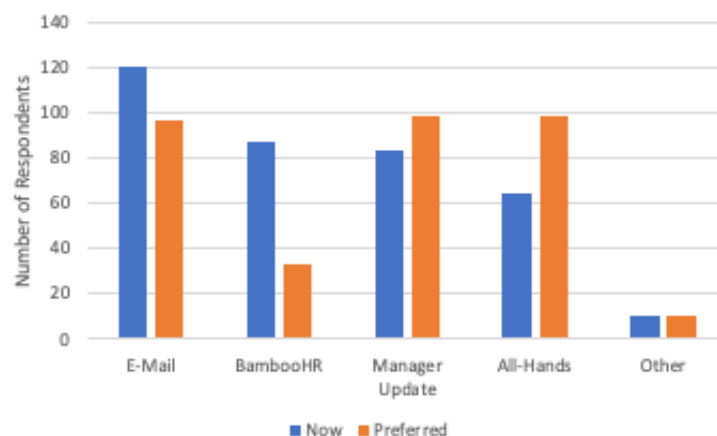
Communication throughout Li-Cycle is stymied by a lack of formal structures to share learnings. Official communications are pushed through email and other systems without the ability for employees to find answers on their own. Additionally, both the cadence of official communication and content needs to be more targeted and contextually relevant to the recipient.

### > Communication Pathways

Our analysis of the survey questions and the themes from the interviews indicate that communication at Li-Cycle is currently functionally adequate but not sustainable as the company grows. We found that there are opportunities for more collaborative communication, the ability to proactively pursue information, and an overuse of one-way push communications that lack context and applicability.

Our first finding came from the survey which involved the method of communication. Communications from leadership and in general come from electronic means. Email is the norm and an internal system called BambooHR is also frequently used. However, we can see in Figure 6, that there is a preference for more collaborative methods with Manager updates, and All-hands types of meetings to invite discussion and answer questions in real time. Very few preferred communications through the frequently used BambooHR system.

Figure 6: Communication Pathway Comparison



Additionally, we discovered that employees lack the ability to proactively pursue information. Within the survey, we asked an open-ended question, "How can Li-Cycle improve communication?" Many of the responses lamented the lack of a corporate Intranet page or other universal repository to proactively seek information about announcements, policies and procedures, and news about the company. There were many responses that felt email was significantly overused both in terms of topics and frequency and lacked permanence. For example, here is one quote that represents many others to provide evidence:

“ I think leadership needs to think about reimagining how we communicate. For instance, can we use the company Intranet or some type of a repository to collect and harness certain information rather than shotgun non-urgent info out to everyone? We know how communication is important, but the mechanisms can be improved.”

One of the themes revealed in the survey was a lack of awareness, and communication about company goals and how Li-Cycle is performing. The lack of awareness points to potential gaps in understanding through ineffectual communication. When asked, "How would you rate your awareness of company goals?" most indicated below the extremely aware level, as seen in Figure 7. We saw similar responses for how employees felt about how well they are informed about how Li-Cycle is performing as seen below in Figure 8. Both responses point toward an opportunity to improve communications.

Figure 7: Awareness of Company Goals

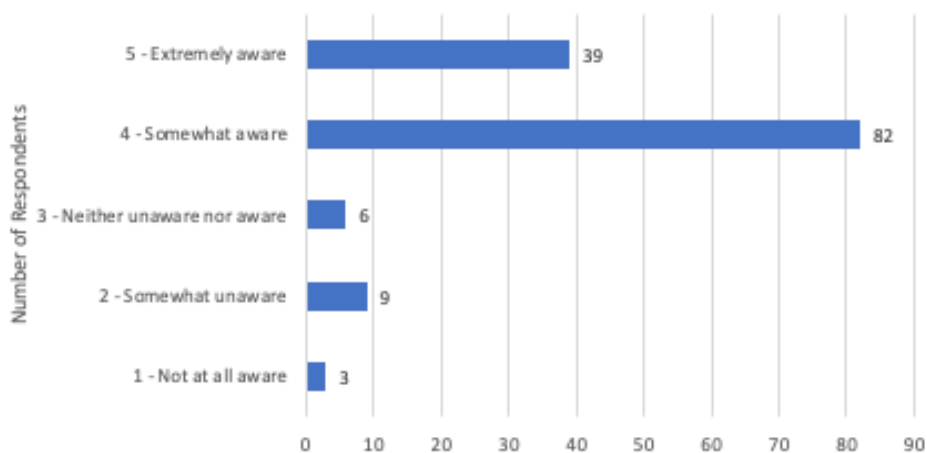
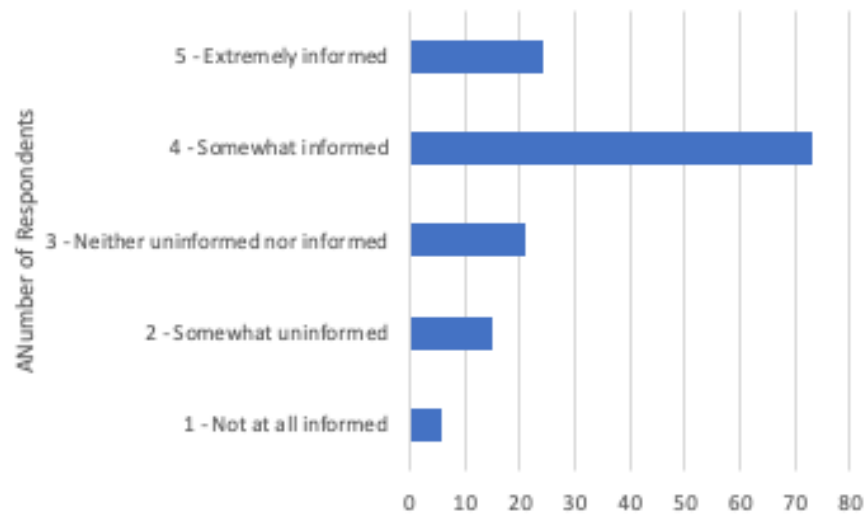


Figure 8: Awareness of Company Performance



### > Findings from the Interviews

Like our first research question, below we have captured key quotes that provide evidence for each of our findings regarding whether communication, both vertically and horizontally, throughout the organization's structure is considered effective. We included the emergent theme, Return to Office, here because much of the evidence we captured related to perceived issues with communication on this business decision.

### > Communication

There was wide consensus from the interviews demonstrating that communication is seen as lacking and needs immediate improvement.

“The communication (is) not where it needs to be. We're not understanding. It's gone from OK, what do you need? Let's put our heads together and now it's no, no we're not gonna discuss that.”

“(Regarding communication)” “I just know that that's something that just will not be able to be maintained as we grow over a certain amount of people.... But to do it right they need to emphasize 'This is why we started this company' and 'This is why our culture is important'... We need them to continue with very active leadership and proactive communication is key.”



“ (Regarding communication) “I just know that that's something that just will not be able to be maintained as we grow over a certain amount of people.... But to do it right they need to emphasize 'This is why we started this company' and 'This is why our culture is important'... We need them to continue with very active leadership and proactive communication is key.”

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“ (Regarding culture) “There's no such thing as ideal if you're constantly growing but we need to really focus on improving communication or we will fall even farther behind.”

### > Return to Office (from Covid)

An unanticipated yet dominant theme that usually related to questions on communication emerged from the Return to Office decisions and communication. Even though this is in the past, our recommendation would be for Li-Cycle to address retrospectively. We heard about the immediate impact of the new policies,

“ “Everyone is panicking about the return to office, and you know, the cancellation of the hybrid approach.”

We heard about inconsistencies in expectations going forward,

“ “It's an interesting time because when we did our hiring boom, and we continue to have this hiring boom but a lot of it happened during COVID. So, a lot of people took the job understanding that yesterday they'd be working from home and now they're told no they can't.”



## 10. Recommendations

**To summarize our findings**, the current culture exhibits most with the Market and Adhocracy cultures. Currently, the culture exhibits much external positioning, with an emphasis on competition and fast decision making. There is an external positioning with a high degree of flexibility and individuality. What exhibits least currently is the internal maintenance functions and flexibility, with concern for people, sensitivity to customers, a characteristic of the Clan culture. There is less emphasis on stability and control in the internal maintenance of the organization.

To inform our recommendations, we thoroughly reviewed the academic literature that relates to the importance of building and retaining organizational culture, including hyper-growth firms, and finally in multinational firms. Our team used a priori themes from the academic literature review to anticipate potential issues and inform our recommendations. In addition, an emergent theme was unanticipated yet presented during the interviews.

### **Gaps and Opportunities in Li-Cycle's Organizational Culture**

We recommend Li-Cycle create a greater balance between the four culture types. Based on the OCAI results and from our observations in the interviews, there is a desire to keep what is currently strong externally; however, add more internal focus to the organization on enhanced processes, procedures, and guidance for the colleagues. Finally, there is the desire to avoid the cultural shift to a dominant inward focus that tends to happen naturally as companies mature.

Based on the interviews, several themes were represented and amplified with

great intensity. Although there was evidence for several of the a priori themes that we anticipated, we saw issues with communication as the company evolves as the theme that clearly stood out throughout the interviews. Second, was an impression that there is a dilution of the culture due to new hires. We see evidence of subcultures developing within the organization. We have offered several representative interview quotations as evidence to these claims.

In addition, one emergent theme presented (that was not anticipated from our review of the academic literature). This relates to Li-Cycle's communication and decision relating to the Return to Office process from COVID. This theme was very intense throughout many of the interviews, and we are confident that this is something that Li-Cycle should address to continue to maintain the culture, which includes a value of transparency and open communication.

## **Recommendation #1**



## **Implement a Community of Practice Model**

We recommend that leaders at Li-Cycle revise communication strategies from the current ad hoc nature to something more formal such as a Community of Practice model to further effective communication across the organization. This would especially be a benefit to employees working in a geographically dispersed environment and currently lack collaboration with other teams at other worksites to share learnings around important operational topics such as productivity and safety. Many of the employees at Li-Cycle work as singular contributors or in small local groups and lack connections to others that also work on the same projects and priorities in other steps of a process. Forming formal teams that meet and collaborate to work through problems and standardize agreed upon solutions would improve communication and collaboration. Many survey respondents mentioned that there is a dilution of the communication, while acknowledging the need for it to change as the company grows and moving from an ad hoc reliance on Email to a Community of Practice Model could help make those improvements.

A Community of Practice is a method by which groups are formed and the members can engage with each other as participants for the sharing of knowledge and accomplishing specific tasks collaboratively (Wenger, 1998). Formal communities of practice can provide an effective reciprocal stance giving the members a benefit from

active collaboration and participation (Hull & Stornaiuolo, 2014). For Li-Cycle this means creating opportunities for employees to engage in positive dialogue to share learnings, create positive partnerships across the organization, and increase the sense of belonging. This can also address the OCAI model findings regarding a desired pull toward the Clan culture type and offer the ability to add this focus without losing its primary focus on the Market type. The OCAI model indicates that Clan cultural types prefer high cohesion across teams with management of employees focusing on broad teams over purely local teams or individuals (Cameron & Quinn, 2011).

Li-Cycle should look at job types, and spheres of influence and responsibility and bring them together for shared learning and building stronger effective structure through collaboration. Those involved in similar work at different locations are a prime first candidate for forming a Community of Practice. For example, those involved in safety, transportation, and processing would each form regular meetings, and other collaborative frameworks such as intranet portals, and leveraging additional capabilities in video communication platforms (Microsoft Teams, Zoom, etc.) to share learnings on problems, and solutions to ensure they all are working from a common set of standards from the same information. Additionally, a Community of Practice can be a platform for leveraging legitimate peripheral participation to integrate new employees and emerging leaders into the organization with emphasis on common practices, and cultural norms (Hoadley, 2012).

Growing companies produce subcultures that are influenced by newer employees with stronger voices that bring with them prior organizational cultures (Schein, 2010). By bringing together employees with similar job types, or that work on projects toward a shared goal or purpose, into a shared Community of Practice Li-Cycle can address gaps in culture as addressed by the OCAI model, as well as improve communication and shared learnings within dispersed teams and to individuals in the broader scope of projects and assignments that their work affects.

## Recommendation #2



## Train for Culture During Onboarding and Beyond

Our second recommendation is to revise the company's new-hire orientation process to counteract the cultural dilution. Many respondents simply did not even recall the culture aspects of the onboarding process so we believe there can be improvement.

In addition, we believe it would be a strategic opportunity for Li-Cycle to discuss the importance of the culture for the new hires, remind them of the company's mission, and explain the company history. Further, a revised onboarding will make sure Li-Cycle can reinforce the culture in a way that resonates with the new hires.

We believe Li-Cycle needs to expand and revise the onboarding materials that focus on the importance of the culture as many mentioned they were not memorable. Many did mention the impact of Ajay spending time live to discuss the history of the firm during their onboarding experience. Our recommendation would be to ensure he specifically allocates time to the organizational culture. Mentioning the organization utilized this project to study what is working, where there are gaps, how the current organizational culture compares to an ideal state, and how the firm is strategically focusing on retaining areas that work and tweaking areas that need focus during the growth stage would be well received. Finally, several interviewees mentioned that reinforcement mechanisms would be helpful. Using adult learning science techniques such Retrieval Practice (e.g., quizzes), Interleaving (asking about different topics in new sequences), and Spacing (e.g., fun contests at set cadences after onboarding) would be useful to continue to present the key messages and help the colleagues retain the information. The points are two-fold. First, is that onboarding is an inflection point where Li-Cycle can make a great first impression, focusing on organizational culture and the fact it can be a great competitive differentiator, but the tactics should be improved. Second, is that organizational culture needs to be messaged over and over to be retained. Many interviewees stated that is not being done well enough. Finding fun and engaging ways to treat onboarding (specifically the cultural aspects) as a journey and not as an event would be impactful for the colleagues.

### **Recommendation #3**



### **Reconsider Return to Office Policies**

The consensus from the interviews demonstrated an intense disappointment related to the communication and decision process related to Li-Cycle's Return to Office decision among the interviewees. They made it very clear that their voices represented many others throughout the organization that the communication and rationale created tension. We believe that leadership should acknowledge this candidly and revisit this decision to build trust and a consideration to move back to a hybrid work environment would be very important for the future culture of Li-Cycle.

## Recommendation #4



## Proactively Optimize and Balance for Culture

Li-Cycle should proactively endeavor to strategically balance the four culture types (Market, Clan, Adhocracy, and Hierarchy) from the OCAI model as the organization grows rapidly. To do this and align with the desires of the colleagues, Li-Cycle must walk a fine line balancing several competing undercurrents – keep what is currently strong externally while adding enhanced internal processes, procedures, and guidance for the colleagues while avoiding an over shift to a dominant inward focus that tends to plague many companies as they grow fast and mature.

As indicated in the overall assessment as well as the individual components, the desire for a push away from Market and Adhocracy types of culture toward Clan and Hierarchy, can be both guided or prevented. Organizational culture, if left to evolve on its own, may not develop in desirable ways if not deliberately guided and nurtured (Warrick, 2017). Therefore, Li-Cycle should look at ways to proactively nudge its culture to accommodate needs as it grows, and to thoughtfully retain what is currently working in its favor.



# 11.

## Conclusions

**Li-Cycle has a set of values that they believe are a competitive differentiator.** Li-Cycle's senior team believed this project was necessary because they had experience working in other high-growth firms and observed how organizational cultures change as a result. They feel Li-Cycle's culture is special and desire to retain the "esprit de corps" of the company as the firm grows. We mutually decided an evidence-based approach would allow them to make informed decisions on recommendations to preempt this possibility.

Li-Cycle understands that it can grow without tending to its organizational culture; however, given the large number of new hires anticipated they want to proactively impact their culture through this next stage of their evolution. Our project endeavored to offer a framework to identify, recruit, hire, onboard, and train individuals in a manner that aligns with the desired organizational culture. Our key stakeholders included Li-Cycle's senior leadership team including their co-founders, other C-Suite members, and the Chief People Officer. We mutually agreed that performing this project would gain commitment and buy-in from the employees by listening to their feedback and acknowledging their viewpoints. We also agreed that communicating our findings will demonstrate Li-Cycle's desire and commitment to focus on this area. Finally, we all understood that this project would inform them through an evidence-based approach to take steps to balance their future-state organizational culture between an entrepreneurial / innovative culture on one end of the continuum and a bureaucratic / control on the other side of the continuum. They understood there would be potential trade-offs based on their past experience in high-growth firms.

We engaged with the firm's Human Resource team, who was very supportive. We collaborated on each step of the way and in almost all areas they followed our guidance. For example, they agreed when we selected the Organizational Culture Assessment Instrument (OCAI) survey to capture quantitative data after our literature review. In addition, they gladly provided names of colleagues for interviews and never steered our efforts to a predetermined conclusion.

We began by reviewing the academic literature that relates to the importance of building and retaining organizational culture, especially in hyper-growth firms. Based on a review of the literature, we identified many suggestions that organizational culture can indeed be an advantage. The research suggests a clear link with organizational and financial performance. We also see that organizational culture tends to dilute during an organization's high-growth evolution, which confirms Li-Cycle's executives' impressions from their past experiences. Thus, they asked us to provide a framework with recommendations for retaining their organizational culture while anticipating changes that would occur during their hyper growth phase.

As we reviewed the literature in this space, we identified the OCAI by Cameron and Quinn (2011) as being a relevant and validated tool that could help us with this assessment. We identified the current organizational culture and compared it with what the colleagues communicated as an ideal organizational culture. Our interviews added more detail, substance, and color to our findings. Further, we found ample evidence in the literature to suggest a variety of factors related to organizational culture including colleague engagement and satisfaction, to employee retention, to organizational financial performance. Many researchers have found a correlation between these constructs.

Research suggests that retaining organizational culture involves three stages that affect the culture over time. The first stage includes founding and early growth. There is small and incremental change in organizational culture. The second stage is the mid-life stage where subcultures begin to develop and there is a fusion between outsiders who are hired into the organizational culture and current colleagues. Additional issues such as technology and processes affect culture. Finally, the third stage is where a company matures and perhaps begins to decline with a negative impact on organizational culture. This schema, which was provided by Schein's work, guided our thoughts.

We used this information, and continued to build our schema, using Warrick's work. For instance, his team researched high-performance cultures versus low-performance cultures and provided characteristics of each. Keaton focused on how leadership mattered as he demonstrated that effective leaders could exploit



organizational culture as an important tool for improving productivity. Finally, we learned how organizational culture relates to financial results, including increased revenues and profitability by reviewing the work of Kotter & Heskett's longitudinal study.

From the academic literature, the quantitative survey data, and the qualitative interviews, we were able to satisfactorily answer both of our research questions. This project delivered findings that allowed us to offer four concrete and substantive recommendations to Li-Cycle to support their efforts to retain the elements of the organizational culture they want to keep and to proactively manage other aspects that will change as they continue to grow and evolve as an organization.



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# Appendix A

Table A1: LI-CYCLE VALUES



Sustainability	Judgment	Communication
Impact	Curiosity	Innovation
Courage	Passion	Honesty
	Selflessness	

*Private and confidential*



## Appendix B

### Interview Questions:

1. How would you describe Li-Cycle's current culture? Tell us more about how you experience the culture? Tell us more about what you value most about the culture at Li-Cycle?
2. What do you experience as the most important value of Li-Cycle's culture? Why is that?
3. Have you seen others actively live up to Li-Cycle's values? If so, were they recognized for it? If so, how? If not, do you know why not?
4. As Li-Cycle grows, what values in the culture do you see as most important to retain? Do you have any worries about retaining them?
5. Specifically relating to Li-Cycle's culture, how do you see yourself contributing to the culture?
6. If you could change or improve anything about the culture at Li-Cycle, what would that be?
7. Where do you see a difference between the espoused culture and the lived culture?
8. As part of your onboarding process, include what you remember from the Li-Cycle culture handbook, do you remember the values that were discussed?
9. How do you, as a current Li-Cycle employee, feel about the current state of organizational culture, and how does it measure up against an ideal state?
10. Are there specific things that Li-Cycle can do to build and retain its organizational culture proactively as it grows?



# Appendix C

## Survey using the Organizational Culture Assessment Instrument (OCAI) by Cameron & Quinn (2011).

Table C1:

1. Dominant Characteristics	Now	Preferred
A. The organization is a very personal place. It is like an extended family. People seem to share a lot of themselves	...	...
B. The organization is a dynamic and entrepreneurial place. People are willing to stick their necks out and take risks	...	...
C. The organization is very results oriented. A major concern is with getting the job done. People are very competitive and achievement oriented	...	...
D. The organization is a very controlled and structured place. Formal procedures generally govern what people do	...	...
<b>Total</b>	<b>100</b>	<b>100</b>

2. Organizational Leadership	Now	Preferred
A. The leadership in the organization is generally considered to exemplify mentoring, facilitating, or nurturing	...	...
B. The leadership in the organization is generally considered to exemplify entrepreneurship, innovation, or risk taking	...	...
C. The leadership in the organization is generally considered to exemplify a no-nonsense, aggressive, results-oriented focus	...	...
D. The leadership in the organization is generally considered to exemplify coordinating, organizing, or smooth-running efficiency	...	...
<b>Total</b>	<b>100</b>	<b>100</b>





# Appendix C

## Survey using the Organizational Culture Assessment Instrument (OCAI) by Cameron & Quinn (2011).

Table C1:

3. Management of Employees	Now	Preferred
A. The management style in the organization is characterized by teamwork, consensus, and participation	...	...
B. The management style in the organization is characterized by individual risk taking, innovation, freedom, and uniqueness	...	...
C. The management style in the organization is characterized by hard-driving competitiveness, high demands, and achievement	...	...
D. The management style in the organization is characterized by security of employment, conformity, predictability, and stability in relationships	...	...
<b>Total</b>	<b>100</b>	<b>100</b>

4. Organization Glue	Now	Preferred
A. The glue that holds the organization together is loyalty and mutual trust. Commitment to this organization runs high	...	...
B. The glue that holds the organization together is commitment to innovation and development. There is an emphasis on being on the cutting edge	...	...
C. The glue that holds the organization together is the emphasis on achievement and goal accomplishment	...	...
D. The glue that holds the organization together is formal rules and policies. Maintaining a smoothly running organization is important	...	...
<b>Total</b>	<b>100</b>	<b>100</b>



# Appendix C

## Survey using the Organizational Culture Assessment Instrument (OCAI) by Cameron & Quinn (2011).

Table C1:

5. Strategic Emphases	Now	Preferred
A. The organization emphasizes human development. High trust, openness, and participation persist	...	...
B. The organization emphasizes acquiring new resources and creating new challenges. Trying new things and prospecting for opportunities are valued	...	...
C. The organization emphasizes competitive actions and achievement. Hitting stretch targets and winning in the marketplace are dominant	...	...
D. The organization emphasizes permanence and stability. Efficiency, control, and smooth operations are important	...	...
<b>Total</b>	<b>100</b>	<b>100</b>

6. Criteria of Success	Now	Preferred
A. The organization defines success on the basis of the development of human resources, teamwork, employee commitment, and concern for people	...	...
B. The organization defines success on the basis of having unique or the newest products. It is a product leader and innovator	...	...
C. The organization defines success on the basis of winning in the marketplace and outpacing the competition. Competitive market leadership is key	...	...
D. The organization defines success on the basis of efficiency. Dependable delivery, smooth scheduling, and low-cost production are critical	...	...
<b>Total</b>	<b>100</b>	<b>100</b>



## Appendix D

### Survey Communication Questions with Response Mechanisms

- Does Li-Cycle provide accurate and timely information on key updates?

---
- How would you rate your awareness of company goals? (Likert scale 1-5)

---
- How well are you informed about how Li-Cycle is performing? (Likert scale 1-5)

---
- Does Li-Cycle provide adequate information about its policies? If not " Which policies do you need more information about?"

---
- Does Li-Cycle provide adequate information about critical changes?

---
- How do you typically receive information updates from Li-Cycle? Choose all that apply

---
- What communication pathway do you find to be most effective? Choose all that apply

---
- How would you rate the level of communication you receive from Li-Cycle?

---
- How can Li-Cycle improve communications?

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## Appendix E

### Is there anything you'd like to tell us about what it is like to work at Li-Cycle

1. Entrepreneurship, result driven, teamwork
2. A lot of opportunities but it requires your motivation to dig them out
3. Autonomy + freedom of innovation is a key highlight working at Li-Cycle, comes with working many extended hours
4. Busy, disorganized, overall good work/life balance
5. Crazy but great people (for the most part)
6. Decent
7. Dynamic entrepreneurial company that should not lose that spirit as we grow
8. Dynamic, challenging, learning on the go, no life-work balance environment
9. Enjoy it thus far
10. Everyone in the company is so committed to making sure we are successful. All the teams are hard working, and the partnerships with all the departments are very tight. I am honored to work at such an amazing company. It's hard work, not enough time in the day, but so rewarding at the same time. Knowing I'm doing my part to make the world a better place makes me feel great!
11. Exciting and fulfilling but disorganized
12. Exciting learning environment where things are constantly changing
13. Exciting, fast-paced, aggressive
14. Fast paced. Dynamic. Fun. Extremely busy.
15. Feel appreciated and people are kind, I can be myself
16. Feeling ok
17. Frustrating
18. Generally it is great to work at Li-Cycle because the teams are very supportive and collaborative, and there is a high level of trust and autonomy

19. Generally, the work is rewarding, and most people are good to work with. Most staff are over worked, and put in too many hours, burn out is a risk.
20. Genuine caring atmosphere. Co-workers are respectful and ready to help
21. Good place
22. Good times
23. Great all around
24. Great company to work for, Opportunity to grow and build a better future.
25. Great driving push needs to be developed in a lot of people including management, entrepreneurial spirits should be developed in the new hires and focusing on getting the job done right the first time.
26. Great managers
27. Great place to work with a lot of room for growth
28. Great team chemistry with open minded leadership, free exchange of ideas and interaction towards common goals of innovation and delivering on scale.
29. Great work environment
30. Highly interesting and dynamic, but sometimes chaotic
31. Honestly, the best employer I have ever had. The company seems to care greatly for its employees.
32. HR team lacks pulse of the organization, tactical as opposed to strategic
33. I am definitely feeling the culture shift as we bring on so many people. As we grow, we will need to become more structured, established and intentional, but that will be tough to balance with the entrepreneurial spirit that, I feel, is one of the great things about working here. Sustaining and potentially improving our culture will hinge on finding that perfect balance!!
34. I enjoy being part of a young company that has set a goal of being a world class organization and is willing to recruit and retain world class talent and attitudes.
35. I enjoy working here. sometimes a little confusing because everything is new.
36. I enjoy working with my team and feel that we all care for each other and want us all to do well as a team. It's a great team atmosphere developing a great product.
37. I feel very driven by the common goal and I love the entrepreneurial atmosphere, I love working here

38. I like the autonomy and opportunity. The potential is what I'm here for. We need power to shift away from the big thinkers and focus on the doers for a while. We need focus on systems and stability. Regular operational controls. .
39. I love working for Li-Cycle it feels comfortable and family-like here. I love being at work and I hope to see more opportunities here!
40. I really enjoy working at Li-Cycle and I'm happy to see how the company grows from a "startup" to a real MNC. I do miss the "personal touch" that was there one year ago, but I also understand we have to become more structured and less ad-hoc. Structure runs strategy, and our strategy is to grow. Thus, the ability to execute a lot and fast should get reflected in how we structure ourselves
41. I really like working here, I believe in the people and company. It's a pleasure to be a part of the team
42. I think it is the start of a good company
43. I'm glad I made the decision to come here. I would recommend it to anyone
44. It feels great to work in an organization whose goal really motivates you daily
45. It is a collaborative, innovative environment that honours the skills and cultivates cooperation of its employees.
46. IT IS A GREAT COMPANY TO BE PART OF. EMPLOYEES ARE TREATED VERY WELL
47. It is chaotic
48. It is growing organization feeling great to work for Li-Cycle
49. It is the best job that i have ever had. I am very proud to work here with the great people we have and a very bright future ahead of us
50. It's safe and fun
51. It's a family
52. It's getting confusing who to go to for what with all the changes in staff its very stressful and not sure me or my co workers can keep it up some are about to break can you slow down the pace so we can catch up we all know our projects will be late because we just can't keep doing everything
53. Its good company to work for
54. Lack of respect, lack of DEI, immaturity and poor competencies, folksy mom and pop shop

55. Leadership needs to have ownership of their respective areas, do not make employees come back to the office full time
56. Li-Cycle is a fantastic place for personal development and brings a lot of satisfaction knowing how we are doing good for the planet.
57. Li-Cycle is very much an entrepreneurial spirited company driven by energy and focused individuals
58. Li-Cycle seems like a driven place to work for and headed for a bright future
59. Li-Cycle should set better goals and create a structured plan to achieve it rather than being reactive. There can be more collaboration and mentoring
60. Li-Cycle was a very exciting and engaging place to work prior to going public; since then, it seems to be an organization that is more concerned "management by committee" and safety/safe choices as opposed to innovative ideas and engagement of all employees on a personal basis. Competency of our management staff is important, but just as important is their ability to engage with us and get us excited about the organization's goals & achievements
61. Li-Cycle has been a pleasure to work for so far. There is particular culture of team-oriented and successful individuals working towards commonly valued goals, and this creates a positive, constructive, and enjoyable environment to work in.
62. Lots of potential here. I'm excited to be here, but I'd like to see that the company isn't going to sacrifice people and safety for production
63. Most of the time it feels like there is a big understaffing issue, at least for certain roles. There is usually only 1 person who can perform a set of work and if that person leaves it's a massive gap in terms of knowledge and performance
64. My immediate contacts are great to work with, very professional.
65. Na
66. Needs to shape up, not a lot of people want to come to work anymore, constant differences in how people are treated, too many yes men and personal friends in positions of leadership, no accountability in unsafe behaviors or inadequate workplace practices
67. Nothing that I can think of
68. Nothing to complain about so far

69. Overall positive, but they've started to lose their way on becoming a PROGRESSIVE ESG company... they have too many old-school policies in terms of the relationship between work & life. They will not attract or retain office talent with their current 830-5 (plus countless overtime) hours and culture where FACETIME is rewarded. Non-inclusive culture for remote workers, poor handling of who is permitted to be remote vs. who is mandated to 3 to 5 days in-office. They can do so much better and be a progressive employer of choice for students and professionals.
70. The culture seems to be in constant flux. When it's good, it's good. When it's bad, it's bad.
71. The growth of company is great but the chances for personal or profession growth is extremely limited. Several hires from outside the organization but extremely few promotions from within
72. The growth of organization is exciting, however sometimes when growth happens so quickly, we lose focus on the people, and what they need.
73. The push to full time return to work is nonsensical after we've been working remotely for 2 years and will impair our ability to attract and retain competitive talent.
74. There are many opportunities to learn valuable skills
75. This "puberty" stage of growth is rough. As long as employees feel they matter, they'll stick through this rough patch.
76. This is a supportive and exciting company to work for
77. Very dynamic place with tremendous potential, we just need to be realistic in what can be achieved
78. Very dynamic team and lots of talent. Very glad to be a part of this organization
79. Very good people in Li-Cycle. Worry that we have over-promised on delivery of the Hub & Spoke execution model. Lots of collaboration. Challenge to see the future from today - need to understand more the steps that are critical and necessary to achieve the business plan. Look to reinforce the authority of the regional presidents as opposed to corporate departments. Please improve the onboarding of employees with expenses (too long to get reimbursed and emphasis on the employee to burden the costs. Improved processes around procurement/budgets/approvals are needed
80. Very new company and innovated so always new challenges coming
81. Very strong lack of structure from a leadership aspect. Communication and updates in all aspects are lacking. We are losing valuable individuals constantly and no action seems to be taken to prevent further individuals from leaving.



82. Very team oriented, collaboration on important items is encouraged, exciting atmosphere. Very pleased overall with the culture here
83. While some of my answers on here were critical - I am very happy here. The future is bright, we can all feel it and treat each day knowing we're building something great. This is one of the better companies I've had the pleasure to work for, and I look forward to the years to come.
84. As a young professional, I feel like I need more mentorship, guidance and technical exposure than I am currently getting. If I am not experienced enough to take on certain workstreams myself, then I would like to shadow someone who is or have a clear path/plan that will get me the exposure I need to start taking on more responsibility. I often feel guilty for being inexperienced, but if Li-Cycle is going to hire interns and new graduates, especially in technical positions, they need to ensure they have the time and resources to allocate towards teaching and mentoring. Management also needs to commit to having an open dialogue with employees to identify areas for improvement and ideally, make some professional development plans. If I don't know what I'm doing wrong and I don't know what I need to achieve in order to gain trust and responsibility, then I won't get anywhere. I often feel like I am not doing enough or that I am underperforming on tasks that I am given, and that's a really stressful position to be in. Culturally, I have found comradery amongst employees to be fairly limited although perhaps improving slightly with a greater presence at the office. I know the fact that most hiring was done during COVID contributes immensely to this and I'm not sure if it can really be rectified, but maybe more office or team-building events going forward could help.
85. Easy going colleagues, collaborative and learn from evolving process. But there are resource constrains, several last minutes requests and change of plans on daily basis which results in skipping few controls and it becomes very stressful and create a room for human error. Time to time felt favoritisms and given too much appreciation to others while delivering same outputs.



## Appendix F

### OCAI Individual Component **Current State**

	Clan	Adhocracy	Market	Hierarchy
Li-Cycle <b>Organizational Characteristics Scores</b>	24.05	30.02	31.76	14.17
Li-Cycle <b>Organizational Leader Scores</b>	21.68	32.42	22.63	23.27
Li-Cycle <b>Management of Employees Scores</b>	31.37	23.67	30.33	14.63
Li-Cycle <b>Organizational Glue Scores</b>	22.51	32.99	29.71	14.79
Li-Cycle <b>Organizational Strategic Emphasis Scores</b>	21.95	28.65	30.47	18.93
Li-Cycle <b>Criteria of Success</b>	22.91	27.42	33.18	16.49

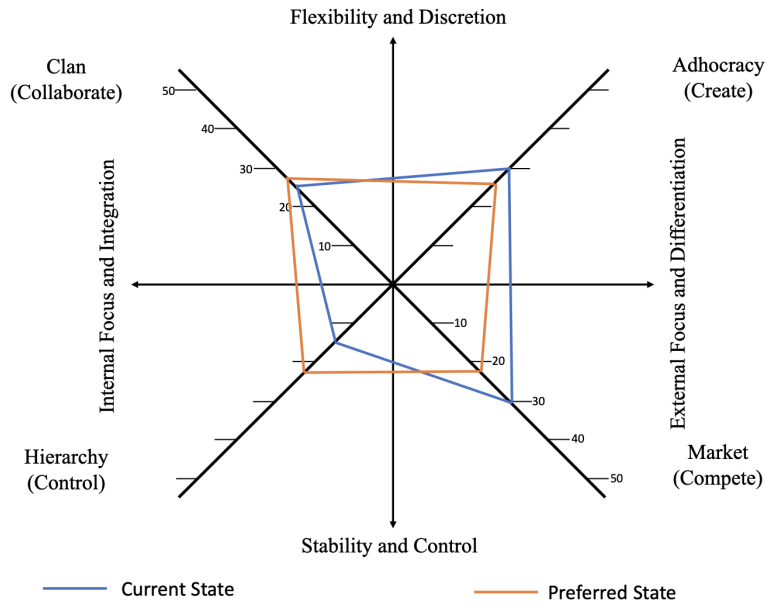
### OCAI Individual Component **Preferred State**

	Clan	Adhocracy	Market	Hierarchy
Li-Cycle <b>Organizational Characteristics Scores</b>	26.50	26.02	23.81	23.68
Li-Cycle <b>Organizational Leader Scores</b>	29.73	24.48	15.96	29.82
Li-Cycle <b>Management of Employees Scores</b>	35.18	24.59	19.01	21.22
Li-Cycle <b>Organizational Glue Scores</b>	29.68	27.50	22.50	20.32
Li-Cycle <b>Organizational Strategic Emphasis Scores</b>	30.72	23.66	21.36	24.26
Li-Cycle <b>Criteria of Success</b>	31.45	21.57	24.14	22.84

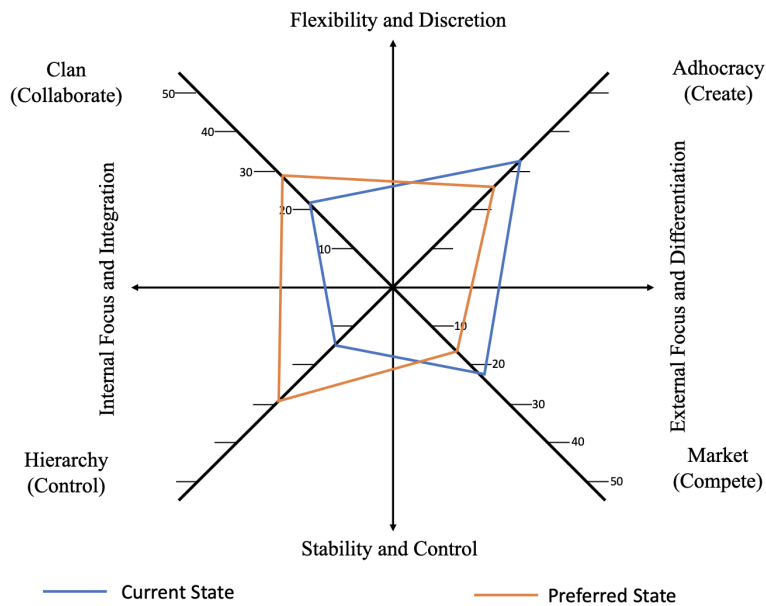


# Appendix G

## Organizational Characteristics Results



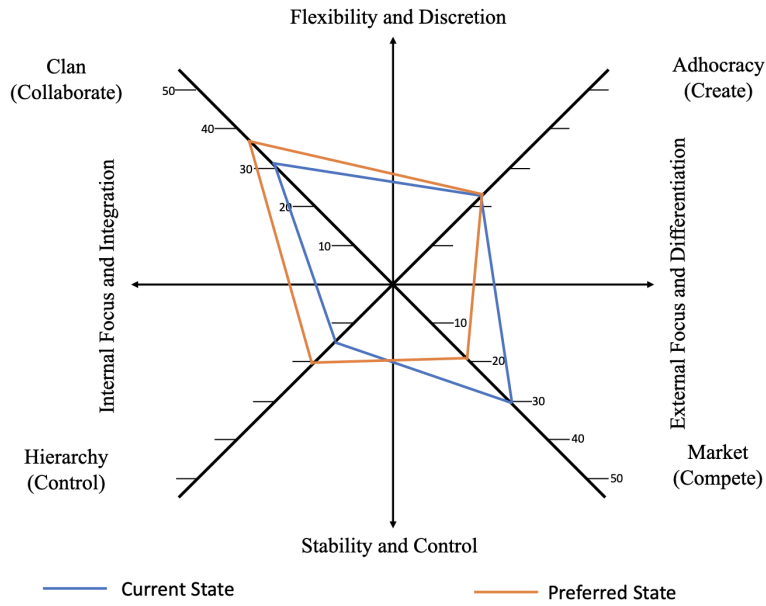
## Organizational Leader Results



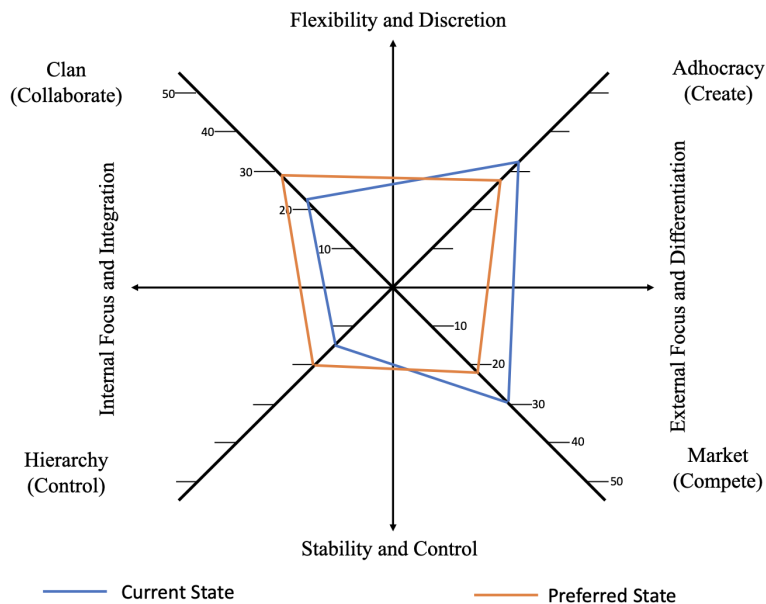


# Appendix G

## Management of Employee Results



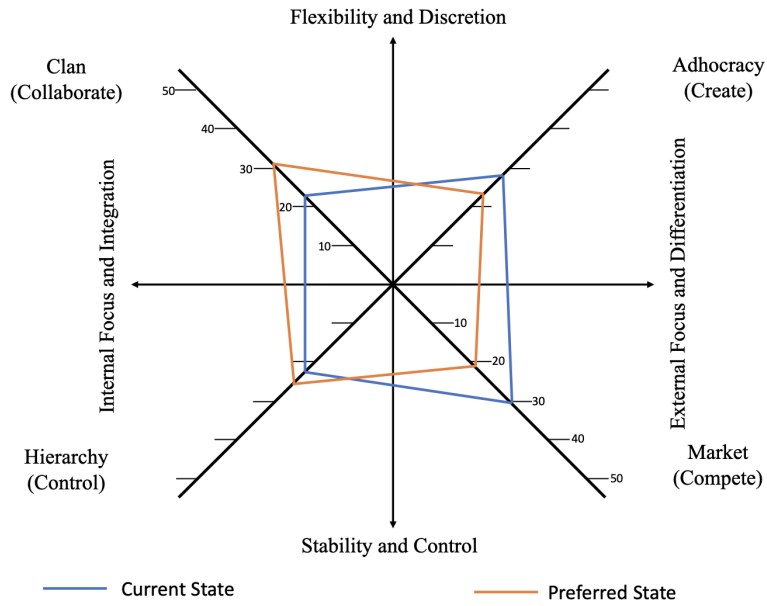
## Organizational Glue Results



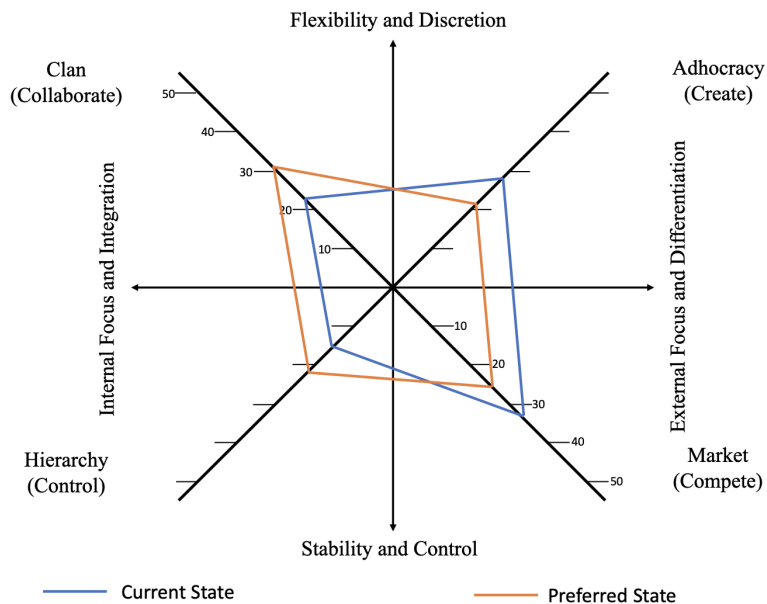


# Appendix G

## Strategic Emphasis Results



## Criteria of Success Results





## Appendix H

### Responses to how can Li-Cycle improve communications?

#### Themes

- New hires
- Timing
- Method
- Intranet (pull)
- Clarity
- Collaboration
- Transparency
- KPI
- Across levels

- 1. Get a real intranet.  
2. Internal communications employee should report into communications team  
3. Be more forthcoming with new employees on things like return to office...
- A summary every month or quarter with key developments and information as a reminder and a reference for the next month/quarter.
- Actually communicate, transparency, update on company ventures, i hear more about Li-Cycle on social media than i do working here
- Additional internal memos on organization structure planning & changes, business vision and goals, and performance metrics.
- All good
- Be consistent. All communications come from HR, this needs to change. Accuracy (survey note indicated "completely confidential". First screen or survey says confidentiality cannot be guaranteed.
- Being more open and listening to the people on the floor that are hands on



## Appendix H

### Responses to how can Li-Cycle improve communications?

- Being more timely (ex: "Starting next week, you are required to come 2x per week" is little notice)
- Being new to the company I think it is a matter of integrating the new people into ongoing project management teams. Getting the new people up to speed in a more structured way. Example: adding new plant managers to existing project management meetings and distribution list for email correspondence. It sometimes feels like I am elbowing my way into the information flow.
- Better communication of the information covered/conclusions from business decision week. More frequent insight on company performance towards KPIs
- Better internal communications channels (one example is an intranet) and sufficient resources to oversee these deliverables
- Bulletin boards in plant, address employee suggestions/concerns as a group when appropriate
- Communicate more frequently and informally.
- Communicate procedure and plant changes to all employees before they are implemented
- Communicate to each other
- Communication are ok. Need more role clarity within the organization. Too many big ideas with poor rubber to road.



## Appendix H

### Responses to how can Li-Cycle improve communications?

- Company emails

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- Consistent communication, across multiple channels and timely. We learn about new things pertaining to our spokes through news channels verse our own company communications.

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- Continue open across functional teams, shared information exchange via email, Teams, HR, All Hands, etc.

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- Continue the methods currently being used

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- Continue through emails, weekly meetings

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- Creating more policies, advanced written communication with expectation for feedback, managers spending time with its subordinates and communicate through the meetings

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- Daily communications

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- Doing great so far

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- Don't text me at 2:30am with new hire information

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- Email should be well directed and intime

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- Emails





## Appendix H

### Responses to how can Li-Cycle improve communications?

- Encourage 2 way communications - lots of new employees who do not know much about Li-Cycle and may be afraid to ask questions. Also more alignment of departments objectives, explanation of processes that need to evolve the business and their priorities. Everything is urgent and critical.
- Ensure key stakeholders are provided with critical information to ensure the success of ongoing projects
- Everyone has to communicate and listen
- Get a place for updates want to see stories and pictures have a regular update maybe even weekly newsletter
- Have internal employee communications platform... Sort of like teams groups but more informal
- I think what is lacking is consistency. It seems we get emails about minor things, but not necessarily major things. Also, I think a monthly or quarterly All-Hands specific to general updates/business results/company-wide goals/initiatives would be very helpful as well.
- If someone is unable to attend the All-Hands meeting, a "highlight" email of updates covered would be nice. And managers need to elaborate on items from All-Hands meetings in dept meetings, explaining the impact on the department's goals and objectives
- Informing employees officially before rumors start spreading
- Intranet



## Appendix H

### Responses to how can Li-Cycle improve communications?

- Intranet size

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- It's doing a Good job

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- Keep up with all the new hires (who is on what team(s)) - so that communication can reach everyone who needs it.

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- Keeping everyone inform on changes, not just the higher ups

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- Less individual emails on a vast amount of topics in favour of fewer emails that cover the most important issues; also, an energetic and engaging leader should be the one delivering this information. With Tim being less visible over the past few months, I feel as if the organization has become more bureaucratic / sterile. On-site management may not have to be as engaging as the company figurehead, but they cannot be perceived to be confined to their offices while issuing decrees the staff don't really understand and cannot get behind

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- Let middle management know more

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- Li-Cycle needs to be more collaborative and include team members in decision making rather than just informing their final decision.

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- Listen attentively to the ones who operate the equipment day in and out

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- Manager communication - I get all of the big announcement details and major updates via email/releases, but it would be nice to have more information about internal proceedings coming from Management.



## Appendix H

### Responses to how can Li-Cycle improve communications?

- Managers to discuss with their teammates
- Monthly department meetings that do detailed overviews of any applicable organizational changes, overview of policies, safety incidents and learnings, educational session on activities being completed within group
- More communications with management and other exec quarterly update news latter
- MORE CONCRETE PROCEDURES
- More dedicated time for the regions
- More frequency
- More frequent oral communication to employees
- More frequent town halls
- More in person communication
- More info from execs directly
- More local, country and regional specific communications
- More manager updates
- More meetings amongst lower-level employees and management



## Appendix H

### Responses to how can Li-Cycle improve communications?

- More regular updates on Positives and Negatives inside the company, Global priorities and risks as they relate to everyone

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- More timely communications

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- More updates in relation to how the company as a whole is doing performance-wise, most of the updates are org changes or similar

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- N/A

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- NA

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- Need awareness on weekly performance and safety incidents & initiatives

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- No suggestions at this time.

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- None I can think of off the top of my head

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- Nothing I can think of to improve communications

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- Once a procedure is implemented, follow through and maintain it

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- Organizational structure

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- Overwhelming email communications could be overlooked or perceived differently. Q&A session and employees providing opinions could be beneficial



## Appendix H

### Responses to how can Li-Cycle improve communications?

- Provide clarity for the reasoning

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- Provide monthly newsletter

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- Provide more details on what the changes are, why they are being made and how they impact the day to day

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- Provide written follow-ups after a call or long presentation

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- Re. the bi-weekly all hands meeting, it states it's recorded, but I have no idea where to find the recordings are housed.

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- Regular townhall meeting

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- Routine bullet form updates that could be set to scroll on the facility TV

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- Small group MS teams meetings

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- Solidifying policies utilizing the vision of the company, then communicating properly to all levels with formal information transfer from the policy owners

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- Stop flooding me with useless information or bombard me with bamboo new hires so when important information is relayed it is not skimmed over. More direct conversations with middle management to ensure questions are answered

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- Streamline and consolidate information channels and processes (One intranet site for all?)



## Appendix H

### Responses to how can Li-Cycle improve communications?

- The construction team needs to emphasize the importance of open communication to changes to the design process

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- There are occasionally times when smaller updates or pieces of information are not given to all necessary individuals, likely due to position or organizational changes.

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- There needs to be better communication at the Sr. Leadership level which should trickle down through staff meetings or 1:1 and then trickle down from there along with formal email announcements

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- Timely communication from the management team

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- Timely updates and more regularly scheduled communications.

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- Try to get us the information sooner.

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- Uniform and all at once

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- Unsure at this time

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- We are missing employee voices to some degree. Get employee more socialized place. i.e. Microsoft Team employee ideas in place.

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- We need to share more, there are many things that happen within the organization that just don't get shared down to site level. The senior team makes decisions, however sometimes forget/don't chose to share this information past head office, therefore creating confusion and a disconnect amongst others in the organization.

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- With more info huddles