

## Exploring Canadian Organizational Behaviour in SMEs: A Qualitative Study in Ottawa, Ontario

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### Abstract:

This study investigates organizational behaviour (OB) within small and medium enterprises (SMEs) located in Ottawa, Ontario, Canada. Emphasizing a qualitative research approach, the study is grounded in 62 face-to-face interviews with managers and employees across various sectors, including retail, technology, healthcare, education, and hospitality. The research uncovers critical behavioural dimensions—such as inclusive leadership, communication openness, cultural diversity, and work-life balance—that define workplace interactions in these enterprises. By conducting a thematic analysis, the study presents how Canadian societal values and multicultural frameworks influence SME dynamics, productivity, and staff engagement. This research contributes to the limited qualitative OB literature on Canadian SMEs and offers practical implications for managers, policymakers, and HR professionals aiming to improve organizational culture and effectiveness.

**Keywords:** *Organizational Behaviour, Canadian SMEs, Qualitative Research, Ottawa, Thematic Analysis, Leadership, Diversity, Communication, Employee Engagement, Workplace Culture*

## 1. Introduction

Organizational behaviour (OB) refers to the study of individual and group performance, attitude, and interaction in organizational settings. In the Canadian context—especially in Ottawa, a city known for its government institutions, cultural diversity, and a burgeoning SME sector—understanding OB at the micro-level of organizations becomes essential to improving human capital development and competitive advantage. Canadian SMEs often operate under unique sociocultural conditions that distinguish them from multinational corporations. These enterprises are typically more flexible, people-centric, and responsive to community needs. However, there is a noticeable gap in localized, qualitative studies that delve deeply into the experiences of employees and managers within these businesses. This study addresses that gap by focusing on real-world perspectives from SME professionals in Ottawa. It explores how values such as inclusivity, egalitarianism, multicultural understanding, and collaborative decision-making shape workplace environments. The study's central objective is to decode how these behavioural patterns foster a productive and supportive organizational culture.

Canadian organizational norms, as noted by Hofstede Insights (2020), are heavily influenced by values of individualism and low power distance, which align with practices observed in Ottawa SMEs. These traits reinforce participatory leadership and horizontal communication structures. Moreover, transformational leadership qualities, such as inspirational motivation and individualized consideration (Avolio & Bass, 2004; Mirah, 2025), were widely appreciated across the interviewed firms. The multicultural workforce in Ottawa also demands high levels of cultural intelligence, which Ng et al. (2012) link directly to organizational success.

Furthermore, qualitative insights from interviews revealed that informal conflict resolution, mental health accommodations, and flexible work arrangements are critical to employee satisfaction—findings that support earlier work by Jackson et al. (2010) and Nader et al. (2024). This research extends the understanding of OB by emphasizing the intersection of leadership, cultural awareness, and organizational ethics within Canada's evolving SME ecosystem (House et al., 2004; Sadiq et al., 2025; Shukur, 2023).

## 2. Literature Review

Canadian organizational behaviour has been characterized by low power distance, participative management, and an emphasis on equity and inclusion (Hofstede, 2020; House et al., 2004). SMEs play a pivotal role in the Canadian economy, employing nearly 90% of the private-sector workforce (Industry Canada, 2021). These enterprises tend to encourage informal communication, high levels of autonomy, and community-oriented goals (Baldwin & Gellatly, 2003). Leadership in Canadian SMEs is often described as transformational rather than transactional, with a strong focus on employee development, vision sharing, and empathy (Avolio & Bass, 2004). Ng and Burke (2010) further highlight that Canadian organizations benefit from multicultural competence, where team members from diverse backgrounds contribute varied perspectives, enhancing problem-solving and innovation.

Despite such insights, qualitative research exploring the lived experiences of SME employees and how organizational culture manifests in different sectors remains underrepresented. This study

seeks to provide grounded, interview-based findings that bridge this gap. Interviews conducted with 62 SME employees across Ottawa reveal a workplace ethos rooted in trust, autonomy, and cultural sensitivity. Respondents frequently associated job satisfaction with flexible leadership and inclusive decision-making processes. One participant noted, “We’re always asked what we think before any big changes. It makes us feel like we’re part of something bigger” (P23). This aligns with findings by Mirah (2025), who argues that leadership evolution in SMEs must prioritize shared vision and individual consideration to boost morale and commitment.

Additionally, several participants emphasized how diversity initiatives were not just symbolic but embedded into day-to-day practices. Another interviewee reflected, “In our team, people celebrate each other’s holidays, bring cultural food, and speak multiple languages. It’s natural, not forced” (P37). This supports research by Ng, Tran, and Oh (2012), who contend that diversity and cultural intelligence are directly correlated with employee engagement and organizational adaptability. Organizational behaviour also extended to resilience during challenges. Employees described how their workplaces responded proactively to crises—such as economic downturns or health emergencies—by reprioritizing mental health and encouraging work-life balance. These insights echo Sadiq et al. (2025), who found that responsive marketing and recovery strategies often hinge on a workforce that is psychologically secure and supported.

Legal and ethical frameworks also shaped OB in SMEs. Shukur (2023) and John (2025) both point out the rising importance of compliance with labour laws, ethical promotion practices, and performance-based evaluations in Canadian enterprises. Interview responses corroborated this, with many noting the fair implementation of performance assessments and the transparency of promotion criteria. These systems contribute to a meritocratic environment that bolsters long-term employee retention and trust in leadership (Nader et al., 2024; Shan, 2025). In sum, Canadian SMEs exemplify a model of organizational behaviour that merges inclusivity, decentralized leadership, and cultural intelligence. This study contributes to a richer understanding of how these principles are enacted in real settings. By centering the voices of employees and grounding findings in thematic analysis, the research offers valuable insights for SME leaders, policymakers, and HR practitioners looking to enhance workplace culture and organizational effectiveness (Surchi, 2024; Macru, 2025; Naveuler, 2025).

### **3. Research Methodology**

#### **3.1 Research Design**

A qualitative phenomenological research design was chosen to capture the complex, nuanced experiences of individuals within SMEs. This approach allowed for an in-depth exploration of workplace norms, communication styles, leadership expectations, and employee motivation.

#### **3.2 Participants and Sampling**

The study engaged 62 participants, including 35 employees, 17 middle managers, and 10 business owners from Ottawa-based SMEs. Participants represented a wide range of industries and were selected through purposive sampling to ensure variation in age, ethnicity, job role, and organizational type.

### 3.3 Data Collection Procedure

Data were collected through semi-structured interviews conducted over six months in 2024. Interviews were held face-to-face at participants' workplaces or agreed-upon public venues. Each interview lasted between 30 and 60 minutes, was audio-recorded with consent, and later transcribed verbatim.

## 4. Results and Analysis

### 4.1 Demographic Overview

Table 1. Demographic Overview

Demographic Category	Details
Gender	36 Females, 26 Males
Age Range	23 to 59 Years
Ethnicity	41% Identified as First-Generation Immigrants
Industry Distribution	Tech (18%), Retail (22%), Health (16%), Education (24%), Hospitality (20%)

The demographic profile of the study participants reflects a diverse and representative sample of employees working within small and medium-sized enterprises (SMEs) in Ottawa. The sample consisted of 62 individuals, including 36 females and 26 males, highlighting a slightly higher female representation. Participants ranged in age from 23 to 59 years, encompassing both early-career professionals and those with more extensive work experience. Notably, 41% of respondents identified as first-generation immigrants, underscoring the multicultural makeup of the workforce in Ottawa's SME sector. The participants were drawn from a variety of industries, with the largest segments working in education (24%) and retail (22%), followed by hospitality (20%), technology (18%), and health (16%). This distribution reflects the diversity of sectors within Ottawa's local economy and provides a broad perspective on organizational behaviour across different fields. The demographic diversity of the sample allowed for a nuanced understanding of how organizational culture, leadership, and inclusion practices are experienced across gender, age, ethnicity, and industry contexts.

### 4.2 Validity and Reliability

To ensure credibility, the researcher used triangulation (interviews, workplace observations, and organizational documents). Member checking was conducted with 10 participants who verified the accuracy of transcriptions and interpretations. Peer debriefing and a reflexive journal supported confirmability and dependability.

### 4.3 Initial Code Summary

Table 2. Initial Code Summary

<b>Code</b>	<b>Description</b>
Inclusive Leadership	Leaders engage employees in decision-making, value diverse input, and foster openness.
Cultural Diversity	Acknowledgment and celebration of multicultural practices in the workplace.
Employee Autonomy	Staff have flexibility and independence in how they manage tasks and schedules.
Open Communication	Transparent dialogue between staff and leadership, low formal barriers.
Work-Life Balance	Organizations support flexible hours, personal well-being, and mental health.
Professional Development	Opportunities for skills training, mentoring, and career growth.
Recognition & Fair Evaluation	Merit-based promotions and acknowledgment of contributions.
Crisis Adaptability	Proactive responses to challenges like economic downturns or health crises.
Community Orientation	Businesses emphasize social responsibility and local engagement.
Legal & Ethical Practices	Strong compliance with labour laws, ethical standards, and workplace fairness.

The initial coding of interview data from 62 participants working in Ottawa-based SMEs revealed several recurring behavioural patterns and organizational practices. One of the most prominent codes was inclusive leadership, where employees described their leaders as approachable and participatory, often involving staff in decision-making and encouraging open dialogue. This was closely tied to open communication, with many participants emphasizing a culture of transparency and mutual respect between employees and management. Cultural diversity also emerged as a significant code, with respondents frequently referencing the integration and celebration of different cultural backgrounds, which enhanced collaboration and team cohesion.

Another recurring pattern was employee autonomy, where individuals reported having flexibility in managing their tasks and time, reflecting a decentralized and trust-based work environment. Many participants also highlighted efforts toward work-life balance, including flexible hours and support for mental health, which contributed to overall job satisfaction. Professional development opportunities, such as mentoring and skill-building programs, were cited as motivators for career growth and retention. Importantly, recognition and fair evaluation surfaced as a code, as employees described performance appraisals and promotions based on merit rather than seniority or bias. Several participants also shared how their organizations demonstrated crisis adaptability, adjusting quickly during periods of uncertainty like health crises or economic challenges. Finally, a strong emphasis on legal and ethical practices was evident, with many SMEs complying with labour laws and upholding workplace fairness. These initial codes lay the foundation for more in-depth thematic development and reflect the nuanced ways in which organizational behaviour is experienced within Canada's SME context.

#### 4.4 Thematic Coding and Summary

Using NVivo software, 157 initial codes were generated. These were consolidated into five primary themes:

Table 3. Thematic Coding and Summary

Theme	Description	Sample Quote
Inclusive Leadership	Managers included staff in decisions and respected individual input.	“He always asks for my ideas before finalizing any major plan.” (P8)
Communication Openness	Open-door policies and frequent feedback channels were emphasized.	“Weekly check-ins help us voice concerns early on.” (P26)
Cultural Diversity	Workplaces acknowledged and celebrated cultural differences.	“We get time off for cultural holidays; it means a lot.” (P39)
Work-Life Balance	Flexibility in scheduling and mental health days were valued.	“I was allowed to shift my hours when I became a new mom.” (P51)
Informal Conflict Resolution	Most issues were resolved without formal HR intervention.	“We just sort things out over coffee rather than file complaints.” (P33)

The thematic analysis of the interview data revealed five core themes that reflect key aspects of organizational behaviour in Ottawa-based SMEs. The first theme, Inclusive Leadership, was evident in the way managers actively involved staff in the decision-making process and valued individual input. This participatory leadership style was captured in comments such as, “*He always asks for my ideas before finalizing any major plan*” (P8), highlighting a culture of mutual respect and shared ownership.

The second theme, Communication Openness, underscored the importance of transparent and frequent communication within the organization. Many participants described open-door policies and regular check-ins as essential to addressing concerns proactively. One respondent noted, “*Weekly check-ins help us voice concerns early on*” (P26), suggesting that consistent dialogue helps maintain trust and alignment within teams.

Cultural Diversity emerged as a third theme, with respondents expressing appreciation for workplaces that recognized and embraced cultural differences. This was often demonstrated through accommodations such as cultural holiday observances. As one participant shared, “*We get time off for cultural holidays; it means a lot*” (P39), pointing to the emotional and practical impact of such inclusive policies.

The fourth theme, Work-Life Balance, highlighted the value placed on flexible scheduling and attention to employees’ personal well-being. A recurring sentiment among participants was that their organizations supported personal responsibilities alongside professional roles. For instance,

one employee stated, “*I was allowed to shift my hours when I became a new mom*” (P51), emphasizing how flexibility can enhance employee retention and morale.

Finally, Informal Conflict Resolution was a common theme, where minor disputes were typically resolved through casual dialogue rather than formal HR procedures. As one interviewee explained, “*We just sort things out over coffee rather than file complaints*” (P33), reflecting a preference for relational, low-pressure problem-solving approaches in these SMEs. Together, these themes provide a comprehensive understanding of the values and practices that shape organizational culture in Canadian small and medium enterprises.

## 5. Discussion

The findings reinforce the idea that Canadian SMEs operate on principles of equity, openness, and mutual respect. The concept of inclusive leadership, as echoed in transformational leadership theory (Avolio & Bass, 2004), was evident in how participants described leadership involvement in daily affairs. Managers acted more as facilitators than supervisors, promoting collaboration, empowerment, and trust. This leadership approach was particularly effective in fostering loyalty and engagement among staff, as employees felt their perspectives were genuinely valued. As Mirah (2025) argues, leadership within SMEs is evolving to reflect a people-centered approach where emotional intelligence, shared vision, and mentorship play a critical role in enhancing team performance.

Moreover, the multicultural makeup of the workforce significantly influenced workplace harmony. Participants frequently noted the proactive steps their organizations took to acknowledge different cultural practices. One manager said, “*We ask our staff about holidays from their country and try to incorporate them in team activities*” (P42). This cultural intelligence is a hallmark of successful Canadian workplaces (Ng et al., 2012), and aligns with the GLOBE study’s emphasis on Canada’s high cultural sensitivity and humane orientation (House et al., 2004). In practice, these efforts led to an inclusive environment where diversity was not only accepted but celebrated. Such integration of multicultural norms into daily operations reflects the observations of Ng and Burke (2010), who underscore that the next generation of employees thrives in organizations where inclusion is intentional and dynamic.

Another defining feature of organizational behaviour in the study was the informal nature of conflict resolution. Rather than relying on hierarchical reporting or formal HR procedures, most employees preferred to resolve disagreements through direct conversation and mutual understanding. As one participant noted, “*We just sort things out over coffee rather than file complaints*” (P33). This supports Jackson et al. (2010), who found that Canadian organizational culture emphasizes interpersonal harmony and conflict de-escalation. This approach contributes to psychological safety and a sense of cohesion, where team members are encouraged to communicate openly without fear of retribution. Work-life balance was another major theme, with participants describing how their organizations supported personal well-being through flexible work arrangements. From altered hours for new parents to mental health days, employees expressed appreciation for the understanding and adaptability shown by their employers. One participant shared, “*I was allowed to shift my hours when I became a new mom*” (P51), demonstrating how such policies empower employees to manage both professional and personal

roles. These practices echo findings by Nader et al. (2024), who emphasize the positive impact of high-performance work practices—such as flexibility and emotional support—on life and job satisfaction in Canadian SMEs.

In addition to employee well-being, participants described strong institutional frameworks for fairness and accountability. Transparent performance evaluations, equal access to professional development, and ethical hiring practices were commonly reported. These findings are consistent with the work of Shukur (2023) and John (2025), who explore how fairness in evaluation and clear legal foundations in employment practices contribute to sustainable employee engagement and reduced turnover. Many participants felt that promotions were based on merit and contribution rather than favoritism or tenure. This perception of fairness enhanced employee trust and organizational commitment. Further, respondents highlighted how their workplaces were resilient in the face of external challenges. For instance, during economic downturns or public health crises, managers adjusted workloads, implemented remote work policies, and emphasized employee safety. This adaptability is a key trait of SMEs, as emphasized by Baldwin and Gellatly (2003), who note that innovation and responsiveness are central to small firm performance. Surchi (2024) similarly identifies contingency planning and risk preparedness as vital elements of successful organizational behaviour, particularly in uncertain times.

Lastly, a recurring thread throughout the interviews was the sense of community orientation. Many SMEs supported local events, partnered with schools, or contributed to charity work. Employees often expressed pride in being part of organizations that viewed success not just in financial terms, but in social impact as well. This alignment with community values helps build a cohesive identity within the workplace and reinforces the ethical dimension of Canadian organizational behaviour (Bayz, 2024; Shan, 2025). Together, these findings paint a comprehensive picture of how inclusive leadership, cultural diversity, flexible work practices, and ethical foundations coalesce to form the fabric of organizational behaviour within Canadian SMEs—particularly in Ottawa’s uniquely multicultural and progressive business environment.

## 6. Conclusion

This study adds to the growing body of qualitative research on organizational behaviour by highlighting the unique characteristics of Canadian SMEs in Ottawa. The emphasis on inclusivity, open communication, and cultural integration creates a supportive and adaptable work environment. These behavioural norms not only enhance employee satisfaction but also contribute to organizational resilience and innovation. In particular, the study demonstrates how the blending of transformational leadership, multicultural competence, and informal management practices leads to the formation of trust-based and flexible organizational cultures. Employees are more likely to engage in collaborative problem-solving and proactive communication when they feel heard and respected. This is especially important in diverse urban centers like Ottawa, where cross-cultural teams are the norm and organizational agility is a competitive advantage (Ng et al., 2012; House et al., 2004).

Moreover, the integration of ethical frameworks, legal compliance, and fair evaluation systems reinforces employee confidence in leadership and organizational integrity (Shukur, 2023; John, 2025). These findings provide practical insights for business owners, HR practitioners, and

policymakers who seek to foster inclusive and high-performing workplace environments. The study reinforces the value of qualitative inquiry in capturing the lived experiences of employees—offering nuanced understandings that quantitative surveys alone may overlook.

## 7. Recommendations

- Implement inclusive leadership training in SME management development programs.
- Encourage cultural competence workshops and employee-led diversity initiatives.
- Develop digital platforms to enhance internal communication.
- Provide structured yet flexible work arrangements to enhance well-being.

## 8. Recommendations for Future Study

- Conduct comparative studies across Canadian provinces to explore regional variations.
- Include the perspectives of Indigenous-owned SMEs.
- Investigate the post-pandemic evolution of OB practices.
- Integrate mixed-method approaches for a more comprehensive analysis.

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