PROMOTION OF VALUES IN A MULTINATIONAL ENTERPRISE

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ABSTRACT

This study focuses on the promotion of values as a way for organizational managers to influence operations in a multinational enterprise (MNE). Despite the continued centrality of the organizational culture concept in management literature, and the need for dynamics in a turbulent business environment, managing culture has been considered difficult or even impossible. This study concentrates on one part of organizational culture, namely organizational members' beliefs as a potentially malleable target of managerial intervention. Values are introduced as a sufficiently abstract and general vehicle for influencing organizational beliefs, while the promotion of values means the practices and procedures used to increase value-related awareness and action. In a multinational enterprise, influencing beliefs and promoting values may be especially challenged due to the diverse beliefs of employees. Extant literature has not covered this area sufficiently.

The objectives of the study are to increase understanding of the context and target, content and means, and the process and practices for promoting values in a multinational enterprise, and to discover factors relevant to promoting values successfully. In a qualitative, holistic single-case study setting, the research examines a successful multinational enterprise, Nokia, and its approach to promoting values. Semi-structured interviews with employees, middle managers and top managers are used as a primary source of data. Additionally, various internal and public documents, value-related materials, and observations are used as support for the interviews.

The results confirm organizational beliefs as the malleable target of managerial intervention particularly when the firm maintains a proactive stance towards its environment. The business unit position in relation to an organizational core, and external, global and local orientation are suggested as dimensions to be identified when managing beliefs in an MNE. Values are characterized as a moving target in the field of organizational identity and culture beliefs of organizational members. The significance of constant reinterpretation of values is emphasized, if management wishes to use values as a vehicle for managerial intervention. Acknowledgement of ambiguity is raised as central to making the promotion of values successful. In addition to localizing the promotion of values, firms should develop practices that are particularly focused on managing the ambiguities rather than striving for operational consistency across the range of different subcultures. Practical ideas are presented on how the promotion of values could take place in a global firm.

The qualitative case study in a successful multinational firm provides important input on how the promotion of values takes place at its best. Many questions still remain unanswered, among them the actual impact of promoting values, the process of adopting values and other types and stages of managerial intervention than the promotion of values.

Key words: organizational beliefs, organizational culture, values, value statements, management by values, promotion of values, value-related socialization, organizational socialization.

TIIVISTELMÄ (FINNISH ABSTRACT)

Tässä tutkimuksessa käsitellään arvojen promootiota eli ilmaistuihin arvoihin liittyvää toimintaa, jolla monikansallisen yrityksen johto pyrkii vaikuttamaan organisaationsa suorituskykyyn. Johtamiskirjallisuudessa organisaatiokulttuuria on pidetty hidasliikkeisenä tai jopa mahdottomana muuttaa siitä huolimatta, että muuttuva liiketoimintaympäristö korostaa ja edellyttää dynaamisuutta. Tämä tutkimus tarkastelee organisaation jäsenten organisaatiokäsityksiä, jotka ovat keskeinen ja mahdollisesti muokattavissa oleva osa organisaatiokulttuuria. Arvot esitellään riittävän abstraktina ja yleisenä välineenä organisaatiokäsityksiin vaikuttamiselle, kun taas arvojen promootiolla tarkoitetaan niitä toimenpiteitä, joilla arvoihin liittyvää tietämystä ja toimintaa edistetään. Monikansallisessa yrityksessä organisaatiokäsityksiin vaikuttaminen ja arvojen promootio on erityisen haasteellista, koska henkilöstön uskomukset ovat niin moninaisia. Johtamiskirjallisuus ei ole kattanut tätä aluetta vielä riittävästi.

Tutkimuksen tavoitteena on lisätä tietämystä arvojen promootion kohteesta ja toimintaympäristöstä, sisällöstä ja keinoista, sekä prosessista ja menetelmistä monikansallisessa yrityksessä. Väitöskirjassa halutaan erityisesti nostaa esiin niitä tekijöitä, jotka ovat oleellisia arvojen promootion onnistumiselle. Empiirisen, laadullisen tapaustutkimuksen kohteena on menestyvä, monikansallinen yritys, Nokia, ja sen toteuttama arvojen promootio. Pääasiallisina tutkimusmenetelminä on käytetty puolistrukturoituja haastatteluja eri työntekijäryhmien, keskijohdon ja ylimmän johdon keskuudessa. Myös sisäisiä ja julkisia dokumentteja, arvoihin liittyvää aineistoa ja observointia on hyödynnetty tiedon lähteinä ja haastattelujen tukena.

Tulokset vahvistavat, että organisaatiokäsitykset ovat alttiita johtamisinterventiolle erityisesti, jos yrityksen suhde ulkoiseen toimintaympäristöön on proaktiivinen. Kun monikansallisessa yrityksessä johtamisen kohteena on jäsenten organisaatiokäsitykset, tulisi johtamisinterventiossa ottaa huomioon liiketoimintayksikön keskeisyys organisaatiossa sekä siinä vallitseva käsitysorientaatio suhteessa ulkoiseen, globaaliin ja paikalliseen toimintaympäristöön. Arvoja voidaan luonnehtia liikkuvaksi kohteeksi organisaation jäsenten identiteetti- ja kulttuuriuskomusten muodostamalla kentällä. Arvojen jatkuvan uudelleentulkinnan merkitys korostuu, mikäli niitä halutaan hyödyntää johtamisintervention välineenä. Jotta arvojen promootio voisi onnistua, organisaatiossa tulisi tunnustaa ja hyväksyä uudelleentulkinnasta johtuva epävarmuus ja tietämättömyys. Yritysten tulisi globaalin lähestymistavan ja paikallisten promootiomenetelmien lisäksi kehittää keinoja, joilla tätä erilaisuudesta johtuvaa epävarmuutta voidaan käsitellä ja hyödyntää operatiivisen yhdenmukaisuuspyrkimyksen sijasta. Väitöskirjassa esitetään joukko käytännöllisiä ideoita siitä, miten arvojen promootion tulisi tapahtua maailmanlaajuisessa yritystoiminnassa.

Laadullinen tapaustutkimus menestyvässä monikansallisessa yrityksessä tuottaa tärkeää tietoa siitä, mitä arvojen promootio merkitsee parhaimmillaan. Se jättää myös monia kysymyksiä jatkotutkimuksen aiheiksi. Tällaisia teemoja ovat mm. arvojen promootion todelliset vaikutukset, arvojen omaksumisprosessi ja arvojen promootion lisäksi muut johtamisinterventiot ja niiden eri vaiheet.

Avainsanat: organisaatiokäsitykset, organisaatiouskomukset, organisaatiokulttuuri, arvot, arvoilla johtaminen, arvojen promootio, arvososiaalistaminen, organisatorinen sosiaalistaminen

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I returned to the Helsinki University of Technology (HUT) in 1996 from industry with an ambition to some day finish my post-graduate studies. One year later, I came across with Nokia and a research topic that felt like a natural continuation to what I had done at Outokumpu previously. After an intensive research project and a year of writing and reviewing, the doctoral thesis is ready. I never intended to study values or anything else so abstract, nor was I originally in any rush. Then again, with this once-in-a-lifetime opportunity and a number of wonderful people around me, what else could I have done? I would like to thank my family, friends and colleagues for their encouragement, patience and support during this project. In addition, I wish to express my gratitude to the following persons and institutions for their precious contributions:

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1. INTRODUCTION

1.1 Background

Organizational culture and values have been incorporated into the daily vocabulary of all kinds of business and public organizations during the past decade. In the Finnish public press, frequent references are made to the role of culture in organizational achievements and employee well being and the position of values in organizational management (Sovijärvi 1995, Korhonen 1995, Keskinen 1997). In the international arena, values and culture have maintained their central position in management science ever since the 1980s (Barley and Kunda 1992). In the mouths of business journalists and managers, they have become a "management fad" which is used to explain all kinds of successes.

At the same time, however, organizational developers and external consultants constantly face failures in culture-change efforts, or have to deal with culture as a force that hinders any kind of change. The idealism of managing culture to create sustained competitive advantage has not been achieved in organizational reality to the desired extent. Value statements have been referred to as "little more than feel-good blather" (Stewart 1996a, b, also Vihma 1996). Their impact on organizational operation may well be questioned. Even Herbert Simon has presented criticism towards manifestos such as value statements:

> "Many of the manifestos produced contain little more than apple pie and motherhood. A proclamation that a company is going to make high quality products, give its customers what they want and need, treat its employees fairly and generously, and provide the greatest possible returns to its stockholders is not likely to have any noticeable effect upon decision making or other corporate behavior. The sentiments expressed are laudable, but they do not even hint at what to do." (Simon 1997, 333)

During my own research projects, I have repeatedly heard about employees' awareness of written value statements, a simultaneous concern about the emptiness of those words, and their incongruency with actual culture. I have never really understood why firms would invest in promoting values or initiating culture change programs unless they were really willing and prepared to question the ways in which they currently operate. Neither have I realized why and how firms can initiate such programs without stating tangible objectives, planning long or short-term steps, allocating resources, and evaluating outcomes. In any other kind of organizational development project, these steps are common practice.

What do organizations actually accomplish by promoting values and with so-called culture change efforts? If I may, why even bother? Is the espousement of commonly accepted priorities a way for company managers to regain the trust of employees,

purposefully motivate them to work hard, or just make the firm look good in the eyes of external stakeholders? If the promotion of values is as influential as suggested, why are not there any proper guidelines on how it should be carried out?

Motives for value-based management are fairly clear. As early as in the 1930s, Chester Barnard (1938) highlighted organization-wide sharing of organizational purposes and objectives as one of the key tasks of executives. Simon (1997) also emphasizes the importance of discussing priorities:

> "But cynicism about the effectiveness of platitudes (of manifestos) should not cause us to dismiss as unimportant the sharing, by both executives and non-managerial employees, of a common conception of an organization's goals: of the particular strengths and comparative advantages it can best employ to establish and maintain a competitive niche, and the "style" and strategies best designed to exploit and enhance these strengths and advantages." (Simon 1997, p. 333)

Empirical studies indicate, too, that managerial intervention should be directed at the central and abstract organizational beliefs that are part of organizational culture, rather than culture as a whole. Employee beliefs can be made accessible in dialogue between organizational members. Values are frequently discussed in connection with organizational culture, but the relationship between the concepts has remained unclear. Why, for instance, is cynicism towards organizational value statements so common, and why are their practical effects often minimal or even negative? Based on my earlier observations (e.g. Martinsuo 1996), organizational managers do not seem to take into account factors that they normally should consider in managerial interventions. Firstly, they seem to neglect the context in which they want the values implemented: the frame, mental map, or beliefs of employees. Secondly, they fail to proceed systematically: values are promoted on an ad-hoc manner through one-sided communication practices. Research has not tackled these issues properly, yet, and discussion on management by values and promotion of values has rather occurred on a very superficial level. To become an efficient managerial intervention, promotion of values needs to be explored holistically, within the context of employee beliefs and perceptions, and characterized by practical tools and processes.

With this background in mind, I gained access to a multinational telecommunications industry enterprise that had a five-year history in promoting values and still had strong reliance on those values. The values had survived as central managerial concepts through radically different business situations: full turnaround, rapid growth, great success, new times of internal crisis. Corporate management was now concerned with developing the promotion of values further and had the desire to better take the global business environment into account in the promotion process. The initial question was: how? I personally was not only interested in what this particular firm could do to advance the use of the stated values, but also what other firms could learn from this organization and its promotion of values.

Large, multinational enterprises are particularly interesting in the study of organizational culture and values due to the existence of different obvious subsystems in them. They operate on a large scale, in multiple national market environments and often multiple industrial segments, they include various personnel and other groups, and a diversity and large number of people populate them. These characteristics necessarily cause tensions within the firm, challenges in managing the diverse expectations and capabilities of people, and challenges in how shared values can be promoted in that context. Despite the attention given to multinational firms in the popular press, research has not explored constituents' organizational beliefs in a multinational enterprise as the target and context for promoting values, or identified practical ways in which these firms can share value priorities globally.

1.2 Objectives and scope

In this study, the purpose is to develop a model for promoting values successfully in a multinational enterprise. The research has two objectives: to increase understanding about the promotion of values in a multinational organizational context, and to discover essential factors in promoting values successfully. The empirical, holistic single-case study focuses on three primary research questions:

1. What kind of abstract organizational beliefs do constituents have in the multinational firm?
2. What is the position of value statements in the firm and in relation to organizational beliefs?
3. How are values promoted, and how is value-related socialization experienced in the firm?

The research approach is qualitative, and the empirical study concerns a high-performing multinational firm with some history in promoting values. The multinational telecommunications industry case firm was selected due to its exemplary nature from the perspectives of performance and promoting values, and willingness for such a research project. It has been used as an example, a source of data, and a point of comparison in a cross-sectional research setting. The study not only explores the context and target, content, process and practices for promoting values in general but also aims to highlight the particularities of these topics within the case firm.

This study is limited to the management of work organizations, particularly multinational, industrial organizations, and the terms organization, firm, enterprise and company will be used to refer to this kind of organization. Topics handled may apply to other kinds of institutions, as well, even though they will not be explored purposefully.

1.3 Structure of the thesis

Following this brief introduction, the dissertation consists of four sections. Chapter 2 introduces existing literature on organizational beliefs, values, the promotion of values, and the special case of multinational enterprises. Due to the impracticality of the

organizational culture concept, organizational beliefs are presented as a central concept within organizational culture, and as a potential target of managerial intervention. Values are defined in the sense of managerial intervention, as explicit statements, and as distinct from sociological studies of values, and they are presented as a vehicle for managerial intervention in organizational beliefs. The concept of promoting values is introduced, and an ideal process and practices for promoting values are explored. Empirical studies about organizational beliefs, values and promotion of values are explored in the context of multinational firms, and the need for further study is highlighted.

Chapter 3 presents the design of the empirical study. The research task and questions are stated in more detail, and the qualitative case study approach is described. The case firm and informants are characterized, and methodological and analytical choices are stated. Furthermore, the quality of the research design is evaluated both in terms of my role as a researcher, and method validity and reliability.

Chapter 4 shows the results of the empirical study, following the three research questions. Firstly, the organizational beliefs of the informants are explored. Secondly, the position and informants' interpretations of value statements are described. Thirdly, the process and practices used for promoting values are presented.

Chapter 5 discusses the research questions in the light of the new empirical evidence. The key findings of the study are summarized and compared to existing theory. Some theoretical contributions concerning organizational beliefs, values and the promotion of values are discussed in terms of successful promotion of values. A more practical model is also presented, not only from the case firm viewpoint but on a more general level. The focus is on propositions as to how future managers and researchers could promote values more efficiently and successfully in a multinational business context. Finally, the research approach is evaluated, and some ideas for future research are proposed.

2. LITERATURE REVIEW

This study focuses on the promotion of values as a managerial intervention where employee organizational beliefs are the target and context of intervention, values are the vehicle of intervention, and the process and practices for promoting values act as ways of implementing the intervention. The following chapters present the three central concepts of the research study: organizational beliefs, values and the promotion of values. Extant literature is explored to characterize the nature of the concepts. Additionally, current knowledge about the promotion of values in a multinational enterprise is summarized.

2.1 Organizational beliefs

The basic question in organization management is that concerning organizational performance and ways in which performance can be improved. During the past two decades in particular, organizational culture has gained a central position in organization studies (Hatch 1997, Jeffcutt 1994, Barley and Kunda 1992). According to Barley and Kunda (1992), organizational culture can even be called the dominant management paradigm since the 1980s. Both organizational scientists and managers have increasingly attributed organizational success or failure to the invisible, unconscious side of organization (Freeman et al. 1988, Schein 1996a, Weick and Daft 1983), and literature on organizational culture has increased dramatically (Alvesson and Berg 1992, Barley et al. 1988, Jeffcutt 1994). However, this literature still lacks conceptual and practical clarity, leading to repetition, constant theoretical debate (see e.g. Martin 1992, Martin and Frost 1996), and a low degree of practical utility in research results. Influencing organizational culture has been considered difficult, even impossible, in its current conceptual form.

Findings on organizational beliefs and interpretation (e.g. Dutton and Dukerich 1991, Gioia and Chittipeddi 1991, Reger et al. 1994b) provide new insight into how organizational culture could be managed. Below we will look into the position of organizational beliefs within the concept of organizational culture. Organizational beliefs are defined, and different types of organizational beliefs are presented. Furthermore, the relation between organizational beliefs and performance is explored in terms of interpretation and learning.

2.1.1 Organization from the perspective of organizational members

According to Schein (1985), social entities of any size have a culture if they have had the opportunity to learn and establish their assumptions about themselves and the environment. These entities vary from civilizations, ethnic countries and ethnic groups within a country to professions, organizations and groups within organizations. This

implies that even the smallest groups within an organization carry the cultural assumptions and values not only of the group but also of the organization, profession, country, and even civilization surrounding them. Organizational culture, therefore, seems to be an influential and, yet, an extremely complex concept in organizational operation.

As Smircich (1983) and Allaire and Firsirotu (1984) have summarized, there are several schools of thought which have differing bases for and biases in their definitions of organizational culture. A distinction can be drawn between theories of culture as a component of the social system (functionalist perspective) and theories of culture as a conceptually separate, ideational system (symbolic, interpretivist, or symbolic-interpretive perspective). These two theories and differences between them have been described thoroughly by, for instance, Allaire and Firsirotu (1984), Schultz (1994, Schultz and Hatch 1996), and Smircich (1983).

The functionalist paradigm has long dominated both organizational culture research and managerial attempts to capture the concept of organizational culture (Barley et al. 1988). A central problem in most culture research is the multiplicity and confusion of concepts, and the lack of focus. Barley et al. (1988) note that the interpretive, ideational view to culture has "cooled by a resurgence of functionalism" and this reflects the fact that "academics gradually have reappropriated functionalist language". The practical implications of interpretive culture research have also remained scarce. However, interest in the ideational view to organizational culture has again increased (Alvesson 1990), such as in the literature concerning organizational identity (see e.g. Whetten and Godfrey 1998).

From the ideational perspective, organizational culture is located in the minds of the members of the organization, or the products of the minds. It is a system of meanings and symbols separate from the social system and it guides the culture-bearers' way of thinking and observing phenomena, events, behaviors, and feelings (Allaire and Firsirotu 1984, Smircich 1983). The role of individual personalities, abilities, and knowledge in organizational culture comes up often in relation to interpretation and sense making (Harris 1994, Weick 1995). Despite two decades of research, studies on organizational culture have not been able to clarify the concept of the individual actor, or collectives of individuals, and their interactions with the cultural and sociostructural system (Harris 1994). Using the term organizational culture in the ideational meaning seems to create more confusion than clarity due to its all-encompassing nature. As discussion on paradigm interplay is increasing[1], there is a need to make a clearer distinction between the functionalist and ideational organizational culture.

[1] Recent discussion on paradigm interplay has acknowledged the parallel existence of the functionalist and ideational culture (e.g. structuration theory, Giddens 1984, Riley 1983, Sarason 1997, Weaver and Gioia 1994). Schein (1985), Calori and Sarnin (1991) and Tilev (1994) have spoken of the different levels of culture with this significance. Hassard (1991),

Earlier studies of the ideational organizational culture have two primary defects. Firstly, organizational members are frequently approached as individuals in their social psychological sense, without making a distinction between their general personality or background, and organizational membership. Secondly, the social aspect within ideational organizational culture is often neglected. For instance, Allaire and Firsirotu (1984) present the individual actor as a collection of various traits: knowledge, cultural competence, values, assumptions, expectations, needs, motives, and leadership role. The authors have no regard for the meanings or relationships of items through which they characterize the individual actor, nor do they pay particular attention to how the traits are played out in different social contexts (also Murphy 1996; social psychology literature such as Brewer and Crano 1994).

We may, therefore, groundedly ask whether all the aspects of an individual's personality, knowledge and cognition are equally central in managing organizational operation. Harris' (1994) notion of organization-specific schemas suggests that an individual's personality, cognition and perception could be divided into that concerning the organization and that concerning other issues, not related to the organization. Another feature characterizing an individual's schemas is the degree to which they are collective and shared vs. individually held and personal (e.g. Harris 1994). Figure 1 highlights these aspects of the individual actor within organizations.

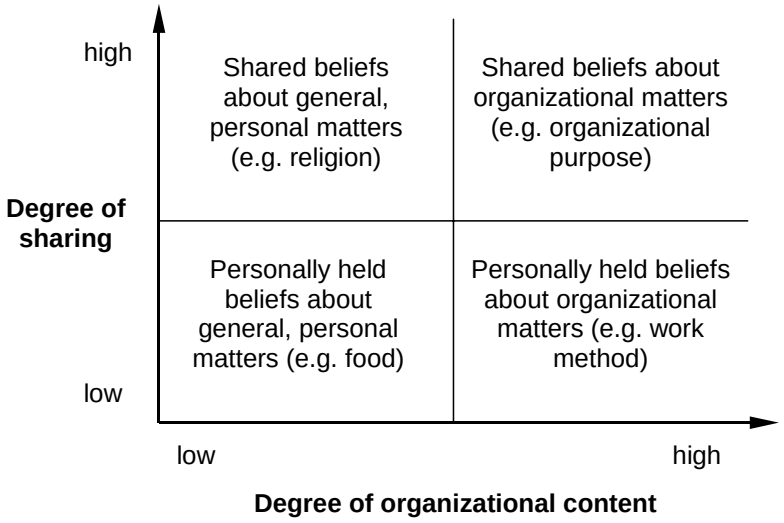

Figure 1. Classification of personality traits and cognitions to clarify the concept of the "individual actor". The term belief is used to cover assumptions, expectations, needs, and other issues included in the traits of an individual actor by Allaire and Firsirotu (1984).

Weaver and Gioia (1994) and Schultz and Hatch (1996) suggest living with the multiple paradigms and utilizing paradigm interplay to explore the contrasts and connections of different approaches while simultaneously maintaining distinctive and alternative perspectives within organizational inquiry.

According to Harris (1994), organization-specific schemas contain individual-level manifestations and experiences of organizational culture. Harris presents five main schemas: self in organization schemas, person in organization schemas, organization schemas, object-concept schemas, and event schemas. Taken together, schemas serve as the individuals' repository for organizational culture knowledge including the values and beliefs attributed to various individuals and collectivities, appropriate behaviors and so on. Johnson (1992) talks about a *paradigm* as a filter through which individuals make sense of events in their environment, while Sackmann (1991, 1992) uses the term cultural knowledge. Hofstede et al. (1990) have noticed that employee *perceptions* of organizational practices differentiate organizational cultures better than do their underlying values. I will use the term organizational belief to cover organizational members' assumptions, schemas or paradigms related to the organization (see e.g. Suutari 1996).

The distinction between personal and organizational, and shared and not shared beliefs both have their roots in how the beliefs are formed. According to Schein (1985), a large part of an individual's values, beliefs and assumptions develop in childhood, influence all of his or her later life stages, and are not easily altered after childhood. Individuals are willing to accept organization membership only when their activity in the organization contributes, directly or indirectly, to their own personal goals and values (Simon 1997). However, as Wilkins and Ouchi (1983) demonstrate, part of individual assumptions and expectations are tied to specific organizational settings and situations, and are molded throughout the individual's life when organizational and work settings and circumstances change. These observations and Hofstede's (e.g. Hofstede et al. 1993) studies imply that personal beliefs have longer roots in the upbringing and national heritage of individuals and may even be shared on a national level, whereas organizational beliefs are formulated throughout adulthood and may be shared at the organizational, professional or industry level.

The above difference in the nature of beliefs suggests that certain parts of individual personality and cognition, namely those with an organizational content, are more approachable and more apt to change than others (e.g. Dixon 1994). These beliefs are not as deep or immutable as the anthropological culture metaphor would suggest, nor do they become as easily shared as suggested (Wilkins and Ouchi 1983). This encourages keeping organizational issues separate from personal issues. Additionally, literature has kept explicit, trainable and accumulating skills, knowledge, and competence separate from more stable and tacit beliefs, expectations, and assumptions (e.g. Spencer and Spencer 1993).

Organizational beliefs guide the way in which the individual interprets external stimuli and as a result behaves in the organizational setting and reacts to organizational problems (Harris 1994). Even if an individual is limited by his or her personal values, goals, knowledge and competencies, his or her organizational beliefs and loyalty to the organization can guide behavior towards organizational goals and purposes. On the other hand, if these organizational beliefs and loyalty are lacking, personal motives and

values may interfere with administrative efficiency (Simon 1997). Earlier studies of organizational culture have failed to present good ways of managing culture and, rather, have claimed that culture is difficult or even impossible to manipulate. Separation of organizational from general, personal beliefs offers organizational beliefs as the malleable target of cultural intervention (Reger et al. 1994, Dutton and Dukerich 1991), and acknowledges the endurance of personal beliefs, even their secondariness when analyzing organizational operation. Organizational beliefs as an aggregate concept, partly collective and partly individually held, can in this sense be a more practical and approachable concept than organizational culture. Of late, there has even been some discussion on management by perception (e.g. Sparrow 1998) and management by beliefs (Simons 1995a, b).

2.1.2 The concept of organizational beliefs

Organizational beliefs were above described as a feature of organizational members, partly shared, partly held individually, and a potential route to influencing organizational operation. The definition of the concept will be approached from the ideational organizational culture viewpoint.

One of the most often used definitions of corporate culture is that of Edgar Schein. According to Schein (1985), organizational or group culture is "the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration, and that has worked well enough to be considered valid, and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to these problems". This reflects largely the ideational aspect of culture, something extant in people's minds. However, in his work, Schein has also approached culture from its cultural system perspective, as behaviors and artifacts which as such are not included in the concept of organizational beliefs.

A core term in Schein's definition is basic assumptions. Basic assumptions are self-evidences that have been learned as practical mechanisms in problem solving. Basic assumptions exist and arise in different areas of human life, and they differ in their profundity and generality. Schein (1985) presents five categories of basic assumptions, from profound to more superficial: assumptions about man's relationship with nature, assumptions about the nature of reality and truth, assumptions about human nature, assumptions about human activity, and assumptions about relationships between people (Schein 1985, to a large part based on Kluckhohn & Strodtbeck 1961). Since the idea of basic assumptions has its roots in cultural anthropology, only some assumptions concern organizational life, while others deal with more general issues and other aspects of life.

These two types of beliefs bring us to the second core term in Schein's definition: "a given group". Despite the fact that Schein mentions both personal and organizational topics as part of basic assumptions, the notion of a given group in the definition refers to distinguishing between what has been learnt in childhood, as part of family

membership or national culture, and what has been learnt during organizational membership. In fact, personal beliefs could be considered part of organizational culture only if they have been proven valid during the process of organizational evolution. Part of organizational culture studies fail to acknowledge this distinction and interpret organizational culture only as a reflection of national culture.

The rest of Schein's definition concerns cultural evolution: organizational history, interaction within the group and with an external environment, and indications of how the ideational culture is transmitted and transformed into more tangible forms. A number of other aspects of ideational culture have been highlighted by many authors: the collective nature of the cultural assumptions (Sathe 1983, Hofstede 1980, Geertz 1973, Smircich 1983, Watson 1994, Trice and Beyer 1993), the distinctiveness from other organizations (Sathe 1983, Hofstede 1980, Kouzes and Posner 1993), complexity or fuzziness (Trice and Beyer 1993, Sackmann 1997), and emotional flavor (Trice and Beyer 1993). These, and Schein's notion of validity require some further attention.

The emphasis on culture as merely collective meaning structures or assumptions has, in recent years, received some criticism despite its dominant position in many definitions of culture. Paradigms of cultural change suggest that the presumption of collectiveness as a prerequisite for the existence of culture is false (Martin 1992, Martin and Frost 1996, Martin and Siehl 1983, Meyerson and Martin 1987). Culture exists even if only small fractions of it were shared. On the other hand, any culture can be viewed from the perspectives of collective meaning, differentiation, *and* fragmentation. Therefore, the degree of collectiveness can characterize the nature of the organizational culture and beliefs but is not a prerequisite for the existence of an ideational culture. Schein's term "pattern" may indeed refer to the belief system having some shared features in it, and group members attuning to them, but individuals potentially bearing different basic assumptions individually.

Complexity and being emotionally charged follow the lines of collectiveness: rather than being prerequisites for the existence of culture, they are another characteristic that the culture may or may not hold (noted by Trice and Beyer 1993). Complexity and collectiveness are often put to the opposite ends of the same scale indicating fit to and potential to succeed in different business environments. Emotional chargedness refers to the emotional tie that develops between employees and the organization and that becomes visible especially if the core beliefs and values of the organization become questioned (Trice and Beyer 1993). Distinctiveness in turn is in a sense included in Schein's definition: due to its specific history, group construction, learning process, and environment, each culture is necessarily distinct, different from others. This aspect of organizational culture has been discussed, particularly in organizational identity literature (Albert and Whetten 1985, Ashforth and Mael 1989, Dutton and Dukerich 1991), and has been strongly attached to the successfulness of culture in the event that it is simultaneously valuable and impossible to imitate (Barney 1986, Fiol 1991).

Schein writes that the pattern of basic assumptions called culture has functioned well enough to be considered valid by organizational members. He also emphasizes that, as assumptions are originated at the very birth of each organization and evolve through years of operation, they are difficult if not impossible to change (also Argyris & Schön 1978). From an ideational perspective, basic assumptions and the validity of culture are established on an individual level since individuals interpret organizational events differently and event by event. Therefore, in the ideational view, the process of inventing, developing or discovering the pattern of basic assumptions is continuous and unconscious rather than momentary and planned, and it is influenced by individuals' different interpretations continuously. Due to this evolutionary character, change in organizational culture can be viewed as rather possible.

The above comments as well as Chapter 2.1.1 highlight the role of individuals as bearers, creators, interpreters, and possibly also sharers of assumptions that guide behavior in the organization. In an organizational context it is the collective of individuals and the sum or aggregate of their assumptions that guide organizational operation, survival, and success. Only parts of these assumptions are organization-dependent, while the rest are more general, personal and non-organization related despite their influence on organizational operation.

The organization-dependent assumptions in the previous chapter were contained in the concept of organizational beliefs. A belief generally is an understanding that represents credible relationships between objects, properties, and ideas (Sproull 1981, also Trice and Beyer 1993, 35). Beliefs may deal with causalities, preferred states, or phenomena (Sproull 1981, Suutari 1996), of which organizational beliefs represent the phenomenological type. In this study, organizational beliefs refer to *the pattern of organizational members' assumptions about the organization.* These beliefs have been developed in learning to cope with organizational problems of external adaptation and internal integration, considered functionable, and both consciously and unconsciously advised new members as the correct way to perceive, think and feel in relation to these problems. Organizational beliefs may be shared to some degree, influence behavior in the organization, are constantly tested and adapt through new events or organizational entries, and may influence and be influenced by more general, personal beliefs.

The distinction between organizational beliefs and other approaches to organizational culture is that the latter often conceptually and practically contains not only organizational but also personal beliefs and competencies, as well as the cultural system and sociostructural system in the organization.[2] Even though organizational beliefs are

[2] Of related concepts, an *attitude* is an individual's relatively enduring organization of interrelated beliefs around an object or situation predisposing one to respond in some preferential manner (Rokeach 1968, 1973). *Opinion*, on its side, is a verbal expression of some belief, attitude or value (Rokeach 1968). Organizational beliefs differ from these two concepts by being an organizational phenomenon whereas attitudes and opinions are more strongly rooted in personal beliefs. *Climate* is a concept used to characterize the social context of the

tightly linked to personal beliefs, their role in directing members' behavior increases during the course of organizational membership.

2.1.3 Central organizational beliefs

Harris' (1994) list of different types of organization-specific schemas indicates that there are different types of organizational beliefs. Gustafson and Reger (1998) have proposed distinguishing between abstract and concrete organizational beliefs. Abstract beliefs reflect broad, global assumptions about the fundamental nature of the organization and establish the context for the organization rather than focus on concrete features. Harris' (1994) idea about person or self-in-organization schemas and organization schemas could be classified as abstract beliefs. Concrete beliefs, in turn, are relatively tangible attributes that often are tied to a particular time and set of environmental conditions (Gustafson and Reger 1998). Beliefs about products, strategies and geographic scope ("what we do") are mentioned as examples of concrete beliefs. Harris' (1994) object/concept schemas and event schemas appear to fit into the concrete category. Abstract (identity) beliefs are considered central or fundamental to the organization's character, and they are more stable than concrete beliefs (Gustafson and Reger 1998).

The central, abstract organizational beliefs, according to Gustafson and Reger (1998), deal with questions like "who are we" and "how and why do we do things". Literature on organizational identity focuses on the first question area, whereas organizational culture literature offers ideas to the second. Schein (1985) as well has included in basic assumptions a question about organizational identity: who we are, our purpose and mission, and the reason for our existence.

Identity concerns those features of the organization that are central, distinctive and temporally continuous (enduring) to the organization's character (Albert and Whetten 1985). An increasing number of conceptual and empirical studies have recently focused on this area of investigation, that is, employee beliefs about organizational identity (Dutton and Dukerich 1991, Dutton et al. 1994, Gioia & Thomas 1996, Gustafson and Reger 1995, Reger et al. 1994a, 1994b, and Gustafson and Reger 1998). These studies acknowledge not only beliefs about current identity but also about ideal identity (who we want to be). Due to the potential tension between current and ideal identity beliefs and the low influence of forces external to the organization, organizational identity is considered malleable (Reger, Mullane, Gustafson and DeMarie 1994, Sarason and Huff 1998).

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organization subjectively, momentarily and through superficial, often quantitative evaluation (Denison 1996). It is "the feeling in the air" one gets from walking around a company, and the atmosphere that employees perceive is created in the organization by practices, procedures and rewards (Schneider et al. 1994). Climate can be separated from organizational beliefs by its evaluative character.

Organizational identity is sometimes referred to as part of organizational culture (Sarason and Huff 1998). However, where identity beliefs focus on the more general question of who we are, interpretivist studies of organizational culture focus on organizational members' beliefs about "how we operate" (Denison 1990, Kunda 1992, Martin 1992, Sackmann 1992, Schein 1985). In this sense, beliefs about organizational culture seem to approach a more concrete level. Culture studies note the possible gap between current and ideal culture beliefs (how we should operate), especially in person-organization fit literature (e.g. Adkins et al. 1994, Chatman 1989, 1991, Chatman and Barsade 1995, Morley et al. 1997, O'Reilly et al. 1991, Saks and Ashforth 1997). Sarason and Huff (1998) propose that culture beliefs are less malleable than identity beliefs because they draw on external social systems and are less likely to be made explicit than identity beliefs. Figure 2 summarizes the proposed structure of organizational beliefs.

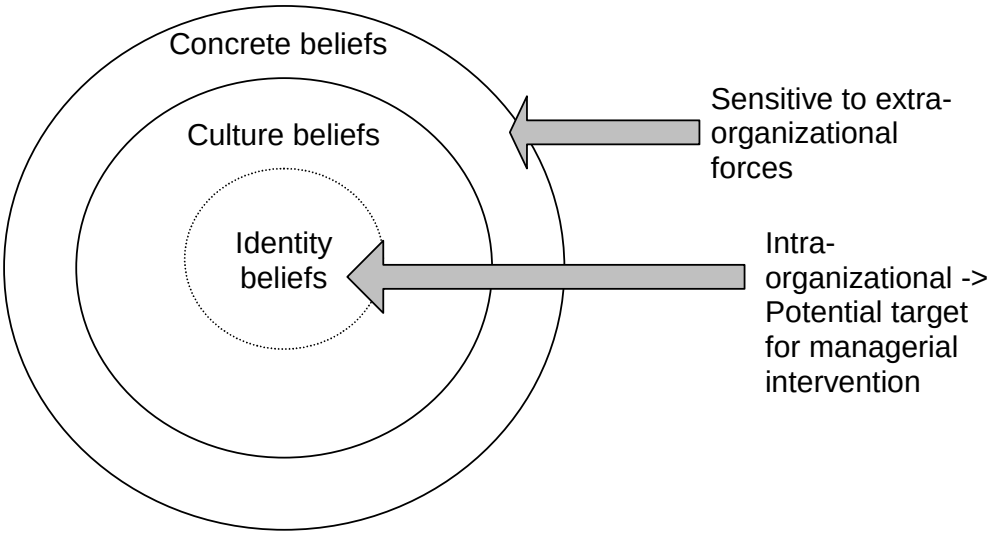

Figure 2. Structure of organizational beliefs. Modified from Gustafson and Reger (1998).

The malleability of different beliefs requires further notice. The above model suggests that identity beliefs should be the target of managerial intervention whereas culture beliefs and concrete beliefs are more sensitive to various forces outside the organization. Both routes can in this way lead to changes, but the mechanisms seem to be different. Where concrete beliefs adapt as a reaction to external impulses and may be more difficult to control on an organizational level, change in the more abstract and central beliefs requires generative and expansive learning and may result in significant behavioral changes (Senge 1990, Engeström 1987, Argyris 1985, Argyris and Schön 1978; see also Aaltio-Marjosola 1991). Change in identity beliefs is very likely to result in changes in concrete beliefs and practices, whereas change in the other direction demands stronger practical and managerial support (e.g. Mintzberg and Westley 1992). The relations and differences of different types of beliefs have been proposed as important topics for further investigation (Gustafson and Reger 1998).

2.1.4 Organizational beliefs and performance

Even though this study does not intend to cover the interplay of ideational and functionalist culture, or agent and structure as in structuration theory (Giddens 1984, Sarason 1997), we will briefly explore the process through which organizational beliefs are assumed to relate to organizational performance. The previous chapters have been based on both organizational researchers' and managers' implicit and explicit assumption that organizational performance is influenced by organizational members' beliefs about the organization. As organizational beliefs are formed in a process of learning (Schein's definition 1985), learning is a natural starting point for analyzing potential links from beliefs to performance.

Daft and Weick (1984) have proposed four stages in a learning process contributing to organizational performance: scanning, interpretation, learning, and feedback. **Scanning** refers to monitoring and acquiring data from the operative environment, and is guided by the person's earlier experiences, interests and beliefs. **Interpretation** is the process of giving data a meaning in the context of prior beliefs. Organizational beliefs guide and activate an individual's interpretation and motivation to act on it (e.g. Dutton and Dukerich 1991). During interpretation, the categorization of issues for instance into opportunities and threats (Dutton and Jackson 1987), or strategic and political (Gioia and Thomas 1996) has been noted to influence an individual's responses to issues. The interpretation process may also imply the sharing of perceptions within a group of people (Daft and Weick 1984). **Learning** in Daft and Weick's model refers to a response or action based on an interpretation, and the resulting performance outcomes. There is also a **feedback** loop from learning to scanning and interpretation. As an entity, the process of learning is concerned with maintaining or changing current beliefs or adopting new ones (Weick and Daft 1983, Argyris and Schön 1978, Senge 1990).

Daft and Weick's overall model has been partly supported in empirical studies (e.g. Thomas et al. 1993). However, other explorations have distinguished enactment or decision-making from the interpretation and learning stages (Smircich and Stubbart 1985, also Gioia and Chittipeddi 1991). Gagliardi (1986) has emphasized the potential of active experimentation in the process of collective learning (also Hedberg 1981). Dutton and Dukerich (1991) have placed different types of beliefs between events and responses as "lenses" which guide issue interpretation and responses (also Dutton et al. 1994, Gioia and Thomas 1996). Another stream of literature has studied belief-related affective states such as identification, commitment, or loyalty, mediating the link between interpretation and action, and contributing to organizational performance (Ashforth and Mael 1989, Mael & Ashforth 1992, Dutton et al. 1994, O'Reilly 1989). Organizational beliefs have received a central position, particularly in connection with organizational change (Reger, Gustafson, DeMarie and Mullane 1994, Reger, Mullane, Gustafson and DeMarie 1994, Gioia and Thomas 1996, Gagliardi 1986, Aaltio-Marjosola 1991).

The various conceptual models cited above focus on the interpretation process as a fairly linear system linking together organizational events, abstract beliefs, practical responses, and cognitive processes. The models, however, do not take into account the paradigm difference between the concept of beliefs, and the concept of cultural, socio-structural or behavioral systems (e.g. Schultz and Hatch 1996). The interplay of abstract beliefs and concrete behaviors and events has a central role in the learning of individuals (e.g. Kolb 1984, Hedberg 1981). Cognitive processes such as interpretation or scanning link the higher and lower levels of absraction – beliefs and practices – together. Distinguishing between the different levels of abstraction in the models makes the position of paradigm interplay clearer. When referring to organizational beliefs, the level of abstraction is always higher than in concrete practices and events. Gioia and Chittipeddi (1991) use the terms understanding and influence, and cognition and action as sequential stages in strategic change initiation to denote shifts between the different levels of abstraction. The learning process that links abstract organizational beliefs with performance in an organizational context is presented in Figure 3. The figure highlights a central feature of social identity theory: that focusing on beliefs is powerful because it implies that members may adapt their behavior by merely thinking differently about the organization that employs them (Dutton et al. 1994).

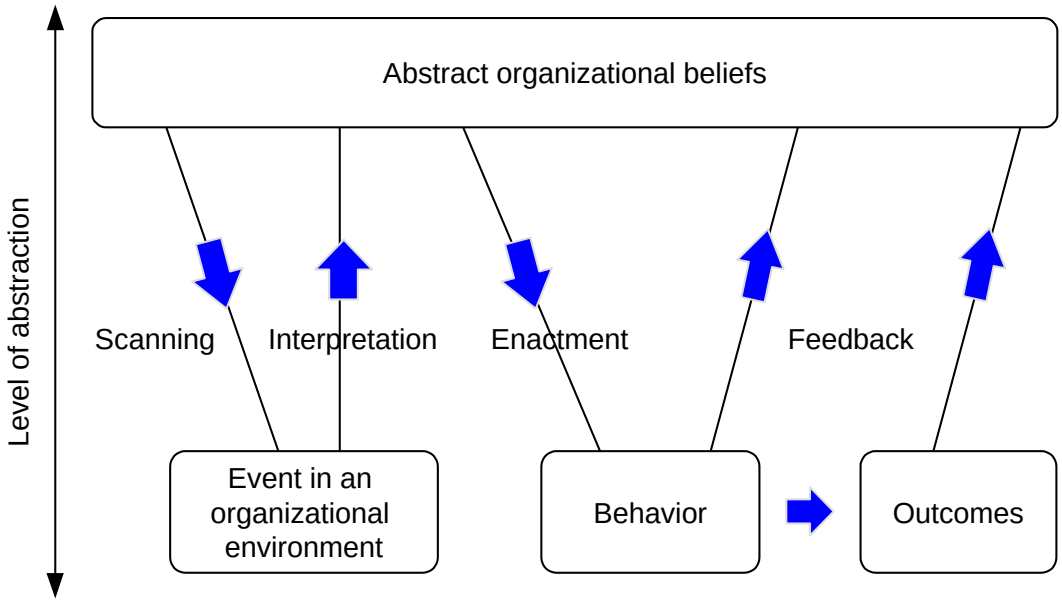

Figure 3. Learning process connects organizational beliefs with performance.

The above picture and models mentioned earlier do not take any position regarding the role of concrete beliefs, links between organizational and personal beliefs (identification, Chatman 1989), or individual vs. shared beliefs. As abstract beliefs are more central in a general behavioral process, the approach seems justified. However, the concrete beliefs are suggested to moderate each of the scanning, interpretation, enactment and feedback processes on a lower level of abstraction. It would also seem that during the interpretation process beliefs constantly take new forms, which is why organizational beliefs are rather presented as a continuum over time than as separate

chunks. Incompletenesses in the learning process have been covered by March and Olsen (1976; also Hedberg 1981) and Mintzberg and Westley (1992). The degree of sharing requires some additional words.

When defining organizational beliefs, I emphasized that some are individually held and some shared, and that organizational members come to share some assumptions in the shared organizational context and through a common experience of learning. Individual persons' beliefs usually meet through interaction and dialogue (Schein 1993b, Dixon 1997, Alvesson 1994, 1996) which acts as a way of making structures of meaning accessible and alterable. Figure 4 demonstrates the formation of shared beliefs as a result of dialogue and interaction in the process of learning.

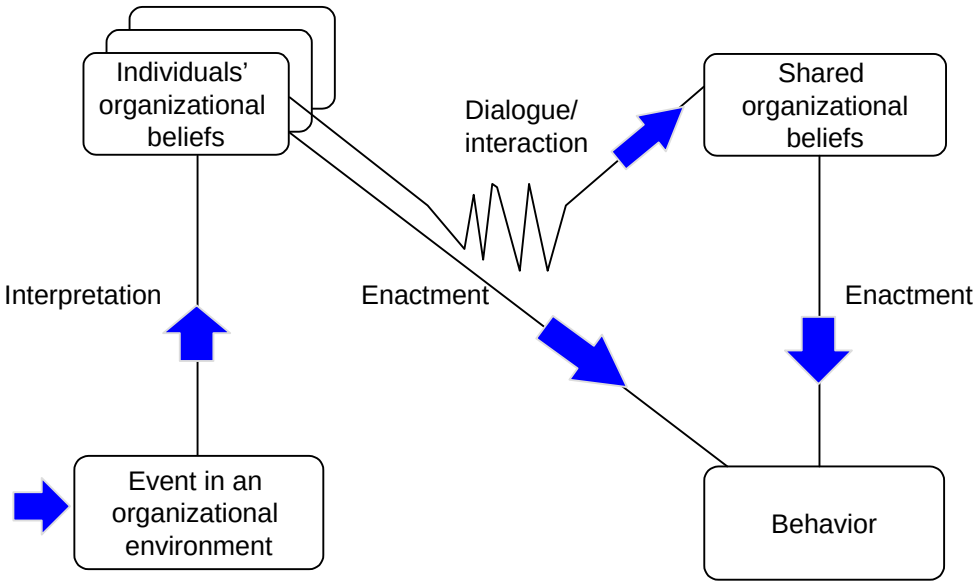

Figure 4. Sharing of beliefs in the process of interpretation and learning. Partially adapted from the above model.

The collective context and dialogue do not, however, directly imply alteration of beliefs, or beliefs becoming shared by all involved in the dialogue. It does not mean that shared or individual beliefs (or their enactment in behavior) could be distinguished from one another, either. The fragmentation paradigm of organizational culture (e.g. Martin 1992) indeed acknowledges that instead of focusing on similarities and sharing, culture studies should increasingly accept the ambiguity in organizational members' views. One of the core tasks of managers, then, is to design mechanisms by which organizational members learn to manage this ambiguity and coordinate it between organizational subgroups rather than aim for similarity. Therefore, organizational beliefs will, in this study, be handled as an aggregate, accepting the ambiguities, without taking a position as to whether beliefs are shared or individually held, and seeking ways in which the ambiguity could be managed.

In addition to the cognitive and behavioral process, the functionalist perspective to organizational culture has had a strong focus on the character or type of culture as a

determinant of organizational success. A large number of conceptual and empirical studies have sought cultural traits and features that distinguish high-performing firms from others. There have been some indications that also in the symbolic-interpretive paradigm, the character of beliefs is related to organizational performance. However, the interpretivist approach more often values understanding the organization and its different facets instead of explaining organizational outcomes (Schultz 1994). Table 1 summarizes organizational factors that are believed to influence the ways in which organizations operate and explain their success, and conceptual and empirical literature on each of the topics.

Table 1. Organizational factors related to organizational success.

Factors related to success	**Relevant literature**
Descriptive attributes and traits, attribute "strength"	**Organizational culture:** Peters and Waterman 1982, Deal and Kennedy 1982, Denison 1984, 1990, Denison and Mishra 1995, Hales 1993, Ouchi 1981, Wilkins and Ouchi 1983, Cusumano and Selby 1995, Calori and Sarnin 1991, Aaltio-Marjosola 1991, Quinn 1988, Quinn and McGrath 1985, See also Martin 1992 for a comprehensive summary **Organizational identity:** Sarason 1997, Gustafson 1995, Gustafson and Reger 1998, Dutton and Dukerich 1991, Dutton et al. 1994
Subcultural consistency (collectiveness or cooperation)	**General:** Martin 1992, Meyerson and Martin 1987, Gregory 1983, Wilkins and Ouchi 1983 **Occupational subcultures, demographic diversity:** Trice 1993, Trice and Beyer 1993, Schein 1996a, b, Bloor and Dawson 1994, Gregory 1983,Cox 1993, Tsui et al. 1992, Chatman et al. 1998, Pelled et al. 1998, Chatman and Barsade 1995 **National subcultures:** Hofstede 1991, Trompenaars and Hampden-Turner 1997, Newman and Nollen 1996, Selmer and DeLeon 1996 **Industrial or unit subcultures:** Abrahamson and Fombrun 1994, Markides and Williamson 1994, (Gordon 1991, Chatman and Jehn 1994) **Person-organization fit:** Chatman 1989, 1991, O'Reilly et al. 1991, Morley and Shockley-Zalabak 1991, Shockley-Zalabak and Morley 1989, Enz 1986, 1988, Adkins et al. 1994, Saks and Ashforth 1997, Posner and Schmidt 1993, Liedtka 1989, 1991, Dutton and Dukerich 1991, Tsui et al. 1997 **Espoused vs. enacted values (consistency of process and content):** Kunda 1992, Liedtka 1989, 1991, Martinsuo 1996, Hatch 1993, Schein 1985, Argyris and Schön 1978, Gustafson and Reger 1995, Reger, Gustafson, DeMarie and Mullane 1994, Senge 1990 **Other:** Sackmann 1991, 1992, Schultz 1991

(Table 1 continues on the next page)

Table 1 continues.

Factors related to success	Relevant literature
Uniqueness (distinctiveness)	Albert and Whetten 1985, Fiol 1991, Barney 1986, Martin et al. 1983, Hamel and Prahalad 1994
Consistency with (capability to adapt to) the organizational environment	Lawrence and Lorsch 1967a,b, Schneider 1988, Kotter and Heskett 1992, Martin 1992, Martin and Siehl 1983, Meyerson and Martin 1987, Hofstede 1978, 1980, 1991, Weber et al. 1996, Newman and Nollen 1996, Bigoness and Blakely 1996, Barkema et al. 1996, Trompenaars and Hampden-Turner 1997, Earley 1994, Gordon 1991, Abrahamson and Fombrun 1994, Chatman and Jehn 1994, Selmer and De Leon 1996, Litwin et al. 1996, Burke and Litwin 1992, Bates et al. 1995, Goll and Sambharya 1995, Schwartz and Davis 1981, McCabe and Dutton 1993, Daft and Weick 1984, Smircich and Stubbart 1985, Milliken 1987, 1990, Yip et al. 1997

The above studies cover a range of literature in the fields of organizational culture, organizational identity, cross-cultural management, and related topics. Traditional studies of organizational culture have emphasized strength of culture and certain descriptive traits as indications of excellence, denoted in Table 1 as attribute strength. Later, various new demands were attached to culture, summarized in the table as subcultural consistency, uniqueness, and consistency with the organizational environment. During the last decade especially, studies have begun to highlight the importance of employee *perceptions* in relation to organizational behavior and performance (e.g. Dutton and Dukerich 1991, Martin et al. 1983, McCabe and Dutton 1993, Enz 1986, 1988). An "objective" estimate of excellence no longer explains long-term success but, rather, focus is shifting towards members' beliefs and understandings. As previous studies have not integrated the central factors related to organizational success in a single research setting, nor have they fully looked at the topics in an interpretive approach, this idea remains to be tested.

2.1.5 Summary

Organizational culture is currently the dominant management paradigm used to explain and improve organizational performance. This chapter has presented a critique towards the all-encompassing nature of current definitions of organizational culture. In its typical form, organizational culture covers both personal and organizational assumptions, and even competencies, behaviors and organizational systems. This kind of concept is too general and difficult to be influential in practice. The focus is shifting towards organizational beliefs as a central part of organizational culture due to their accessibility, malleability, and potential role in influencing other aspects of organizational operation.

Organizational beliefs in this study are defined as the pattern of organizational members' assumptions about the organization. Organizational members may share organizational beliefs to varying degrees. Of the different types of organizational

beliefs, organizational identity and culture beliefs are considered as central due to their abstractness and fundamental character. They are also suggested as potential targets for managerial intervention. Organizational beliefs are linked with behavior and organizational performance through a learning process in which cognitive activity constantly shifts the level of abstraction of knowledge. This process highlights the centrality of organizational beliefs in guiding organizational action. In addition to the process of learning, the character of beliefs is expected to influence performance. Traditional studies of organizational culture have tied organizational excellence to distinguishable traits and the degree to which traits are shared across the organization. However, organizational success is increasingly attached to other facets within organizational operation. This chapter has presented four criteria to characterize and evaluate organizational beliefs and their potential to promote organizational success: attribute strength, subcultural consistency, uniqueness, and consistency with the environment.

2.2 Values in management

Organization management uses two primary processes to influence organizational performance: various forms of organizational control, and change management. Different forms of organizational control and their suitability to different contexts have been characterized by Barker (1993) and Tompkins and Cheney (1985) (see also Edwards 1981, Jones 1983, Kowtha 1997, Ouchi 1981, Wilkins and Ouchi 1983, Hales 1993). Different types and examples of organizational change have been explored by Reger, Mullane, Gustafson, and DeMarie (1994) (see also Keidel 1994, Mintzberg and Westley 1992, Wilms et al. 1994, Pettigrew 1987, Whipp et al. 1989, Graetz 1996).

According to Simon (1997) there are two ways to influence employee behavior: 1) establish within the employee attitudes, habits, and a state of mind which lead him or her to reach that decision which is advantageous to the organization, and 2) impose on the operative employee decisions reached elsewhere in the organization. The first type, which focuses on inculcating in the employee organizational loyalties and a concern with efficiency, is less likely to face resistance. Both organizational control and change literature acknowledge the fact that today, in a knowledge-intensive era, employees' beliefs have a key position when influencing organizational performance (e.g. Reger, Mullane, Gustafson, and DeMarie 1994, Wilkins and Ouchi 1983, Barker 1993).

What are the ways in which organizational beliefs can be influenced? The following chapters introduce managerial interventions used for this purpose and focus especially on value statements and their connection to organizational beliefs. Requirements from espoused values are identified, and core issues of the chapter are summarized.

2.2.1 Values as a tool for managerial intervention

One of the main tasks of organizational executives in the aim for improved organizational performance is to help employees comprehend organizational purpose

and direction, and provide personal challenge and purpose for them (Barnard 1938). This aspect of organization management is covered in the large and multifaceted field of leadership research (see Bass 1990). However, leadership is more often attributed to certain personality traits, styles and behaviors than to practical managerial interventions as ways of influencing organizational members' beliefs and behavior.

Managers may communicate their own beliefs on what the organization is or should be, how it does or should operate, and why, in many different ways as a means of managerial intervention. Traditionally, communicating beliefs has been included in charismatic or visionary leadership (Collins and Porras 1991, 1994) and in other traits and behaviors of successful leaders (Bass 1990, Kouzes and Posner 1993, 1995). However, managers increasingly use visible, formal tools for this purpose. The literature identifies at least three means: purpose or mission statements (Bartlett and Ghoshal 1994, Calfee 1993, Campbell 1989, Jones and Kahaner 1995, Klemm et al. 1991, Morris 1996), value statements (Simons 1995a, b, Blanchard and Connor 1997), and management philosophies (Blackler and Brown 1980, Ledford et al. 1995)[3].

Organizational purpose, philosophy and values all are intertwined in the concept of leadership and cannot necessarily be separated. For instance, values are referred to as an integral part of transformational leadership (Tichy and Devanna 1986, Tichy and Cohen 1997), credible leadership (Kouzes and Posner 1993, 1995), visionary and successful companies (Collins and Porras 1991, 1994), mission statements (Jones and Kahaner 1995, Klemm et al. 1991), and also management philosophy (Ledford et al. 1995). This study focuses particularly on values as a tool for managerial intervention due to their central role in decision making (Simon 1997), leadership (see above) and controlling business strategy (Simons 1995a, b), and their close connection with the concept of organizational culture and beliefs (e.g. Schein 1985, Hatch 1993).

The study of values has been dominated by a sociological, psychological and philosophical view where values are deeply rooted assumptions adopted by individuals or groups (e.g. Rokeach 1968, 1973, England 1975). However in organization

[3] *Mission* is the ultimate purpose of the company, why it exists and what it primarily serves (e.g. Cambell 1989, Calfee 1993). Later in this chapter, *values* will be defined as abstract and general, ideal modes of conduct and terminal goals (Rokeach 1973). By *philosophy,* Blackler and Brown (1980) refer to a statement of top management's proposals on good management practices. Philosophy and operative principles are often used to denote the same issue. Typical to mission, values and philosophy is that organizational managers often state them explicitly to explain to organizational members and external interest groups what the company stands for, how it operates, and behaviors one should follow (e.g. Drucker 1974, Klemm et al. 1991). Even if the concepts are often confused and used interchangeably (see e.g. Jones and Kahaner 1995), their nature and level of abstraction differentiates them. Where mission statements are at best very brief and abstract and respond to the question why the organization exists, values are slightly more concrete and focus on the question of what and how people should do. Values are more abstract than philosophies or principles that in turn focus on detailed guidelines of behavior and decision-making.

management, values can also be viewed as explicit statements, and a conscious tool for managerial intervention. In the literature on organizational culture, the two approaches are often confused, but espoused values may differ from those in use (Argyris & Schön 1978, Schein 1985, Pedersen & Sørensen 1989, Watson 1994, Kunda 1992). Even if espoused values reflect some people's attitudes, beliefs and hopes about desired states, they are not necessarily realized in the behavior of all organizational members.

Values in particular have been espoused in an aim to increase organizational performance, and point organizational culture towards a desired direction (e.g. Ledford et al. 1995). According to several authors, organizations well familiar with their value system that can utilize and mold it will succeed (e.g. Peters & Waterman 1982, Beck & Hillmar 1986, Deal & Kennedy 1982). Schein (1985) uses values in the context of cultural learning and as a means for testing the existing basic assumptions. When a newly developed group faces a problem, the solution can only express some set of values which are based on some person's (often the founder's or manager's, or shared) basic assumptions about reality, environment, human beings etc. If the solution is appropriate, functions well and provides the group with a sense of success, the values can gradually go through a cognitive transformation process and finally turn into basic assumptions. In Hatch's model of cultural dynamics (1993) the basic assumptions, including beliefs about the organization, can be influenced through espoused values, for instance from other organizations or by management. This link is called retroactive manifestation. Here the new, espoused values question the existence of present values, and if they enforce the culture and their results are experienced positively, new values can also mold organizational beliefs. If the espoused values do not produce successful outcomes, they may be rejected and possibly replaced by other, more successful values.

2.2.2 The concept of values

Above, values were taken up as a managerial tool that can be used to influence employees' beliefs and behavior in an organization. A sociological definition of values will be used as a starting point for defining explicitly stated values.

From an individual's point of view, values are abstract ideals, positive or negative, not tied to any specific attitude object or situation, representing a person's beliefs about ideal modes of conduct and ideal terminal goals (Rokeach 1968). According to Rokeach (1968, 1973), a value is a type of belief, centrally located in the belief system, about how one ought to or ought not to behave, or about some end-state of existence worth or not worth attaining. A value system is a hierarchical organization, a rank ordering of ideals or values in terms of importance. The values with a high rank always guide behavior if a choice has to be made between values. Values can also be viewed from a group or society perspective (Kluckhohn and Strodtbeck 1961). Values are implicit or explicit desires of [individuals or] groups which influence the selection from available means, ends, and actions (also Hofstede 1978, 1980). Watson (1994) notes that an organization's values are a social phenomenon but they are adopted individually with different emphases. In general, discussion on values implies discussion on what is good

or right as opposed to bad or wrong (Watson 1994, Kast and Rosenzweig 1985, Nystrom 1990).

In the above definitions, values are approached in their sociological meaning (also Pohjanheimo 1997). *Espoused* values have usually been addressed only in relation to values-in-use (e.g. Schein 1985, Watson 1994), and they have not been defined separately. In this study, the focus is on values as a tool for managerial intervention, often referred to as espoused values (Schein 1985, Kabanoff and Holt 1996, Kabanoff et al. 1995), value statements (Jones and Kahaner 1995, Stewart 1996a, b), organizational values (Liedtka 1989, 1991, Posner and Schmidt 1993), or official values (Lahti-Kotilainen 1992). The most evident difference between espoused values and "sociological" values is the explicitness of statement: when focusing on espoused values, that is, values as a managerial intervention, they are explicitly stated, typically written down and communicated within as well as outside of the organization. Another visible difference is that explicit statements of values are more often an organizational than individual phenomenon. Thirdly, as the values are explicitly stated and have been created on the basis of some persons' beliefs at some point in time, they do not necessarily reflect the beliefs of those individuals that are supposed to behave according to those values. Espoused values are, therefore, by nature quite different from the traditional meaning of the term values.

However, the sociological definition of values does bear features that are relevant to espoused values as well. Even if focusing on values in their managerial intervention sense, the abstractness, generality, and content of values visible in Rokeach's definition do hold true. Rokeach sees values as abstract ideals that are not tied to attitude objects or situations. Espoused values have a general and abstract nature in that they usually derive from a wide set of experiences and assumptions, and explain and give meaning to many new ones. They by definition are not limited to certain types of situations, such as organizational success, but explain and can be used for the whole variety of organizational events. The abstract nature implies that values are not in themselves the same as behavior or an outcome of behavior, or that they could be translated to certain behaviors or outcomes directly. Rather, a person's interpretation of values and the event at hand may be reflected in many kinds of very different behaviors and outcomes. Since espoused values represent ideal modes of conduct and ideal terminal goals, they in a way give a "name" or direction to what is good and desirable. They in this sense highlight not only what is desired in the future but also what, in the ideals, is already applied today.

To sum up, values in this study refer to *abstract, explicit, often management-driven statements that represent ideal modes of conduct and ideal terminal goals in an organization and that are used as a vehicle for managerial intervention* (cf. Rokeach's definition). Values cover ideals that are already fulfilled in current end-states and ways

of operating, or not. Values have been discussed in connection with various other concepts such as organizational culture, ideology, ethics, vision, and strategy in addition to mission and philosophy mentioned earlier[4].

2.2.3 Values and organizational beliefs

As was mentioned, espoused values might reflect some set of beliefs due to the fact that they have been made explicit in certain circumstances and by a certain group of people. Value statements could, in fact, be characterized as the enactment of organizational managers' beliefs at a certain point in time. Figure 5 shows the creation of values as part of the interpretation process of organizational managers.

[4] Values in their sociological sense are considered one central part of *organizational culture* (e.g. Schein 1985). Written value statements do not necessarily reflect organizational culture at all even if they may be used to alter culture. *Ideology* has been defined as the substance of culture, the shared, relatively coherently interrelated sets of emotionally charged beliefs, values and norms that bind some people together and help them to make sense of their worlds (Trice and Beyer 1993, see also Weiss and Miller 1987). Goll and Zeitz (1991) define ideology as the major beliefs and values expressed by top management that provide organizational members with a frame of reference for action. In this sense the term ideology is used to cover both espoused values and values in use, but it is more often used in a political or religious sense than in an organizational sense, and often implies members' voluntary or even forced compliance. *Ethics* refers to the study of morals in general and it focuses more on what is morally right or wrong, whereas values are specifically someone's values and have a context. Ethical statements may be included as part of value statements. *Vision* is a person's or group's mental impression or image of say the organization in the future (Snyder et al. 1994), whereas *strategy* is the overall pattern or plan of steps to be taken to reach the vision (Mintzberg and Quinn 1991). These both are strongly future-oriented as compared to values which may reflect current ways of operating. Vision and strategy are very often consciously stated by organizational management, and are seen to complement value statements well. Even though the different concepts are related, values are in this study differentiated from the others in that they are clearly explicit, do not force member compliance, and deal with ideals comprising both current and future goals and modes of operation. They may also be more enduring than renewable visions and strategies.

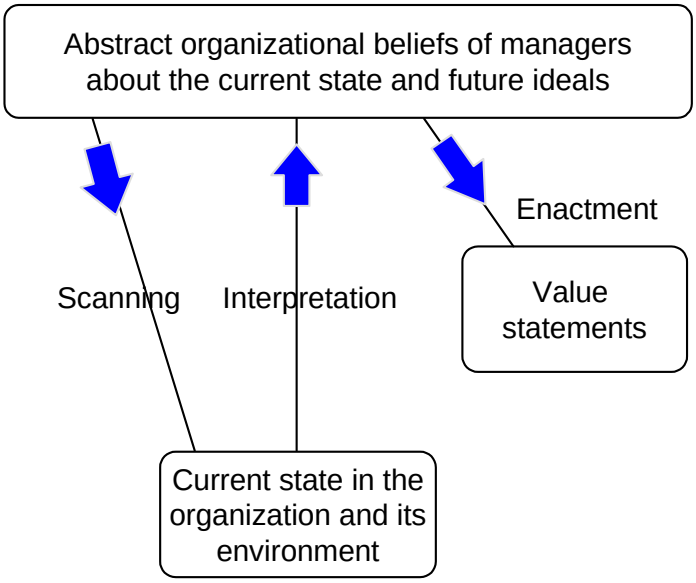

Figure 5. The creation of value statements as part of managers' interpretation process (see also Hedberg 1981).

The figure highlights the different levels of abstraction of different phenomena. Values were above characterized as more abstract than a philosophy statement, and by nature more abstract than concrete organizational operation. Even though abstract organizational beliefs act as a framework for stating explicit values, they as a concept are even more abstract and "fuzzy" and less likely to be concretized (Sarason and Huff 1998).

The nature of explicitly stated values and the event by event evolution of organizational beliefs implies several other differences that need to be taken into account when using values as a tool for managerial intervention. Firstly, after the moment of creation, values are used in a different organizational and belief context from where they were created and, therefore, there is always a time lag between the two concepts. Secondly, values in the above definition are clearly an organizational phenomenon whereas organizational beliefs may represent an individual, group or organizational level. Thirdly, the two concepts differ in the level of explicitness as characterized in the definitions used in this study. Conceptual differences between beliefs, values and related concepts in the level of abstraction and explicitness are highlighted in Figure 6.

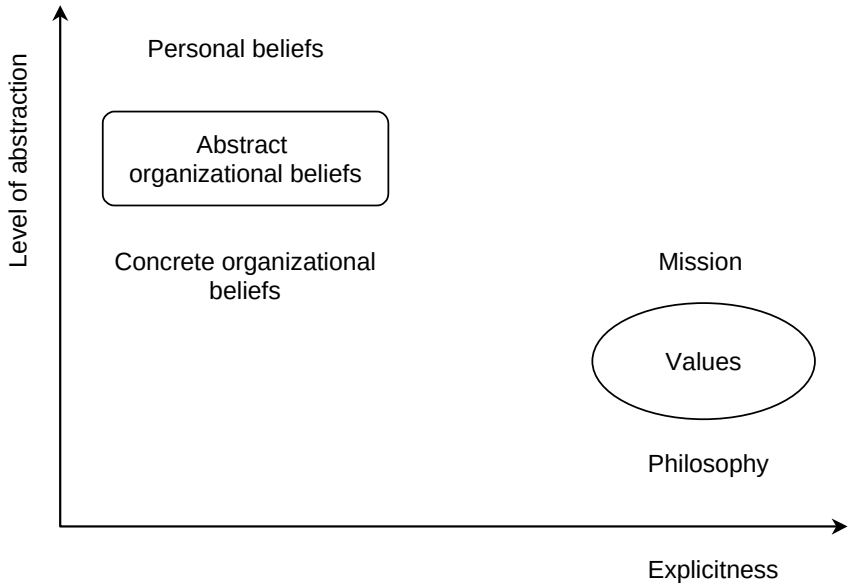

Figure 6. Comparison of organizational beliefs and values by level of abstraction and explicitness.

Despite the differences between organizational beliefs and values, the two concepts are linked together in the managerial task of influencing organizational members' beliefs and ways of working. Management literature seems to take values as "givens", as if they would exist as objective, unquestionable truths and have a definitive content (e.g. Blanchard and Connor 1997). In reality, however, a value is as much a target of individual interpretation as any other organizational phenomena.

2.2.4 Requirements of values

The dual character – being a tool used for conscious managerial intervention on beliefs, and simultaneously a practice with multiple meanings for organizational members – poses some requirements for the content and creation of values. The most frequently mentioned requirements of espoused values are a sufficient reality basis and at the same time a sufficient distance from reality, simple and inspiring character, and consistency amongst values.

Values were defined above as types of ideals. This does not indicate that values would merely represent something that should come true in the future. Schein (1985) has stated that espoused values should match reasonably well with the prevailing basic assumptions and behaviors in order to help unite the group and offer it an identity and purpose (also Schneider 1988). Incongruency of espoused values and prevailing beliefs can produce value ambiguity and conflicts which often lead to choices that are based on the individual's or some other values rather than those expressed by the organization (Levi 1986, Liedtka 1989, 1991). A gap between values and beliefs can produce feelings of hopelessness, and discourage people (Senge 1990). However, a gap between the stated values and actual beliefs can also be seen as an encouragement to change. The gap may create a rubber-band effect characterized by Senge (1990, 150). The espoused

culture can cause a creative tension that draws the actual culture towards it if it is challenging enough, at odds with reality, and acts as a source of energy. Reger, Mullane, Gustafson and DeMarie (1994) combine a sufficient reality basis and creative tension in their idea about tectonic change (see also literature on cultural change e.g. Wilms et al. 1994, Pettigrew 1987, Whipp et al. 1989, Graetz 1996). Change that does not threaten the identity of the organization can, therefore, be considered an opportunity and a desirable direction.

The demand of being based on current organizational reality and future expectations simultaneously fits well with the ambiguity prevalent in the definition of values. As defined, values signify ideals that may or may not come true in organizational operation. This ambiguity of value statements is reflected in the ways in which people use them to interpret and respond to events in their environment. Rather than dictating correct ways to behave or right things to do, the values promote the noticing of *consistencies or inconsistencies* (in other words, fit or gap) between prevailing and desirable beliefs as compared to events at hand, and respectively, behaving towards the maintenance or innovation of the beliefs and the organization. However, if management merely uses values as either a representation of an organizational vision (future state), or of old ways of working (present or past state), the ambiguity claim in the statements is not fulfilled and organizational beliefs cannot be influenced due to stress attached to excessive challenge or inertia attached to negligible impact (Reger, Mullane, Gustafson and DeMarie 1994).

According to Beck and Hillmar (1986), the content of values is as important as the way in which they are communicated and supported. The expressed values (or mission) must be relevant to the character of the organization, its tasks and to the emergent processes in its technology and environment (Blackler and Brown 1980, also Jones and Kahaner 1995). The statements should be kept simple (Jones and Kahaner 1995), clear and focused so that organizational members can easily identify with them, and inspiring in order to provide these members with a desired direction (Mintzberg 1989).

General studies on values provide some basis for identifying relevant values and wording the value statements (e.g. Rokeach 1973, England 1975, Quinn and McGrath 1985, Quinn 1988, O'Neill and Quinn 1993, McDonald and Gandz 1992, Goll and Zeitz 1991, O'Reilly et al. 1991). Both instrumental and terminal values have been espoused by organizations. Though profit and efficiency remain central values within business organizations, they should be balanced by other values that help define the types and limits of activities designed to achieve those objectives and by values describing other important ethical and socially responsible behaviors (Robin and Reidenbach 1989). In addition to performance-related values, customer orientation, respect for the individual, continuous improvement, and cooperation are frequently espoused (Lillrank 1998, Martinsuo 1996). Kabanoff et al. (1995) and Kabanoff and Holt (1996) have studied by content analysis the espoused values of Australian companies and identified nine values: authority, performance, reward, normative, commitment, participation, leadership, teamwork and affiliation (sic.).

In addition to the operative ambiguity of value statements and their simple and inspiring character, the statements should be consistent with each other. Incongruency between values is manifested in ambiguity and conflicts as demonstrated by Liedtka (1989, 1991).

2.2.5 Summary

Values have received a lot of interest in leadership literature and the popular press as a managerial practice directed at influencing employee beliefs about the organization and, through them, organizational performance. Academic research has so far failed to clearly separate the concepts of sociological values and values used as tools for managerial intervention. Values in this study mean abstract, explicit, often management-driven statements that represent ideal modes of conduct and ideal terminal goals in an organization and that are used as a vehicle for managerial intervention. Values in general differ from organizational beliefs temporally, by level of analysis, and in their level of abstraction and explicitness. However, they are considered as a potential tool to influence organizational members' beliefs due to their ambiguity and conceptual connection to organizational culture. In order to lead to hoped for behavioral responses on the part of organizational members, values should represent ideals that are both in use and desired, and they must be simple, inspiring, and consistent with each other.

2.3 Process and practices for promoting values

Values have been used as a tool for managerial intervention due to many potential advantages attached to them. They are said to provide direction for the organization and its individuals (Peters and Waterman 1982) by guiding behavior and decisions and expressing organizational culture (Ledford et al. 1995). They inspire organizational search and discovery (Simons 1995a, b), and provide a basis of meaning beyond the products the organization produces. Reciting the code of values and singing the company song makes organizational members a family (Pascale & Athos 1982).

According to Watson, (quoted in Pascale & Athos 1982, p. 184) any organization must have a sound set of beliefs on which it premises all its policies and actions in order to survive and achieve success. Those beliefs must be faithfully adhered to, and if the organization is to meet the challenges of the changing world, it must be prepared to change everything about itself except those beliefs as it moves through corporate life. Attention to values in corporations is attention well devoted (Picken 1987). In addition to maintaining traditional ways of operating, values seem to have a position in organizational change processes especially if they enforce organizational identification (Dutton et al. 1994), give support to the sense-making process of organizational members (Gioia and Thomas 1996), or initiate communication to self (Broms and Gahmberg 1983).

Compared to the positive public orientation towards values as a tool for managerial intervention and the importance attached to the process of implementation, current literature provides surprisingly little guidance on how the implementation should take place. Enz (1988) suggests studying the proactive process of communicating top management values more to create further understanding of subcultural and external consistency and their relation with organizational outcomes (also Connor and Becker 1994). This chapter draws on organizational culture, values literature and as well, seeks support from studies concerning organizational socialization and other practices for managerial intervention to summarize current knowledge on the process and practices for the promotion of values. The concept of promoting values is introduced, and a general process for promoting values is outlined. Some further detail is sought on the practices used to promote values. Also, we will look into what "management by values" could mean in more general terms, as part of the whole learning process. Finally, key issues in this chapter are summarized.

2.3.1 The concept of promoting values

A driving force for this study has been the increased discussion on using values as a vehicle for managerial intervention. As was mentioned, values have not yet been defined clearly for this meaning, and also concepts related to managing by values have remained undefined. Mere communication of values does not cover the complexity inherent in the proactive use of values in leadership tasks. Therefore, this study will take up the term promotion of values to cover *the programs and procedures which managers use to make organizational members aware of values and to encourage value-directed action*.

Promotion of values is based upon those values that the organization has selected, and an implicit or explicit expectation that it will lead to increased organizational performance. However, promotion of values differs strongly from traditional, coercive forms of management. When aiming to manage or transform culture successfully, literature on organizational control and change name organizational beliefs as the target of intervention. Interventions that occur through organizational members' beliefs have been considered extremely powerful and yet employee friendly in nature (e.g. Barker 1993, Tompkins and Cheney 1985, Reger, Mullane, Gustafson and DeMarie 1994, Wilms et al. 1994, Pettigrew 1987, Whipp et al. 1989, Graetz 1996, Mintzberg and Westley 1992).

2.3.2 Process for promoting values

Except for some case descriptions (e.g. Anonymous 1997, Martinsuo 1996, Blackler and Brown 1980), literature does not provide thorough empirical accounts on the process for promoting values. Idealistically the promotion of values can be looked at as a development program. General development interventions are frequently characterized as stepwise or cyclical processes. For instance Lanning (1994, referring to Levin and Armstrong) describes four main stages in a successful development project: prepare, unfreeze, change, refreeze. Vartiainen (1994) looks at the development of work

as a cycle of development, consisting of current state analysis, stating objectives, program design, implementation, and evaluation. Approaches to managing organizational culture contain similar stages (e.g. Robin and Reidenbach 1989, Sims 1994, Martinsuo 1996).

The starting point of value-based interventions is the selected set of values, the current state in the organizational operation, and future ideals (e.g. vision). Knowledge of the current state in the organization is required (e.g. Wilkins 1989, Allen and Kraft 1982, Wilkins and Dyer 1988) not only to make visible the gaps between reality and ideals but also avoid resistance to change and demonstrate to organizational members the necessity for actions (Reger, Mullane, Gustafson and DeMarie 1994). A vision and clear objectives are needed to guide the intervention and ensure commitment and accomplishments (Allen and Kraft 1982, Sims 1994, Drennan 1992, Reger, Mullane, Gustafson and DeMarie 1994).

Awareness of the goals in promoting values leads the way to designing a program or tools for that purpose. According to Ledford et al. (1995), an organization should plan how to align behavior, policies, and practices with value statements. Every major human resource system, ranging from recruitment and reward systems to training, appraisals, and job design needs to support values (also Schneider 1988). Visibility of the values, at best, increases employee awareness of the gap between statements and reality and may, at worst, weaken the impact of the philosophy, unless supported by various practices (Ledford et al. 1995, also Reger, Mullane, Gustafson, DeMarie 1994). The consistency of these systems and practices is of critical importance, as employees tend to enforce those behaviors that in the end are rewarded (Robin and Reidenbach 1989).

Concerning practices in promoting values, oral and written communication are rarely enough to accomplish desired outcomes but, rather, behavioral commitment is needed (Blackler and Brown 1980, Robin and Reidenbach 1989, Drennan 1992). Organizational socialization has a central role in transmitting organizationally relevant values (Pascale 1985, Van Maanen 1976, Van Maanen and Schein 1979). Especially beyond upper management, diffusion depends upon the force of the example (Blackler and Brown 1980), opportunity for involvement, and visible changes (Allen and Kraft 1982, Drennan 1992, Robin and Reidenbach 1989, Sims 1994, Reger, Mullane, Gustafson, DeMarie 1994). In addition to the use of various media in communicating the values, the organization practically needs to "weave its philosophical principles into the fabric of daily organizational life" (Ledford et al. 1995).

The success of values promotion can be determined through the continual monitoring of the consistency between the desired and the current state, and the goals and actual outcomes of the promotion program (Beck and Hillmar 1986, Allen and Kraft 1982, Robin and Reidenbach 1989, Drennan 1992). If behavior is incongruent with the objectives, one should check the objectives, check the process of socialization and enculturation, and take corrective measures. Also, the values may need to be affirmed

and renewed, and employees need to be involved in a reconsideration of the meaning of the values and value-related practices on an ongoing basis (Ledford et al. 1995). Figure 7 summarizes the key stages in promoting values.

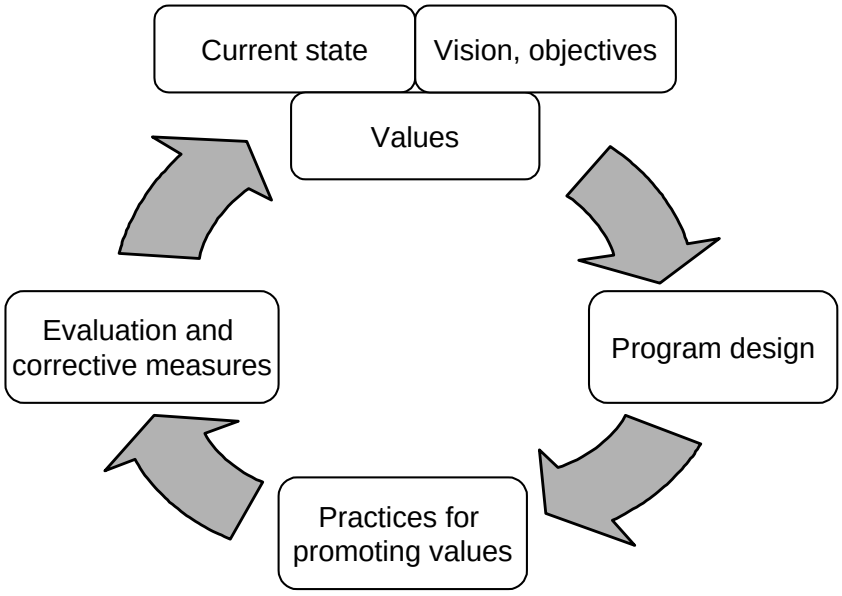

Figure 7. The cycle of promoting values. Adapted from the ideas of Vartiainen (1994) and Martinsuo (1998).

The cyclical process of promoting values integrates the program-like development format as part of organizational functioning through the current state analysis, and systems, procedures and practices of organizational socialization that are typically used to promote values. The next chapter focuses on organizational socialization practices as a way to promote values and tie the managerial intervention to the everyday operation of the organization.

2.3.3 Use of organizational socialization practices to promote values

Organizational culture and organizational beliefs are created and maintained through organizational socialization (Pascale 1985, Van Maanen 1976, Van Maanen and Schein 1979). Espoused values are and can be transmitted to employees through socialization practices, and socialization can be considered the prime means of promoting values. However, socialization has other functions beyond the promotion of values.

Van Maanen and Schein (1979) define socialization as the process by which an individual acquires the social knowledge and skills necessary to assume an organizational role. In that process, the person learns the values, norms, and required behaviors which permit him or her to participate as a member of the organization (Van Maanen 1976). According to Pascale (1985), socialization is the process of being made a member of a group, learning the ropes, and being taught how one must communicate and interact to get things done. “Creating a strong culture” is a nice way of saying that an organization’s members have to be more comprehensively socialized. I will use the

term organizational socialization from an organizational viewpoint, to signify efforts taken to provide employees with the values, norms and social knowledge to act as an organizational member. Socialization differs from training in that the latter is merely one part of socialization and focuses on individuals' abilities to perform work tasks whereas the first deals more widely with individuals' conformity to or deviance from the demands of the organization (Feldman 1989).

The process of organizational socialization continues throughout an individual's career with the organization (also Van Maanen and Schein 1979) even though early organizational experiences account for a major part of a person's organizationally relevant beliefs, attitudes, and behaviors (Van Maanen 1976). Newcomer socialization has indeed been a more common topic of study than socialization of organizational insiders (Feldman and Brett 1983, Feldman 1989). Socialization occurs in relation to work, roles, and the organization as a whole (Louis 1980) and during different forms of passage within the organization: functional, hierarchical, and inclusionary (Van Maanen and Schein 1979). Yet, socialization to the organization is studied less frequently than socialization to work tasks or roles (Louis 1980). According to Tichy and Devanna (1986), people need to break old habits, learn new ways of doing things, and establish new norms and values constantly in any kind of change during their careers with organizations.

The position of socialization is particularly important in minimizing surprises related to new kinds of events and changes, organizational entry among them (Louis 1980). Any kind of change is problematic due to the lack of prior knowledge, possible lack of information input from other people, and low awareness of situation-specific schemas. The role of organizational socialization practices is to help individuals interpret new events and stimuli and respond to them successfully. Without socialization, individuals would use their personal beliefs in the interpretation process and possibly develop organizationally unsuitable behavioral responses. In a similar vein, an overflow of ambiguous information from peers, a formal socialization process, and other stakeholders may result in unsuitable reactions and hinder the learning of new beliefs (Louis 1980). At best, socialization should bring a consistent input to the individuals' learning process, which could be accomplished by a coherent use of values in socialization practices. Figure 8 combines previous ideas on organizational beliefs with how socialization practices could be used to promote values and support the members' learning process. It emphasizes that promotion of values should not be used only to promote awareness of values but also to support and direct the whole interpretation process.

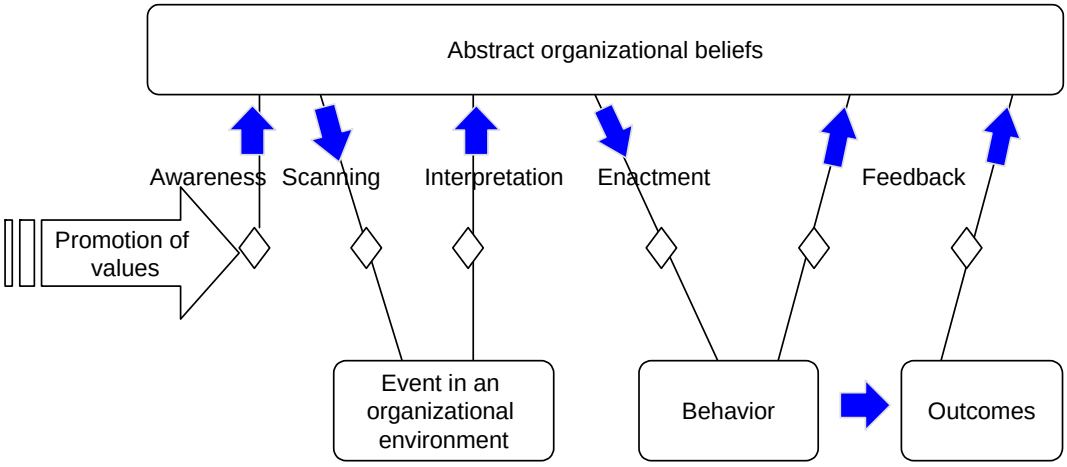

Figure 8. Promotion of values in relation to an individual's learning process. The diamonds denote the possible supportive role of values at all stages of the process.

If we look at the promotion of values as an organizational level management intervention, the above model raises two central issues that should direct decisions on *how* to promote values. Firstly, as defined earlier, organizational members may have different organizational beliefs of which some may be shared and some not. Therefore, the target of managerial intervention is not fully known to organizational managers, nor is it stable over time or across organizational subgroups. The diversity of beliefs should be taken into account when planning and implementing the promotion of values. Secondly, organizations constantly face different types of events, and their needs for behavioral response vary event by event. Therefore, the promotion of values should ensure flexibility in interpretation and behavioral patterns rather than give organizational members predefined interpretations.

In its traditional sense, organizational socialization aims to make organizational members part of something that is already known and defined. However, overconformance in a turbulent business is rarely desirable (e.g. Schein 1988). Research has identified connections between different socialization practices and different behavioral outcomes. Table 2 presents some relevant literature on organizational socialization, outcomes, and intervening factors.

Table 2. Studies on socialization practices, intervening factors, and outcomes.

Theme	Reference
Different socialization practices	**Socialization practices:** Van Maanen 1976, Pascale 1985, Van Maanen and Schein 1979, Feldman 1989, Feldman and Brett 1983 Jones 1986, Ashforth and Saks 1996 **Practices for managing organizational culture:** Schneider 1988, Ledford et al. 1995, Sinclair 1993, Kouzes and Posner 1993, Robin and Reidenbach 1989 **Means to support the learning of new beliefs:** Morgan 1986, Dixon 1994, 1997, Argyris and Schön 1978, Engeström 1987, Senge 1990, Louis 1980, Schein 1993b, Martin et al. 1983, Boyce 1995, Ikävalko and Martinsuo 1998, Buhanist et al. 1998, Ruohomäki 1994, Ruohomäki et al. 1996, Pankakoski 1998, Martinsuo et al. 1997, McGill and Slocum 1993, Barrett 1995
Different socialization outcomes	**General:** Van Maanen and Schein 1979, Van Maanen 1976 **Personal outcomes:** Feldman 1988, 1989, Chatman 1989, 1991, Louis et al. 1983, Jones 1986, Saks 1996, Ashforth and Saks 1996 **Organizational outcomes:** Ashforth and Saks 1996, Jones 1986, King and Sethi 1998.
Intervening factors	**Individual characteristics:** Reichers 1987, Lee et al. 1992, Adkins 1995, Saks and Ashforth 1997, Jones 1986 **Situational characteristics, e.g. information sources** Reichers 1987, Van Maanen and Schein 1979, Saks and Ashforth 1997, Ostroff and Kozlowski 1992, Reichers 1987 **Perceived amount and helpfulness of socialization practices** Louis et al. 1983, Saks 1996

As for the practices of socialization, the literature identifies, typically, two different approaches. *Institutionalized* socialization practices are applied in a collective context, formally separate from regular organizational processes. They occur in a sequence of discrete and identifiable steps towards a set target of socialization, and the time required for a given passage is fixed. The process is serial in the sense that experienced role models holding similar positions are used, and a person's earlier experiences and characteristics are made use of rather than denied. Various training programs, such as new employee orientation training, are typically institutionalized (Van Maanen & Schein 1979, Jones 1986). *Individualized* socialization practices are carried out within the personal work context of the employee and as part of regular organizational processes. The steps, sequence and time required for socialization are not predetermined but, rather, the content is more random and variable. Direct role models are not used, and earlier experiences and personal characteristics are divested and denied, not used. Informal mentoring systems are an example of individualized socialization tactics (Van Maanen & Schein 1979, Jones 1986). I would like to add a third approach: *adaptive* socialization practices. Adaptive practices may have features of both institutionalized and individualized practices (e.g. collective and informal, or formal and part of regular

work processes) and they frequently appear as ways to support learning. Simulation games can be considered one example of adaptive socialization practices (Pankakoski 1996, 1998, Ruohomäki 1994, Ruohomäki et al. 1996).

A key finding on the outcomes of socialization is that institutionalized socialization practices seem to result in behaviors that support maintaining the organizational status quo, whereas individualized practices typically lead to innovation in work roles, tasks and even the organization (Jones 1986, Ashforth and Saks 1996). Where individualized practices are more favorable than institutionalized practices for organizational performance and adaptation, they require significantly more resources on the part of the organization and are more difficult to control. In addition to the implementation method, different intervening factors such as personal and situational characteristics impact the actual behaviors. For instance, organizational maintenance behavior may materialize as member conformance to organizational goals or the person quitting the organization, depending on different intervening factors (e.g. Louis et al. 1983, Jones 1986, Feldman 1989).

Literature on organizational socialization proposes several features to the successful promotion of values. If the promotion of values is expected to lead to positive organizational performance outcomes, it should occur in a flexible entity to match the diversity of organizational beliefs and events, and benefit from the range of different behavioral options. The promotion of values should continue throughout individuals' careers with and different passages in the organization. Different socialization practices should be available to take individual needs and organizational resources and situations into account. A combination of institutionalized, individualized and adaptive socialization practices is suggested as a way to respond to organizational maintenance and change aspirations simultaneously.

2.3.4 Management by values

The process through which espoused values are expected to transform into behaviors and successful organizational performance can be called management by values (Blanchard and Connor 1997). Discussion on management by values both as a concept and in practice has been limited and superficial despite the importance attached to it. Only general guidelines have been stated as to how management by values takes place, and thorough empirical studies are practically non-existent. Even if the focus in this study is on promoting values, I will briefly characterize the whole process of managing by values to provide readers with an idea of the entity and outcomes that are expected of promoting values.

Blanchard and Connor's (1997) managing by values process consists of clarifying the mission and values, communicating them, and aligning daily practices with them. The above discussion has already emphasized the importance of knowledge and communication of organizationally relevant values, as well as other ways to promote them if they are to be used as a vehicle for managerial intervention (e.g. Jones and Kahaner 1995, Blackler & Brown 1980, Kunda 1992, Peters and Waterman 1982,

Cristopher 1980, Sims 1994). Promotion of values does not, however, guarantee that values become the central guideline of behavior across the organization. As Jones and Kahaner (1995) put it, managers must "say it and live it". In order for the management by values to succeed, there is a need to take values even as a dominant management paradigm and not just as a separate project (Martinsuo 1996). Additionally, an organization-wide commitment to the statements is needed. As several studies indicate, the reality of management by values rarely meets this objective (e.g. Martinsuo 1996, Blackler and Brown 1980, Anonymous 1997).

Communicated values may create a context and framework for activity to become meaningful in the organization, which indeed can be considered far more important than setting objectives when managing the enacted world of interpretation (Smircich and Stubbart 1985). This requires, however, that values be integrated as part of the whole learning process. Rousseau (1995) refers to various value and mission statements as psychological contracts: they are management promises about the future that become valid through interpreting and enacting (encoding and decoding) in employee behavior if they act as solutions to every day problems. Success in the managerial intervention requires constant practical testing and experimenting rather than sticking stubbornly to a list of dos and don'ts (see also Slocum et al. 1994). Managing the belief system in this manner may "pass" Barney's (1986) notion of non-manageability of culture: when managing by values, the focus is not on managing organizational characteristics or people's behaviors but ways in which people interpret events and enact their interpretations. This learning process is always more or less dependent on the individual, not on systems or predefined models, and hereby observable culture may evolve non-manageably.

The previous chapter suggested that socialization practices could be used to incorporate values in the learning process of organizational members. However, this implies that management by values does not mean the promotion of values only. It includes the usage of values to focus attention, interpret events, decide on action, and implement value-based decisions. Values may become visible as they are realized in organizational outcomes, and they should be evaluated and questioned as a way to provide feedback to the next stages in the learning process. These steps are illustrated in Figure 9. The model argues that values should become part of all the learning stages if management by values is selected as a dominant management paradigm in an organization.

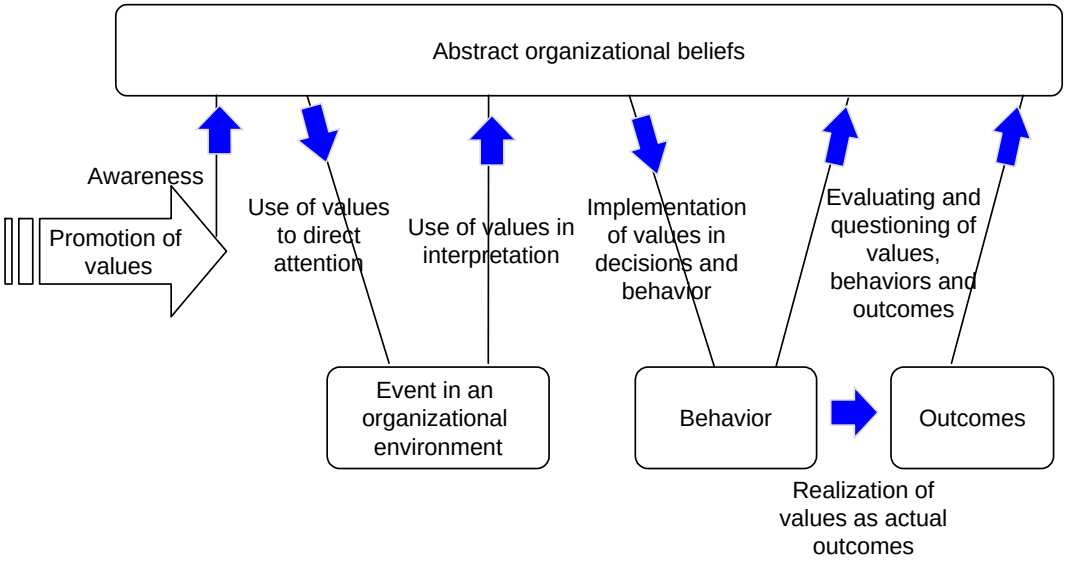

Figure 9. Values as part of the learning process in organizations.

In order to lead to desired effects, promotion of values should, therefore, not only increase organizational members' awareness of the values but also enforce the use of values at all stages of learning.

2.3.5 Summary

Utilizing values as a vehicle for managerial intervention requires processes and practices through which values are integrated to the daily operation of organizations. In this study, the central managerial intervention of interest is promotion of values which refers to the process and practices which managers use to make organizational members aware of values and to encourage value-directed action. The process for promoting values is based on the current state of the organization, future vision and objectives, and the selected values. It consists of designing promotion programs, carrying out promotion practices, evaluation, and corrective measures. Various socialization practices are used in promoting values and as a way to integrate values into organizational life. For the successful implementation of these practices, the variety of organizational beliefs, events, and alternative outcomes need to be considered in the designing of the promotion programs.

2.4 Promoting values in a multinational enterprise

The previous chapters have introduced the promotion of values as a potential way to influence organizational members' beliefs and the whole learning process, and support the link between beliefs and organizational performance. When combining the challenges inherent in the diversity of beliefs, selection of values, and the process and practices for promoting values, we may well ask whether promotion of values can be used as a managerial intervention in a multinational enterprise. This chapter presents empirical studies from large multinational firms in relation to organizational beliefs,

value statements, and the promotion of values. Also, the diffusion of managerial interventions in MNEs is explored in more general terms, followed by a brief summary on extant knowledge on the promotion of values in multinational enterprises.

2.4.1 Organizational beliefs in a multinational enterprise

The "breakthrough" studies of organizational culture in the early 1980s concerned successful, often also international firms and ways in which they had succeeded (e.g. Peters and Waterman 1982, Deal and Kennedy 1982, Pascale and Athos 1981). Peters and Waterman (1982) uncovered eight basic operative principles typical to successful firms in an interview and document-based study. Deal and Kennedy (1982) distinguished excellent firms from those less so by their values, heroes, rites and rituals, and communications practices. Pascale and Athos (1981) combined American and Japanese management philosophies in a model consisting of seven S's as levers to influence large complex organizations: style, staff, systems, strategy, structure, skills, and superordinate goals (shared values). The latter authors emphasized that the central point in the seven S-model is the fit between and among the items that is critical for long-term leverage.

The qualitatively oriented, management-focused studies of the 1980s all emphasized the importance of beliefs (or values) as central in accomplishing superior organizational performance. This can be considered their primary input for management science (Barley and Kunda 1992). Later explorations have, however, revealed that some of the so-called excellent firms did not survive (Denison 1990, Sackmann 1992). The failure of the early models has been attached to their imitability, negligence of organizational environment and poor adaptability (Kotter and Heskett 1992, Barney 1986). Despite using data from international firms, the authors did not handle the ambiguities of the multinational firm but, rather, had an integration perspective on organizational culture (e.g. Martin 1992). Beliefs and values were largely merged in fuzzy concepts containing both explicit statements and implicit desires, future ideals and current realities, and abstract and concrete issues.

Comparative studies on culture have emerged parallel to the integration approach, acknowledgeing the influence of a multinational business environment. Probably the most known comparative cultural studies in an MNE are those of Geert Hofstede (1978, 1980, 1991). Hofstede has initially examined cultural differences across countries within a multinational firm, IBM, and later in a variety of firms. The early questionnaire-based studies focused on the values and value-related differences amongst organizational employees in more than 50 countries. By values, Hofstede refers to a broad tendency to prefer certain states of affairs over others (1980). Values are partly an attribute of individuals, partly of collectivities. He sees culture, in turn, as the collective programming of the mind that distinguishes the members of one human group from another, and values are among the building blocks of culture.

Based on the data from over 100,000 questionnaire responses, Hofstede distinguishes national cultures in four dimensions: power distance, uncertainty avoidance,

masculinity vs. femininity, and individualism vs. collectivism. Long vs. short term orientation has later been added as a fifth dimension, to cover values typical to eastern cultures (Hofstede 1991, 1995). Trompenaars and Hampden-Turner (1997), Bigoness and Blakely (1996), Newman and Nollen (1996) and D'Iribarne (1997), among others, have explored national differences and related impacts on organizational operation. Hofstede's work as well as emerging explorations on other contingencies in the business environment (e.g. Chatman and Jehn 1994, Markides and Williamson 1996) have encouraged the acceptance of cultural differences and ambiguities within and outside organizations and instead of forcing a "one culture" approach, learning to manage culture-boundedly. Paradoxically, the IBM studies described did not reveal anything about IBM's corporate culture despite engaging the firm personnel in an extensive survey setting (Hofstede et al. 1990), nor did they deal with anything other than national subcultures, related dynamics, or the relation of culture and performance.

Some more recent studies of Hofstede (1991, 1998, Hofstede et al. 1990) focus not only on values but employees' perceptions of organizational practices, i.e. concrete organizational beliefs. The interview and survey-based research has focused on organizational cultures and cross-firm differences within and between countries, in different private organizations in the Netherlands and Denmark. Findings from these studies show that the dimensions of organizational culture are different from those of national culture, that constituents' perceptions of organizational practices are unrelated to values, and that organizations in fact differ from each other more in perceived practices than values. These results indicate that national background is not at all the only or primary determinant of organizational culture as supported by Trompenaars and Hampden-Turner (1997). Rather, Hofstede et al. (1990) propose that cultural differences appear on the distinct levels of nation, occupation, and organization as a result of family, school, and workplace socialization, respectively. When approaching the organizational level, differences in practices become more visible than differences in values (also Hofstede 1993). Hofstede, therefore, seems to propose that from an organizational management viewpoint, employees' personal *values* are not of central interest; perceived practices are. These studies do complement Hofstede's earlier findings but, in turn, fail to touch upon the multinational issue.

As can be noted, Hofstede focuses on values and concrete organizational beliefs, *not* on abstract organizational beliefs concerning generally who or what the organization is and should be, or how it operates or should operate. The abstract organizational identity and culture beliefs are, as explained earlier, more profound than those concerning organizational practices but more accessible than the more personal and enduring values. Abstract organizational beliefs have now been taken up as factors affecting organizational action, tying these beliefs thus to organizational performance (e.g. Dutton and Dukerich 1991, Gioia and Thomas 1996).

Studies on organizational identity beliefs direct attention to the existence of belief differences within the firm. For instance, Gustafson's repertory grid technique-based studies of organizational identity beliefs at Intel (Gustafson 1995, Gustafson and Reger

1998) have identified distinct sub-identities within the firm, differences between ideal and current identities, and difference between concrete and abstract aspects of the content of identity beliefs. Sackmann's (1992, also 1991) interview study in three divisions of a medium-sized conglomerate explored differences in cultural knowledge within the organization. Her findings revealed organization-wide sharing of process-related knowledge (directory knowledge), and subgroupings in regard to two kinds of cultural knowledge: commonly held descriptions and definitions of situations (dictionary knowledge), and assumptions of why events happen (axiomatic knowledge). These concepts closely resemble those of organizational culture beliefs, concrete beliefs, and identity beliefs, respectively, and reveal some of the complexities in organizational culture. The increasing number of belief-related studies, however, are primarily from the American business context (also Gustafson 1995, Gustafson and Reger 1998, Sarason 1997, Sackmann 1992, Whetten and Godfrey 1998) and in Hofstede's view (1993) suffer from a context-bound frame of reference which does not necessarily apply in other countries.

In addition to the above-mentioned studies of organizational identity beliefs, recent studies of organizational culture beliefs fail to explore the challenges in multinational firms. Where Kunda's (1992) talented ethnographic account of a division of an international high-tech industry firm "Tech" covers both the written and spoken ideologies of management, and employees perceptions of organizational operation, it does not touch upon the multinational aspect at all. It highlights, though, the potential differences between ideal and current cultural realities. Martin (1992) has studied OZCO, a high-tech industry firm operating world wide, in a vast interview study from the three perspectives of integration, differentiation, and fragmentation. She does acknowledge differences across groups, units, and other kinds of subcultures and notes the different levels of culture, but also fails to cover the problematics of global operations holistically. Both Kunda (1992) and Martin (1992) have focused on a dynamic industry and high-performing high-tech firm and partially revealed the challenges and potential within those kinds of businesses. Neither of these descriptively oriented studies offers clues as to how their success has been accomplished, and how the findings apply in a multinational business context.

My earlier questionnaire and interview-based study (Martinsuo 1996) concerned the organizational culture beliefs of constituents of a non-American multinational firm in six countries, four business areas and three personnel groups from operators to top managers. The unique research setting had several strengths compared to other studies mentioned, among them the concern for differences other than national. Yet, the organization-dependent analysis framework, focus on mere culture beliefs, and descriptive and comparative approaches produced little general information on the entity of organizational beliefs in an MNE, nor in belief-related dynamics.

The multiplicity of different beliefs and subgroupings within the multinational firm brings us back to the question of organizational performance. Complementing the strong culture perspective with a contingency view has encouraged the search for

balance between differentiation and integration (Lawrence and Lorsch 1967a,b, Rosenzweig and Singh 1991, Bartlett and Ghoshal 1989), or fit and flexibility (Milliman et al. 1991) as a key to superior performance. Kotter and Heskett's (1992) interview studies complement the early "one culture" approach with fit with environment and adaptability but remain on a superficial level as to how the balance can be achieved. Bartlett and Ghoshal (1989) demonstrate a transnational approach as a way to manage the global enterprise, based on managerial interviews in several successful firms. These studies give partial support to the suggested, integrative model on organizational performance, characterizing the organization in terms of balance between attribute strength, subcultural consistency, uniqueness, and consistency with the external environment. They, however, stem from managerial data rather than the multiplicity of belief perspectives prevalent in multinational firms, and they focus on the cultural system, or systems, structures, and practices, rather than organizational beliefs.

Concerning research methodology, the above empiria have covered everything from extensive questionnaire surveys in dozens of countries to single-case ethnographies. Despite a constant critique against questionnaire-based studies on organizational culture, questionnaires are resource-wise, and often the only way to cover a wide spectrum of organizational units globally. Hofstede (1998) has reacted to this criticism by stating that surveys should not be used as the *only* method of study. He has also criticized the use of American management paradigms and survey frameworks in studying other cultures due to their context-boundedness (Hofstede 1993). Qualitative studies more often suffer from a very limited country and organization sample, a choice of very similar countries for comparison, and poor target samples within examined units (e.g. Heiskanen, quoted by Bigoness and Blakely 1996, D'Iribarne 1997). Indeed, top managers have been used as informants despite their limited view of actual organizational operation (as in Kulkki 1996, Trompenaars and Hampden-Turner 1997, Denison and Mishra 1995, Peters and Waterman 1982, Deal and Kennedy 1982).

The recent studies on organizational identity and culture beliefs have a qualitative approach (e.g. Kunda 1992, Martin 1992, Sackmann 1991, 1992, Sarason 1997, Dutton and Dukerich 1991), and they are becoming more systematic and structured in their analysis frameworks compared to the early culture studies (e.g. Gustafson 1995, Gustafson and Reger 1998). Martin (1992) has emphasized a more individualistic approach to studying large organizations instead of looking at them as aggregates. Qualitative studies of multinational firms with suitably broad country samples, and informants from multiple personnel groups are still few enough to be considered as a research challenge.

To sum up, the above empirical studies reveal that organizational beliefs have a central position in the operation and performance of a multinational firm. As a range of intra- and extra-organizational ambiguities challenges the continued superior performance of multinational firms, managing beliefs is considered even more of a challenge than in smaller firms that operate locally. Balancing of internal integration and external

adaptation, and managing the diversity of beliefs are likely to be related to organizational performance in a multinational enterprise, and efficient practices are needed for this purpose. Empirical studies have failed to examine the entity of diverse *abstract* beliefs (identity and culture beliefs) within a multinational firm in a holistic research setting. As organizational beliefs were characterized as a potential target of managerial intervention, they should also be studied in that role. Some studies on total quality management in local firm contexts (Kekäle 1998, Reger, Gustafson, DeMarie and Mullane 1994) give strong support to this kind of an approach.

2.4.2 Value statements in a multinational enterprise

In the same manner as organizational beliefs, espoused values have been under discussion in the context of successful multinational enterprises. Among others, Peters and Waterman (1982), Deal and Kennedy (1982), and Pascale and Athos (1981) speak for communicating value priorities within large, multinational firms as a way of uniting the corporation (also Kanter 1989). These management-focused studies primarily assert that successful firms have espoused a set of values, and efficient communication and socialization practices are needed to make employees aware of and behave according to the values.

The nature of value statements seems to vary greatly in multinational enterprises. Jones and Kahaner (1995) present different types of statements, ranging from short mission statements to philosophies several pages long. Among them are also values that are typically stated in a few key words and complemented with explanations of varying detail. For instance, the Intel Corporation has declared its values as customer orientation, results orientation, discipline, a great place to work, quality, and risk taking. AT&T's values are respect for individuals, dedication to helping customers, highest standards of integrity, innovation, and teamwork. Both companies have described each value with a few explanatory sentences. Intel has included a mission statement and more detailed operative objectives in its statements. Based on the 50 examples of successful value and mission statements, Jones and Kahaner (1995), suggest keeping the statements simple. They, however, see that the length of the statements should not be an issue in itself; it should reflect rather the complexity of the organization.

Blackler and Brown's (1980) qualitative study about the implementation of Shell's philosophy statement showed that the detailed statements did not provide a fertile ground for implementing the philosophy as it was rejected by employees. In the case of Outokumpu (Martinsuo 1996) as well, values were complemented with fairly detailed explanations and additional business principles, and implementation was seen by employees as an almost impossible task. Anonymous (1997) presents another case study of failure in implementing detailed statements of values. These examples may indicate that too much detail in the statements hinders success in implementing the message that is being promoted.

Even if the above studies have been carried out in multinational firms, they do not particularly focus on differences between different parts of the enterprise and how they

should be taken into account as regards values. Chapter 2.4.1 demonstrated that beliefs differ across different countries, different organizations, and even different organizational subcultures. By content, espoused values seem to be pretty much similar whatever the country or firm (e.g. Jones and Kahaner 1995, Kabanoff and Holt 1996, Kabanoff et al. 1995, Martinsuo 1996). The multinational firm is necessarily challenged by the fact that it aims to implement the same values all over the world (e.g. Payne et al. 1997, Jackson 1997). Pascale and Athos (1981, and others) emphasize that the values should be similar across organizational sub-units in order to unite the firm globally. According to Jackson (1997), code of conduct statements of an international enterprise should not be grounded only in national standards and values. At Outokumpu (Martinsuo 1996), some subsidiaries had developed their own value statements irrespective of the parent company's desire for shared values across the enterprise and this was perceived negatively both by management and employees.

Based on the above studies, a consistent value message across the organization seems to be more important to the success of the managerial intervention than what the content of the statements is in comparison to other firms. In a multinational firm this implies sufficient generality to suit the different national, industrial and other subgroups. Additionally, the way in which the managerial intervention is implemented in the multinational context is considered of central importance (also Selmer and De Leon 1996).

Literature on the content and nature of value statements in an MNE is quite scarce, general, mostly non-academic, and in fact focused more on the implementation than on the nature or content of values. To sum up, the literature emphasizes the importance of having a set of values, generality of value content, and efficient implementation. Methodwise, the focus has been management-centered interviewing (Peters and Waterman 1982, Pascale and Athos 1981, Kanter 1989, Blanchard and Connor 1997, etc.) and content analysis of documents (Jones and Kahaner 1995, Kabanoff and Holt 1996, Kabanoff et al. 1995). Involvement of employees other than managerial is clearly needed more, as are more holistic, systematic, structured methodical approaches of research. These few studies leave many issues of interest unanswered, among them the actual position of espoused values in relation to organizational beliefs in a multinational enterprise. For instance, literature in the previous chapters indicates that the nature (generality or abstractness) of values and employee interpretation and understanding of values may be related to the success of the managerial intervention in an MNE.

2.4.3 Programs and practices for promoting values

This chapter explores empirical evidence on managerial interventions used for managing beliefs, the focus being on multinational firms. The findings above concerning organizational beliefs indicate that the promotion of values is on the one hand very important, on the other hand extremely challenged in an international context.

Blackler's and Brown's (1980) description of Shell U.K.'s philosophy program in the 1960s is one of the rare, early, and realistic descriptions of an active effort to manage culture through a philosophy statement. As the authors note, many previous accounts on the same program have been overly positive and too early on the estimated results. The interview, document and literature-based case study presents how the philosophy statements were created, articulated in a series of conferences, implemented through job redesign projects at the departmental level, and experienced by informants in the refinery organization. Even if some occasional improvements took place, the project soon faded away and did not produce a change in operational culture.

Quite a number of crucial elements were lacking or were insufficiently addressed in the change effort. First, top management and the social science advisors did not share the aims and expectations, i.e. the goals of the program. Second, the execution was improper, and involvement of people was inadequate. Third, not enough attention was paid to the social skills of people. Even management understanding of the subject was incongruent. Therefore, policies and behavior also appeared to be incongruent with the espoused philosophy. Fourth, not enough time and resources were given to the change effort. As a matter of fact, people had to implement changes alongside their normal workload, which probably exhausted them and decreased their motivation and commitment. Fifth, the pilot studies that were intended to act as examples for further development did not succeed to the desired extent. (Blackler and Brown 1980)

In the Shell case, the philosophy statement gave fairly detailed objectives and operative guidelines to organizational members. Outokumpu (Martinsuo 1996) and another large, bureaucratic organization (Anonymous 1997) have employed this kind of an approach, with a fairly high degree of cynicism on the part of organizational members and few implications at the practical level. These findings direct attention to the importance of the promotion stage, and suggest recalling the simplicity claim presented in the requirements for espoused values as a way to improve the applicability of the statements.

Despite probable deficiencies in the statements and the perceived lack or low degree of impact at the employee level at Shell, the philosophy project in practice seemed to have successfully re-established management's control of its employees at a somewhat difficult time for the firm (Blackler and Brown 1980). Anonymous (1997) also noted that the promotion of values did contribute substantially to the repair of the company reputation by providing proof of actual efforts to reform the company. Martinsuo (1996) described how the promotion of values in many organizational units had at least started a discussion on issues that were perceived as important by personnel. Therefore, it seems that the promotion of values, despite perceived deficiencies, does have positive effects as concerns organizational operation and outcomes.

The promotion of organizationally relevant values is not always seen as a separate program. Kunda's (1992) ethnographic study described an engineering organization culture through comparison of the ideological reality of the firm, manifested in

management, expert, and written rituals, with employee experiences. The ideological engineering culture appeared to be a pervasive, comprehensive, and demanding system of normative control based on the use of symbolic power. It was visible in the form of management communication and behavior, policies, and practices and rituals that caused even overly high and negative demands on organizational members, manifested in burnout and other undesirable outcomes. In the Tech firm, ideological management was rather a way of life than a separate effort. Peters and Waterman (1982), Deal and Kennedy (1982) as well as a number of other authors have characterized this kind of strong commitment to an overall organizational agenda. Ledford et al. (1995), in their description of the Eaton Corporation's process of implementing a corporate philosophy, remind us that philosophy and value statements are not merely a positive force:

> "Since a corporate philosophy holds so many advantages, shouldn't every company have one? The problem is, a philosophy may not be a positive - or even a neutral - force in all cases. A poorly conceived philosophy is likely to breed cynicism or apathy. And the more beautiful the prose and more desirable the vision, the more apparent will be any discrepancy between the dream and the reality. If employees see the statement as merely empty words, it may demoralize them, rather than provide inspiration; and if they see it as too demanding, they may feel justified in deciding simply not to grapple with new corporate challenges. In addition, a philosophy that is too rigid may become a justification for failing to grapple with new challenges". (Ledford et al. 1995)

The previous examples of the different approaches of Shell (Blackler and Brown 1980) and Outokumpu (Martinsuo 1996) vs. Tech (Kunda 1992) put the promotion of organizational values into an awkward position. On the one hand it is seen as a separate managerial intervention which has objectives, planned steps, and interest groups with varying expectations. It often seems to fall short of these expectations and, yet, result in at least somewhat positive outcomes. On the other hand it is seen as a way of life which permeates all actions and passages in an organizational operation. Here, it promotes members' attachment to the firm even to a self-destructive degree. Achieving an optimal state in promoting values is yet to be seen.

The above evidence suggests that integration of values in many kinds of socialization practices, systems and procedures is desirable to ensure impact on the organizational members' learning process. I have earlier emphasized that mere communicative practices do not suffice in promoting values even though they clearly have an important position in promoting values (e.g. Martinsuo 1996, Blackler and Brown 1980). Multinational firms have used active manager socialization, training, simulation games, and plant visit tours to promote values, to name just a few types of socialization practices in use. Below are some examples of these methods.

Bartlett and Ghoshal (1989), in a qualitative interview study of hundreds of managers, emphasize the need to socialize key managers in the global agenda of a multinational firm efficiently, and use these key persons to promote involvement and commitment of personnel all over the transnational firm. Their approach, however, leaves out the viewpoints of employees.

Lahti-Kotilainen (1992) has described how values were initially created and later reinforced primarily in management communication and training in a Finnish insurance company, in a qualitatively oriented case study. The study has examined what forms of confusion, contradiction, and uncertainty have prevailed in management training, within the corporate values, within and between the corporate and managerial values, and between corporate values and interpretations of them. The results indicated differences between the respondents' personal values and values-in-use in the firm. The results stated that the corporation's five-year project to strengthen shared values fell short of expectations concerning management and training. Despite a wide promotion of values, the process failed to generate any notable consistency in management-related values or in concepts of the human being. Irrespective of the various value-related ambiguities, the managers in training perceived learning of new managerial skills and adoption of new priorities pretty much possible. As the most important factors for the success of training, various factors related to the training program, the trainee him or herself, and organizational context were mentioned. Additionally, a need for evaluating training was largely agreed upon, and ideas related to evaluational targets and methods were presented.

Ikävalko and Martinsuo (1998) have presented a simulation game as a tool to promote organizational values. The tool was tailored for the organization in question, in an aim to make employees aware of the values, provide the opportunity to discuss the values and identify gaps between current and desirable ways of operation. The article describes how these objectives were constructed in a social board game that involves employees in solving value-related problems and dilemmas. Initial experiences from the game seem to be positive, despite the same concerns about commitment and involvement as presented in some other examples (Blackler and Brown 1980, Martinsuo 1996). Tailored content, explicitness of values, a chance to interpret, discuss, act on and question the values, the visibility of a gap between current and ideal ways of working, and action orientation are proposed as criteria for designing a simulation game for promoting values.

Ledford et al. (1995) have presented an "annual plant visit cycle" as one potential way to promote values, among other more traditional forms of socialization. The realization of the Eaton Corporation's philosophy is followed up in a plant visit process where young, high-potential managers tour a selection of subsidiaries, and interview personnel in real-life situations that may reflect the company principles. This is used not only to evaluate the philosophy on a yearly basis but to familiarize high-potential managers with the organization, develop contacts, train them in listening and interview techniques, and find ideas for direct implementation in their own units. Focus is put on understanding and problem discovery, not recommendations. Local management then has the responsibility to interpret data and make changes. After the year, there is a wrap-up meeting for all visit team members and unit representatives. The program is reviewed, the status of the Eaton philosophy is evaluated, and top priority issues are determined for top management. The tour has inspired local versions of the visit process.

As concerns the promotion of values and socialization practices, the existing examples and descriptions are purely from a one nation perspective and do not account for the problematics of the multinational enterprise. Of the above studies, only that concerning Outokumpu (Martinsuo 1996) was carried out consciously in a cross-national setting. In that study, the top-down communication process with occasional improvement projects revealed a high expectation on the part of all constituents, but insufficient reactions to those expectations at least during the study, at the early stages of the process. The study did not explore differences across subcultures but in terms of beliefs due to the fact that the promotion of values had been planned as one consistent process all over the company. Therefore, the results also lacked the advice and views as to how promotion should be carried out, taking into account the differences in beliefs.

As can be seen from the above empirical evidence, literature does touch upon topics relevant to promoting values in a multinational enterprise, but not in an integrated manner. Empirical evidence shows that the promotion of values is actively used as a managerial intervention in multinational enterprises, and that these interventions tend to result in at least some positive organizational outcomes. However, multinational firms increasingly need to strive for an optimal intensity in terms of variety in promotion practices, and localization of promotion efforts. Additional guidance is needed on how to fulfill the time lag between the creation and application of the managerial intervention, to make sure that the promotion of values results in ideal business outcomes. Most of the empirical examples do highlight the general complexity of multinational firms but do not consider other than national sources of diversity. The challenge of implementing the promotion of values in different belief contexts has not been studied despite related studies of other kinds of managerial interventions.

Methodwise, the studies concerning the promotion of values cover the whole range. Due to the very scattered nature of studies, however, even mere description would be interesting. Relevant categories for study have not been stated, and even the entity of promoting values is fairly loose in the field of multinational firms. It is obvious that increased understanding is needed in this sector; and hypotheses are needed to enable future studies.

2.4.4 Diffusing managerial interventions in a multinational enterprise

The above examples are from multinational firms but they do not pay attention to implementation differences in different countries, subsidiaries, or groups. The observed differences across subcultures in Outokumpu (Martinsuo 1996) and other empirical evidence in Chapter 2.4.1 suggest that the promotion of values should be differently applied depending on the particular unit context. Studies concerning other kinds of managerial interventions give strong support to this idea. Various studies on organization development, continuous improvement, team interventions, and quality management are in favor of applying managerial interventions suitably to each context in question.

For instance, Jaeger (1986) has on a conceptual level explored the fit between the values typical of organization development programs and values in different countries. He has used Hofstede's scales of national cultures to estimate this fit, and explained failures in implementing organization development through poor applicability to local culture. In Jaeger's notion, different forms of development have arisen due to the need for locally suitable implementation, and these interventions differ in their value premises. Similarly, Martinsuo and Smeds (in print, also Smeds and Martinsuo 1997) have used Hofstede's dimensions when exploring differences in continuous improvement values and practices in six European countries through a mailed questionnaire survey. The production and quality manager-centered sample of over 600 respondents revealed that continuous improvement is managed and organized differently in high vs. low power distance countries, and the practice and advancement of continuous improvement differs in uncertainty avoidance clusters as anticipated based on Hofstede's model.

Corresponding types of results can be found in Pedersen and Sørensen (1989) and Pelled and Xin 1997. Newman and Nollen (1996) differ from the above multi-firm examples in that they have studied 176 work units of one large multinational, US based firm in eighteen European and Asian countries. Their focus of interest has been to estimate the fit between national culture and different management practices, and its potential relation with unit performance. The national cultures of the units have been scored based on Hofstede's five dimensions and scoring (1991), performance has been evaluated at the unit level on three measures (return on assets, return on sales, and unit manager's performance bonus), and the unit-level aggregate scores of an employee satisfaction survey have been used as measures of management practices (e.g. employee participation, clarity about policies, and so on). The study, despite some flaws in the research design, does find support for the alleged association between nationally suited management practices and unit performance.

The studies referred to all focus on national differences and nationally suitable ways of working. However, Chapter 2.4.1 has referred to other kinds of organizational diversity as well: industry differences, occupational differences, and even differences between an individual's personality and organization. There are some studies that take into account these kinds of diversity when discussing managerial interventions. For instance, Earley's (1994) laboratory experiment reveals the significance of finding a match between personality type (individualist vs. collectivist) and type of training to resulting self-efficacy and performance, and other similar studies have followed (Chatman et al. 1998, Chatman and Barsade 1995). Kekäle's (1998) constructivist, literature, questionnaire and case description-based comparative study in several firms has encouraged the application of total quality management as suited to a local cultural context. In this study, national cultures are not particularly considered but, rather, organizational types. Schultz (1991) has observed differences between symbolic domains even within groups and organizations, and the need to apply different circular rites when transiting between these domains. Her findings indicate that transitions within a large, multinational firm are likely to be even more constant and challenging.

Schultz's notion of transitions between domains brings us to the question of how managerial interventions can be localized efficiently in multinational firms. Cole (1989) has, through literature and document analysis and his own observations, explored national approaches to small-group activities in Japan, the U.S., and Sweden. He has described the process of adapting social innovations as consisting of motivation, search, discovery, transmission, decision, and implementation phases. Adaptation of a social innovation to local conditions is presented as equally important as in any kind of technology transfer. Cole also writes extensively about the role of unions and national infrastructure as a supportive or hindering force to small group activity. Lillrank (1995) has described the transfer of management innovations from Japan to western countries. He explains in particular the problematics related to introducing the originally Japanese idea of quality control circles in American and European companies. According to Lillrank, the failure of implementing quality control in the Japanese sense in the western societies resulted from a faulty transfer process. The complex organizational innovation was pushed through a simple, low-abstraction transfer channel into a world that was dominated by very different management paradigms and principles, and a very different history in the concept of organization management. As management paradigms and principles did not match with the newly adopted tools and vehicles of organizational operation, applications derived from existing paradigms survived but imported ones perished.

Lillrank's (1995) findings indicate a need to transfer managerial innovations to new locations through a high-abstraction channel. Values were previously characterized as fairly abstract, explicit statements of preferred goals and ways of operating. Their alleged impact on organizational beliefs may indeed result from sufficient abstractness and space for individual interpretation and application. It may be that values, as a vehicle for managerial intervention, are as such sufficiently abstract to be applicable in very different country contexts. However, in order to have an impact on actual behaviors, Lillrank's model on knowledge diffusion calls for different local applications in different areas of the organization. Figure 10 demonstrates how values appear as a result of a creation (abstraction) process, are transmitted through a high-abstraction channel, and need to be followed by the local repackaging (application) process.

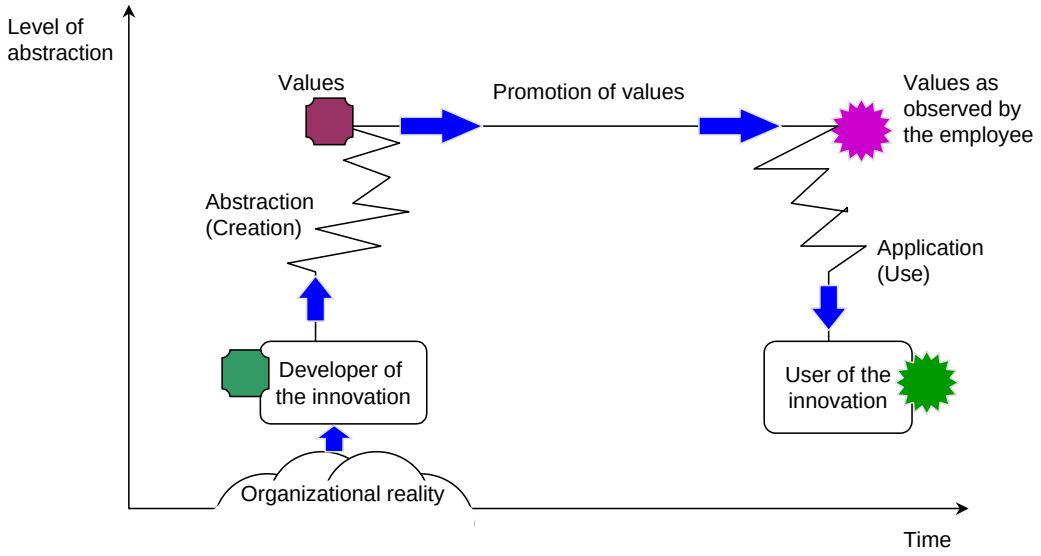

Figure 10. Promotion of values as dissemination of packaged knowledge. Modified from Lillrank (1995).

The above picture shows shifts in the level of abstraction as well as in time and location during the practice of promoting values. As distance between the organizational reality at the time of creating values and at the time of application increases, it is likely that the probability of getting the initial message through decreases. Therefore, multinational firms should have some mechanisms in place to guarantee the renewal and relevance of values even when times and environments change.

Due to the complexity of the application context, the successful promotion of values calls for taking values as part of the whole learning process of organizational members, especially in a multinational enterprise. Despite the importance attached to knowing the context in which managerial interventions take place and actively utilizing various promotion processes and practices, these have not been studied in an integrated manner in multinational firms. A holistic, non-managerial viewpoint in particular is lacking.

2.4.5 Summary

Organizational beliefs, values, and the promotion of values have been studied in multinational enterprises, but the challenge of the international business environment and diversity of organizational beliefs as an implementation context has not been tackled sufficiently. Empirical studies fail to explore the promotion of values in a holistic manner in a multinational enterprise, and provide guidelines as to how the internal and external ambiguities should be taken into account. The above conceptual and empirical findings have provided some ideas on what should be taken into account when promoting values in a multinational enterprise. These are summarized in Figure 11.

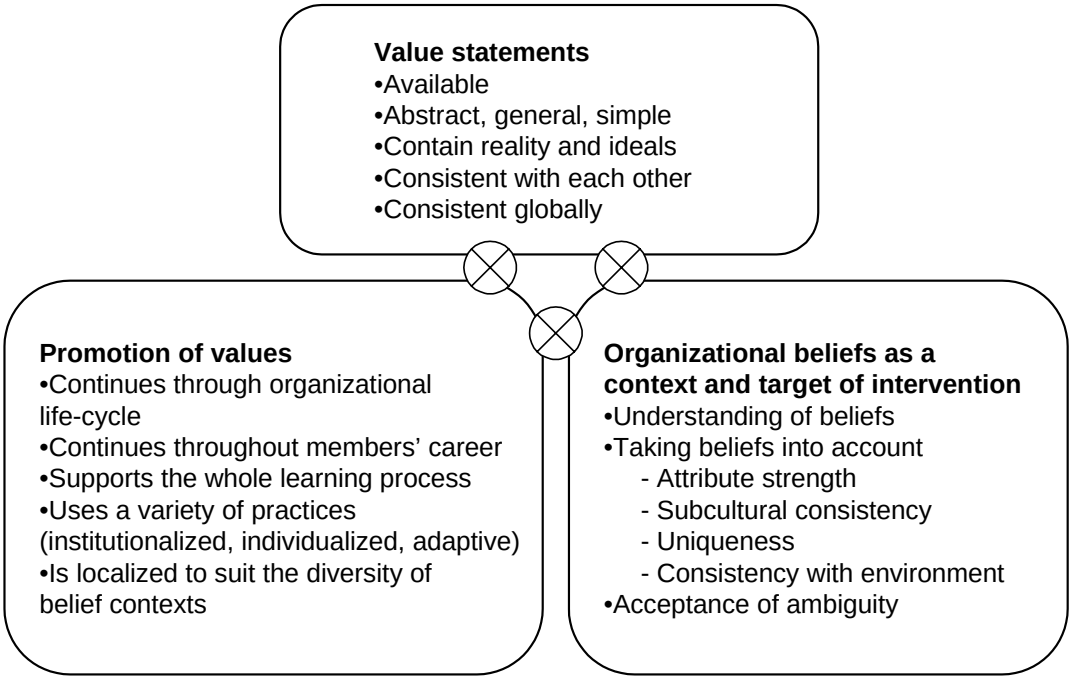

Figure 11. A tentative framework of factors contributing to the success of promoting values in a multinational enterprise

The challenge in this study is to explore the promotion of values in a multinational firm as an entity, seek ways in which the promotion of values could be improved, and correct or fill in gaps and produce additional details in the framework suggested.

3. RESEARCH DESIGN

Above, I have covered the central concepts of this study: organizational beliefs, values, and the promotion of values. Also earlier research on the topics was presented in the context of multinational enterprises. The empirical section of this study explores organizational beliefs, values, and the promotion of values in one multinational firm. This chapter introduces the research task and material with more detail, as well as characterizes and evaluates the selected data collection and analysis methods.

3.1 Research task

3.1.1 Research rationale and questions

This study focuses on the promotion of values as one type of managerial intervention in an MNE, with organizational beliefs as the target and context of intervention, values as the content and vehicle of intervention, and promotion process and practices as ways to implement the intervention.

Two primary objectives in this study are an increased understanding of the promotion of values in a multinational enterprise, and the discovery of essential factors in promoting values successfully in the multinational firm. The objectives are tackled in an exploratory empirical study, the results of which are used in testing and refining the above-presented model on how values can be promoted successfully in a multinational enterprise. A multinational organization is used as a research object that is studied through individuals and groups as informants. In this chapter, I briefly summarize the motives of this study and look into research questions in more detail.

In the literature review I have described how constituents' beliefs about the organization are in a key position in organizational culture not only in relation to organizational performance but also when aiming to change or maintain ways of operation. With organizational beliefs I mean employees' assumptions about the organization, such as what the organization is or should be, and how the organization operates or should operate (Chapter 2.1.2). Former studies of organizational culture have not explored organizational beliefs as the context of promoting values in a multinational enterprise sufficiently. This is the focus of the first research question:

1. **What kind of abstract organizational beliefs do members have in a multinational firm?**

- What kind of organizational identity beliefs do they have?
- What kind of organizational culture beliefs do they have?
- Do organizational identity and culture beliefs differ from each other? How?
- How do the organizational beliefs differ across organizational sub-groups?

When controlling or changing organizational operation for improved organizational performance, organizational managers are currently encouraged to target beliefs in managerial intervention, and make employees' beliefs rather more adaptable than predetermined or fixed. Value statements are seen as a potential key to adaptability in organizational beliefs and culture. Values and value statements here refer to the explicitly stated ideals of the firm, often used in an aim to promote a successful culture in an organization (Chapter 2.2.2). The position of value statements in relation to organizational management and organizational beliefs has remained confused, particularly in a multinational enterprise. Academic research has even avoided the issue of espoused values, perhaps due to confused practical experiences and the dominance of a sociological view to values. The second research question deals with the position of value statements in managing the multinational enterprise.

2. **What is the position of value statements in relation to the prevailing organizational beliefs and generally in the management of the multinational organization?**

- To what extent are organizational members familiar with the values, and what are the perceived purposes of promoting values?
- How do organizational members interpret the values?
- What kind of similarities and differences are there between organizational beliefs and interpretation of values?
- How does interpretation of values differ across organizational sub-groups?

Despite their frequently questioned nature, values have become part of everyday life in various enterprises. Values are actively espoused and included in socialization programs aiming at organizational maintenance and renewal. Promotion of values here refers to the ways used to make organizational members aware of the values and act according to them (Chapter 2.3.1). According to Hatch (1993), studies that focus on interventions to manage organizational culture hold promise for revealing the retroactive manifestation processes in which organizational beliefs are formed. Research has so far failed to empirically explore the nature and forms of promoting values and their alleged connection with organizational beliefs in the context of a multinational enterprise. The perspective of organizational members other than top management has so far been

lacking in the literature. The third research question, therefore, focuses on the promotion of values.

3. **How are values promoted, and how is value-related socialization experienced in the multinational firm?**

- How have the values been created and promoted from a corporate management perspective?
- What kinds of practices have been used to promote values, from the organizational member perspective?
- How consistently have the practices of promoting values been used throughout the organization?
- How has the promotion of values been experienced, and what are the current expectations?

3.1.2 Qualitative case study approach

The research approach in this study is qualitative, and the selection was guided by four primary factors (see e.g. Creswell 1994, 8-10, for selection criteria). Firstly, a choice was made on studying organizational culture from the symbolic-interpretive perspective and through employees' organizational beliefs. According to Schultz (1994), the functional and symbolic-interpretive perspectives to organizational culture studies differ in their empirical application. While functional culture studies require total analytical processes with predefined category choices and extensive sample coverage, the symbolic perspective allows smaller-scale interpretive processes and utilization of organizational data to develop relevant categories, and calls for looking at more in-depth data.

Secondly, the research purpose was focused around an aim to increase understanding about the phenomenon in question as is typical to qualitative studies (Creswell 1994, Stake 1995), and develop a model. Consequently, the research questions became more of the "how" and "what" type than the "who" or "how many" type. Qualitative study builds complex, holistic pictures of phenomena, formed with reports of informants' views (Creswell 1994). Priority is on interpretation: subjectivity of informants is accepted and even expected, and researchers acknowledge and document their own role and influence in the study (Stake 1995). Creswell (1994) even names the researcher as a primary instrument in the study. Furthermore, the qualitative paradigm strives to construct and create knowledge (Stake 1995, Creswell 1994).

Thirdly, my world view, prior experience and preferences as a researcher are currently in favor of a qualitative, interpretive approach when studying organizational culture, and so is the audience of organizational scientists increasingly.

Fourthly, the potential case organization for the study had its own wishes concerning research questions and methodology. The company representatives hoped for a very

open and in-depth research approach, allowing ideas to emerge rather than being limited by existing models or predefined topics of study. They declined the use of questionnaire surveys due to the potential overlap with their annual employee satisfaction survey and thus an undesirable survey overload.

Within the qualitative approach, there are several alternative research strategies, of which an exploratory case study was selected for this study. According to Yin (1994), a case study is preferred if research questions are of the "how" or "why" type, when examining contemporary events, and when the relevant behaviors cannot be manipulated. The potential cross-sectional nature distinguishes case study from the other alternatives: ethnography, a grounded theory approach, and phenomenological studies often require long-term involvement in the phenomenon or group in question (Creswell 1994), which was not possible in this project. An exploratory approach is particularly suited to this study in that the goals and questions aim to increase understanding and develop pertinent propositions for further inquiry.

Yin (1994) divides case studies into single and multiple case studies. The single-case study is appropriate in several circumstances: it may be for some reason a critical case in testing a theory, it may represent a unique or extreme case, or it may be rare and in that sense revelatory (also Miles and Huberman 1994). In this report, we have a single case which would best suit to the unique or extreme category: it is a large firm, and a high-performer with a fairly long history of promoting values in relation to all other Finland-originated companies. It therefore also represents a critical case in relation to theory concerning both organizational culture and performance, and promotion of values.

A single-case study can be conducted either as a holistic or embedded design, depending on the number of units of analysis (Yin 1994). A holistic single-case study examines only the global nature of the phenomenon, whereas embedded single-case studies would give attention to subunits within that phenomenon. This case examination is a holistic single-case study, with the promotion of values as the central phenomenon and a multinational organization as a unit of analysis. A holistic design was selected due to the interest primarily in a multinational firm as a whole and only secondarily in its subcultures.

3.2 Research material

3.2.1 Case company

Organizational beliefs, value statements and the promotion of values are examined in the case company, Nokia. The company has its origins in Finland but it operates and is currently well known all over the globe. Many features justify the selection of the case company for the study: its industry, its large size, it being multinational, a high

performer, and advanced in values promotion. Each of these items will be described below to provide readers with a coherent picture of the study context [5]. An integral part of the selection of the case was the willingness of the company management to be involved in the study, and gain more understanding about how it is doing in relation to its stated values and programs of promoting values.

Industry. Nokia is a global company focused on the key growth areas of wireless and wireline telecommunications. A pioneer in mobile telephony, Nokia is the world´s leading supplier of mobile phones and mobile and fixed telecom networks including related customer services. Nokia also supplies solutions and products for fixed and wireless datacommunications, as well as multimedia terminals and computer monitors. Furthermore, Nokia is involved in basic and applied research related to its industry and seeks to develop new ventures based on that research.

Nokia's industry and related industries are currently under much investigation, due to their increasing importance in the world economy. Telecommunications has been classified as a knowledge-intensive industry, highlighting the role of information and knowledge as critical firm capital (Kulkki 1996, Lillrank 1998). Studies of management, organizational culture, values, identity, identification, change, learning, knowledge management, and control have increasingly touched upon the telecommunications industry: services (Katz 1995, Sarason 1997), technology, manufacture and product development (Graetz 1996, Kiianmaa 1990, 1996, Kulkki 1996). Furthermore, closely related industries such as consumer electronics, computer technology and software development have been keenly observed (e.g. Kunda 1992, Gustafson 1995, Gustafson and Reger 1995, 1998, Peters and Waterman 1982, Hatch and Ehrlich 1993, Barker 1993, Gregory 1983, Martin 1992, Cusumano and Selby 1995).

The above mentioned studies are quite revealing about the industry or firms in it. For instance, a strong clan-like culture has been identified (Kunda 1992, Kiianmaa 1996, Peters and Waterman 1982, Barker 1993, Martin 1992), and a wide sharing of a limited number of identity attributes has been evidenced (Sarason 1997, Gustafson 1995). A dynamic gap has been noted between ideal and current identity attributes (Sarason 1997, Gustafson 1995), and the industry and firms in it and are referred to as dynamic, turbulent, and prone to cultural change (Graetz 1996, Katz 1995, Weiss 1994b, Kunda 1992, Martin 1992). Learning and innovation capability are often considered part of or natural to the industry, also when compared to other industries (Kulkki 1996, DiBella et al. 1996, Cusumano and Selby 1995). Naturally some of these issues have also been questioned and noted as problematic (Gregory 1983); for instance radical change has been considered as equally demanding and time consuming as in many other industries (Mayo and Hadaway 1994, see also Hatch and Ehrlich 1993). Socialization has not, to

[5] The company information in this chapter is based on Nokia's Annual Report 1997, Nokia's internal documents, and http://www.nokia.com, 11/1998.

my knowledge, been studied much in this industry, and the multinational aspect is too often neglected. In all, these issues make the industry and the firm in question a very interesting focus of study.

Size. Nokia is the largest company in Finland. Its net sales were over 50 billion FIM (USD 10 billion) in 1997, and it now has altogether over 40,000 employees. In comparison to Fortune 500 companies and its primary competitors, Nokia is still moderate in size but a world leader in its primary product lines.

To manage the large-scale operation, the company has been organized into a matrix structure. Nokia consists of two main divisions and four other lines of business, divisional structure being based on different product types. Each division and business line has its own top management. The operations cover three geographical areas: Europe (including Africa), the Americas, and the Asia-Pacific (including Japan), each area being managed by regional management. The Group has a board of directors and CEO, and a group executive board at the apex of the firm. Additionally, a small head office staff supports the top management and global functions. The company does not have a formal organization chart due to constant changes in the organization. However, Figure 12 illustrates the general structure of the firm and parts covered in this study (spring 1998). Each division and region consists of a number of units which are grouped in product lines and country organizations. Within units, the matrix-like structure continues in program and line organizations.

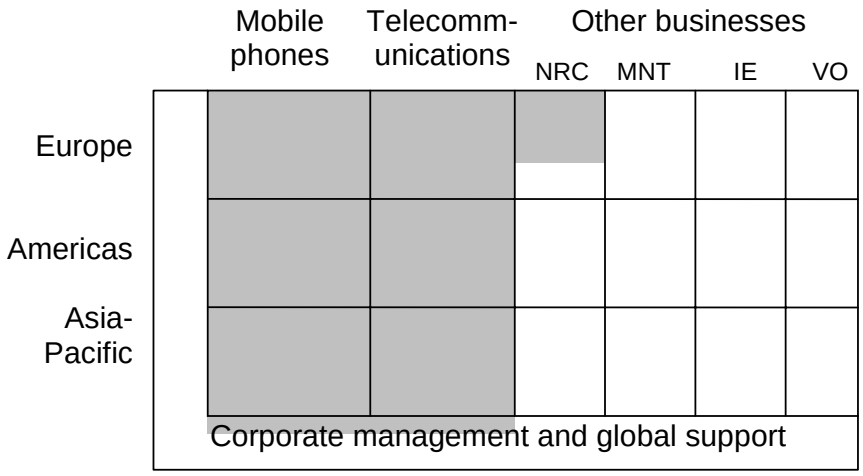

Figure 12. A sketch of the matrix structure of Nokia. The grey area shows which parts of the firm this study covers.

In this study, Nokia and Nokia Group refer to the firm as a whole. NMP refers to the Mobile Phones division, NTC is the telecommunications division, and NRC refers to the research center within other business operations. The term head office will be used to cover staff at corporate management. The term “Other” will refer to the subsample consisting of respondents at NRC and the head office.

Success. Nokia has steadily produced a good operating profit over the past six years. Not only has the firm more than doubled its net sales during the past five years, but change in profit shows an increasing trend. By all financial measures, Nokia can be considered a success, a top performer. Internal employee satisfaction surveys place Nokia amongst the top firms of its industry in most measures, and Finnish students have selected Nokia as the most desirable potential employer among other firms. It has reached the international press like no other firm in Finland before it. The success has followed a full transformation process from the early 1990s as a multi-industry enterprise to one with its focus on electronics (e.g. Mäkinen 1997, Mäkinen 1995). The past five years have been a boom for the industry that Nokia represents. However, during 1998 various economic events, the Asian recession not the least, have started to threaten the industry. Nokia has not shown weakness in economic terms during this study.

Multinational. Nokia operations are spread throughout the world, having production in 12 countries, R&D operations in 11 countries, and sales in 130 countries. Half of Nokia's 40,000 employees are located in Finland, almost a fourth are in other European countries, and the rest almost equally distributed in the Americas and the Asia-Pacific. Personnel at Nokia is very diverse and young, the average age being 32 years. Some of the employees have relocated outside their home country, and expatriate careers are typical. In 1997, the European market represented 56 percent of sales, the Asia-Pacific 22 percent, and the Americas 18 percent. Of Nokia shares, over 30 percent are owned by foreign shareholders. The board of directors and executive board are fully Finnish, and the headquarters are in Finland. However, the global support functions of the firm have recently been regionalized to three continents. As CEO Jorma Ollila puts it (in Mäkinen 1997), Nokia is now a global enterprise with a profound European heritage.

Values history. Nokia stated its values in 1992 and has communicated them throughout the company in many ways in recent years. The four espoused values of Nokia are:

- Customer Satisfaction
- Respect for the Individual
- Achievement
- Continuous Learning

In comparison to other Finnish firms, Nokia was fairly early in its values program: others started with their program one to three years later (see e.g. Martinsuo 1996). The fact that the values have remained unchanged over the years and are still promoted continuously makes the company unique. What has made these particular values worth keeping? How can they function not only in times of crisis and turnaround but also during rapid growth, new major problems, and times of stability? How does this kind of a firm differ from others in its promotion of values (e.g. Martinsuo 1996)?

The practical rationale for this research is the company's need to produce new knowledge and material for value-based human resource development efforts. For the

research project purposes, a “Values in Action” project team was formed of four human resource managers in the two main divisions and head office of Nokia. The team prepared initial questions for the study, selected interview sites, informed contact persons at the subsidiaries about the study, and provided information, materials and assistance during the project to the researcher. I acted as an external consultant, project manager and researcher and was responsible for the written research proposal, final contacting and scheduling with the site representatives, carrying out the interviews, analyzing data, and reporting to the contact persons and other interest groups. My role in the study will be explained further in Chapter 3.5.1. Permission for the study was acquired from the CEOs and human resource (HR) directors of the Group and two main divisions.

3.2.2 Sample

Key methods used in this study include interviews at three levels of Nokia: employees in local units, managers in local units, and other informants (top managers and experts) in corporate management. These groups together will be called informants, interviewees, organizational members or constituents (as in Kouzes and Posner 1993) to distinguish them from employees that in this study are production operators, support staff, product designers and other non-managers in local units. Employees and managers were interviewed on an interview tour at the local sites of Nokia, and this is the main data used in this study. Data from other informant interviews covers just part of the third research question, and was collected interview by interview before and during the interview tour.

The idea in qualitative research is to purposefully select units and informants that will best answer the research questions (Creswell 1994, Yin 1994). In this study, the project team decided to cover the main businesses of Nokia: the two main divisions, NMP and NTC globally, NRC in Finland, and the head office in Finland. By focusing on the core businesses, the project group aimed to ensure that the topic would not be raised where the future was more insecure than in the core businesses or where values had not yet been promoted at all (e.g. recently acquired units), and keep the study scope manageable. At the selection stage, the project group also kept in mind the desired variance in awareness and promotion of values.

A fairly short interview time scale and the distribution of personnel governed the sample selection across continents, countries, and divisions. The total number of selected interview sites was 28. Of these sites, 11 were in Finland, five in other European countries, six in the Asia-Pacific region, and six in Americas. NMP and NTC were quite equally represented (13 NMP sites, 12 NTC sites, two NRC sites, and the head office). The selected units cover different kinds of operations: six production sites, 12 research and development sites, and ten general office sites. Based on the contact persons’ estimation, the selected units provided sufficient variety in different values promotion programs, stages in promotion, national and other business environments and subcultures. However, two top management informants did criticize the limited unit

selection and the lack of representation from eastern Europe and certain Asian countries. The sample choices do limit the generalizability of the study and need to be kept in mind. Since a detailed comparison of countries or types of unit was not the purpose of the study, and compared to the fact that most qualitative cross-national studies look at just two or three countries (D'Iribarne 1997), the scope is considered sufficient.

In the 28 local sites, altogether 102 group and individual interviews were made, which totalled 324 Nokia constituents being involved in the interview tour. The average number of participants per interview was 3.2. Of the interviews, 53 were held with employee groups, totalling 242 persons. Forty-nine discussions were held with managers (individuals, pairs or small groups), the total number of participants coming to 82 persons. The two types of interviews (employees and managers) were fairly evenly distributed across continents, countries, and divisions. As could be expected, employee interviews were in a dominant position in production units in comparison to manager interviews. Further detail about the sample is presented in the following chapters and in Appendix 1.

Additionally, 16 other informants from the head office, outside consultancies, and NMP and NTC top management were interviewed, based on the initial project team members' list. The other informant sample is very selective, but different functions were well represented: general management, HR, IT, Quality, and training consultants.

3.2.3 Informants

Informants in each unit were selected mostly by a human resources contact person. The contact persons were advised to gather two employee groups of four to eight persons each, and two to four key unit managers either individually or in pairs, and arrange a discussion schedule for one day. The employee informants were expected to be diverse, ordinary employees from various tasks, willing to participate in the discussion and talk about their experience with values, the firm, and their work. A suggestion was made that the contact persons would select these informants randomly from a list of employees and those available at the agreed date. The managers were expected to be able to discuss how the values had been implemented at the unit in question. These expectations were delivered to the contact person in an introductory E-mail message about the project.

At the end of each employee group and manager interviews, respondents were asked to fill in a respondent profile form. Interviewees were asked to fill in such background information as sex, age, nature of work (function), education, tenure with the firm, tenure at other organizations, and comments related to the interview or its content or Nokia.

Based on the background information, informants covered a wide variety of tasks, educational, tenure and age groups. Fifty-five percent are male, which is probably less than what is common in the company as a whole. Over 50 percent are 26-35 years of

age, which supports the picture of young personnel and a low average age in Nokia. Over 50 percent have a college or vocational college degree as their highest education, and almost another 30 percent have a university degree. Almost 65 percent have 1 - 5 years of tenure within the company, confirming the strong recruitment effort of the past five years. Over 50 percent of the respondents have 0 - 5 years of other work experience. Of work tasks, 29 percent of the informants represent research or product development, 20 percent are from sales, marketing or customer service, and 21 percent come from support functions such as finance, HR, and administration. Twelve percent represent production. The interviewee sample, therefore, has an emphasis on R&D and various office type tasks, which does not fully conform to the significant role of manufacturing in the firm. Details of these background variables are presented in Appendix 2. The samples at each of the 28 units were very different, and informants in all were quite diverse. In this sense the selection did fulfill the original criterion of having different people in the informant groups. At the time of the project, no corporate level data was available on personnel structure, so sample representativeness could not be verified.

When comparing the two types of groups - employees and managers - the samples are of course different. Employees more often come from production, whereas managers are more often from R&D or general office units. As well, tasks differ: managers more often fall in the general management, sales, customer service, and support staff categories, while employees are more often from production and product development. Managers lie in older age groups, more often have a university education, and have more tenure and more work experience from outside Nokia than do employees. Appendix 2 presents further details on this comparison.

Of the top management and other informant sample, only general information will be presented to maintain anonymity. Nine of these informants were male and seven female. Five informants were from the Group top management or head office, five from the NMP division, four from the NTC division, and two outside consultants. Among the informants were the presidents of the Nokia Group, NMP, and NTC, representing general management; six were from human resources tasks, and others represented quality management, strategic planning, finance, occupational health, and training. All top management and other informant interviewees were Finnish, except for one from the U.K.

3.3 Research methods

3.3.1 Overview of research methods and procedure

The key methods in this study are group and individual interviews, and analysis of company documentation, researcher observations, and respondent comments. A summary of the methods and corresponding content areas is presented in Table 3, the data collection procedure is documented in Appendix 3, and the following chapters present the research methods.

Table 3. Research questions, data source, and relevant interview and other content topics.

Question / Method	1. Organizational beliefs	2. The position of value statements	3. Promotion of values
Employee interviews	Company characteristics, identity beliefs Critical incident, culture beliefs	Knowledge and purpose of value statements Interpretation of values	Promotion practices Experiences
Manager interviews	Critical incident, culture beliefs	Knowledge and purpose of value statements Interpretation of values	Promotion practices Experiences
Other informant interviews	(not handled)	Purpose of value statements	Context and process of promotion Strategic promotion practices and plans Experiences
Documents and other material	(not handled)	Content of value statements Written, managerial explanations of value statements Written purposes of value statements	Promotion practices, contents, tools, materials Reported experiences

Employee and manager interviews were carried out in an interview tour at the local sites of the case firm. According to Gregory (1983), and D'Iribarne (1997), an ethnographic approach would be particularly appropriate for exploring the native view in organizations. However, in this study a full ethnographic investigation was considered impossible due to the limited time-scale and research resources. Interviewing gives us access to the observations of others sufficiently well (Weiss 1994a). Narrative knowledge constitutes the core of organizational knowledge, and is an important way of making sense of what is going on in the everyday life of organizations (Czarniawska 1997). As the theoretical framework in this study proposed, dialogue and interaction are ways to reveal organizational members' beliefs. A group interview setting was encouraged to make more visible the ambiguity inherent in a collective belief context. Interview data may also be used both in quantitative and qualitative senses (Weiss 1994a), which is important knowing the sample in this study.

3.3.2 Employee interviews

Interviews were carried out with employee groups at selected Nokia sites to cover all the research questions. Group interviews were selected for many reasons: coverage of many viewpoints, both collective and not collective; the immediate testing of response reliability; my familiarity with group interview techniques and previous good

experiences with them; relevance of content areas and themes rather than details; easiness of arrangement; and a reduced demand on time versus having an equal number of people in individual interviews. As Alasuutari (1995, 92) explains, in a group situation the culture of the community is actually present in the sense that when people speak to one another, members of a cultural group can use "insider" terms and concepts. Due to this special nature, the researcher may occasionally find that she does not fully understand what the group members are saying to each other. However, these situations are particularly valuable as sources of organizational information. What I did to ensure understanding was to probe with further questions, and become acquainted with some organizational vocabulary beforehand (e.g. abbreviations used to denote organizational functions and units).

At each site, usually two group interviews were made. The final group compositions were in many cases different from the initial guidelines given to the contact persons. The groups consisted of one to nine persons with an average of 4.6 (s.d. 1.8). Each discussion took from 25 minutes to two hours and 15 minutes, with an average of one and a half hours (s.d. 24 min). The suggested time for discussions was one and a half to two hours, but shorter discussions resulted from unit arrangements, a small number of respondents, and some respondents' rush to other meetings.

Four main topics were handled in the interviews: characteristics of Nokia and current operation (organizational identity beliefs), critical incident(s) in organizational history (organizational culture beliefs), interpretation of the four values, and practices for and experiences from the promotion of values. A full outline of interview questions is presented in Appendix 4. The four core questions were followed by explanatory, more detailed subquestions that were used to provoke further discussion in the group if needed. I allowed an open format but, when needed, guided the group through these subquestions and moved to the next questions only when satisfied with the coverage of different viewpoints.

The first two topic areas are by Jones (1996) referred to as direct and indirect questioning about organizational symbolism. The first question area was **indirect**: it covered the respondents' perceptions of what or who the organization is and should be. Indirect questioning is particularly useful in uncovering descriptions, practical examples, similes and metaphors of the phenomenon in question, in this case employee organizational beliefs. According to Jones (1996, p. 37), questions like "What is it like to work here?" followed by "Why" and "Would you give me an example" produce important data like symbols and symbolic behavior indirectly. "They trigger the act of narrating, with interviewees selecting their own stories to tell, including personal experiences. They produce statements that reveal perceptions, attitudes, and meanings that, taken together, constitute a moral and an aesthetic portrait of the organization depicting not only what is deemed right or wrong but also how this makes the person feel, how it affects performance, and what kind of ambience it creates."

The second question area focused on how the organization operates and how it should operate through **direct questioning**. Direct questioning means eliciting descriptions of behaviors, actions, activities, and experiences that could have been observed had the researcher been present when they occurred (Jones 1996). In this study, the direct question dealt with a critical incident in the near past of the firm, on Nokia level and on a unit level. A change event was used as a context that may be shared across the organization. Direct description is in organizational culture studies frequently referred to as storytelling (Boyce 1995, Martin et al. 1983) which uncovers symbolic behavior more than personal interpretations of them.

Direct questioning was also used in the two latter question areas: practices for and experience in promoting values, and interpretation of values. The interpretation of values was meant to uncover respondent knowledge and perception of the purpose of values, and their interpretation of each value and what they mean. Values history focused on all the tools and practices that interviewees knew of being used in promoting values, and the process for and experience in promotion.

3.3.3 Manager interviews

Manager interviews were held with key managers in the selected local units of Nokia. These interviews were used for studying all research questions, the first and second with some limitations and the third more thoroughly. The interviews were held individually, pairwise or in a group of three to six persons, depending on the arrangements of the unit, the average group size being 1.7 persons (s.d. 0.9). Individual and pairwise discussions were encouraged because managers were presumably easier to reach when it suited them, the time needed would be shorter, there would be more chance to look at the individual's personal relation with values, and to fit the discussions within a unit into one day. This was not possible in all cases. The discussions lasted from 15 minutes to two hours with an average of 54 minutes (s.d. 18 min), the length of interviews increasing when the number of interviewees increased.

The same topics were handled as in employee interviews, with minor differences. Firstly, the indirect question about Nokia's character was not used. Instead, the first manager discussion in each unit was used to uncover certain details about the unit, such as unit size, history, and nature of operation. Secondly, the interpretation of values was only focused on the most important or difficult value within the unit. Thirdly, the managers' own role in promoting values was investigated in addition to the values promotion history question. An outline for manager interviews is presented in Appendix 5.

3.3.4 Interviews of other informants

Interviews were held with 16 other informants: 14 top managers and experts from the head offices of Nokia Group, NMP and NTC, and two outside experts, i.e. training consultants for Nokia. The discussions were held individually due to the schedules of

top managers. The discussions lasted from 20 minutes to one hour and 15 minutes with an average of 49 minutes (s.d. 16 min), depending on the respondents' schedule.

In these discussions, particularly the history of values, one's own role in promoting values, and experience with value-related socialization were handled, and the focus was on the third research question. The nature of the interview varied from person to person, ranging from passionate and long, uninterrupted stories of the history of values to detailed question setting that was needed to cover the same topics with some persons. An outline for interview topics is in Appendix 6.

3.3.5 Other material

Other research data consisted of various internal and public documents of the company, analysis of value-related training materials, researcher's observations during the site visits, and interviewees' written comments in the respondent profile form. This material focuses primarily on the third research question, also to a smaller extent on question two.

The research team and some other informants provided various **internal documents** to be used as additional sources of data in the study. This data included: internal magazines of the Group and its two main divisions; informative videos of the firm; a project report of an internal study on value-related experiences and mechanisms of promotion; presentation materials of top managers; employee satisfaction survey results; and results from thirteen performance management training sessions of NTC where trainees have interpreted the company values in practical terms.

In addition to internal and confidential documents, various **public documents** were available and studied by the researcher. The past four annual reports of the company were reviewed, a book about the history of the firm was read, and the internet pages of the company were scanned to acquire a more thorough picture. In addition, the researcher occasionally noted the press releases of the firm, and located other stories in newspapers, and the technical and economic public press.

Various **value-related socialization materials** were provided for or showed to the researcher at different stages of the study. These included: the standard transparency set on the company values; supporting text material and newer versions of the transparencies; top managers' presentation materials at the annual strategy seminar; orientation training videos and CD-ROM; local orientation training packages; different value-related brochures and booklets; a toolbox and games used for promoting values; performance review forms and training materials; and mugs, mousemats, badges and other promotional items with the values printed on them. The researcher also had a chance to observe a training session focusing on value-related games, and study the human resource professionals' intranet pages containing some of the above material. Concerning the practices used to promote the values, the initial idea was to include an analysis of value-related training programs, but that was left for a later point in time.

At each site visited, I had a chance not only to **observe** the physical setting of the firm and interaction amongst people but also analyze how I was treated as "an outsider". In connection with the interviews, I made field notes of these kinds of observations.

In the anonymous respondent profile form, some space was left for **interviewees' comments** about the interview, the firm, and the values. These comments focused largely on the interview and will be used in estimating the quality of the study. However, some of the comments focused on the content of the study and will be used as support, where appropriate.

Due to the scattered nature of this additional material, no specific content analysis was carried out as such but, rather, the data will be used to support other material, to provide methodological triangulation, and confirm or question the other findings. This material will be specifically referred to when used.

3.3.6 Research procedure

The practical research procedure consisted of five steps: arrangements, interview days, post interview tour actions, analysis arrangements, and data analysis. This procedure is illustrated in Figure 13, and the data collection procedure is further described in Appendix 3.

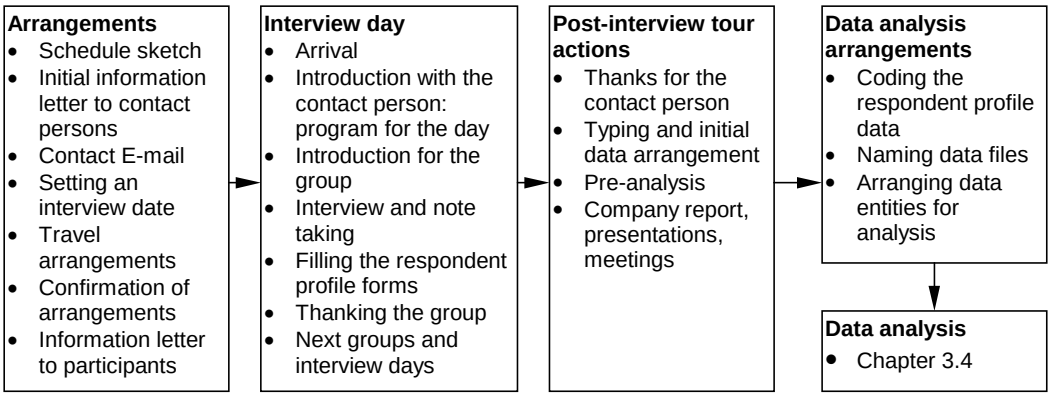

Figure 13. Outline of the research procedure.

3.4 Data analysis

Yin (1994) presents two alternative analysis strategies for qualitative data: relying on theoretical propositions to drive the strategy, or developing a case description. Due to the nature of the data and the large number of interviews, I have partially used the theory-based strategy and partially relied upon emergent description. The general propositions presented in the literature review and my three research questions have shaped the data collection plan and prioritized the analysis. They have also helped to focus attention on key data and organize the study, results and analysis around the three main topics of organizational beliefs, value statements and promotion of values.

Various coding and categorizing schemes have been developed based on initial examination of the data and are used to cover the three question areas.

Miles and Huberman (1994) divide analysis into data reduction, data display, and conclusion drawing and verification. Yin (1994) adds examining the data, which requires the arranging and organizing of data. I will present these sections in my data analysis below. All data from the interviews were typed and entered into computer based text files, and Atlas/ti 4.0 software[6] has been used in coding and categorizing the qualitative data. In the primary question areas, some quantification has been applied to maintain result clarity in the large amount of data, and SPSS 7.5[7] has been used to analyze the numerical results. Direct quotations and examples from the data will be used to support the numerical results. Various cross tabulations and graphs have been used to illustrate the data.

3.4.1 Data arrangement and examination

At the earliest stage of data analysis, the idea is to organize data so that it is easily analyzable, and examine the data for potential flaws and coding categories. I arranged and examined the respondent profile data on an SPSS file, all interview data on two Atlas/ti hermeneutic units (one for site interviews, one for other informant interviews), and field notes and comments on an Atlas/ti hermeneutic unit and partly as handwritten notes. This procedure is presented in more detail at the end of Appendix 3.

During typing and data arrangement, I read the data through and oftentimes was able to attach the stories and statements to the context in which they were presented. The data seemed mostly readable and logical, but indeed slightly impersonal, as Jones (1996) describes typewritten informant reports, and medium-length compared to full interview accounts. To examine the data further on an organizational level, I took three steps prior to actual analyses. Firstly, I coded the data according to superficial question categories (Nokia characterization, critical incident, the four values, promotion practices, and experiences), printed the data by question area, and studied the data question by question. Secondly, I developed document families of continents, countries, divisions, and personnel groups, printed out part of the question areas for these families, and looked at data consistency across groups. Thirdly, some other categories were developed at this stage to look into the details that the case company was interested in. The initial examination resulted in the company report and ideas concerning the actual data coding and categorization scheme.

The examination stage confirmed three things that were partly expected based on the interview experiences. The most important finding was that the data seemed suitable for

[6] Information about Atlas/ti software can be found in Atlas/ti 4.0 for Windows User's Guide and http://www.atlasti.de.
[7] Information about the Statistical Package for Social Sciences (SPSS) software can be found e.g. in SPSS Base 7.5 for Windows User's Guide and http://www.spss.com.

analyzing Nokia employees' organizational beliefs, perceptions of values, and experience in promoting values. Another finding was that interviews differed from group to group in their length and focus, but all interview topics were discussed in almost all interviews as planned. Furthermore, different groups seemed to differ in their interview responses, but data saturation was reached in the sense that certain topics came up repeatedly across interview groups.

3.4.2 Data reduction: coding and categorizing

Data reduction refers to the process of selecting, focusing, simplifying, abstracting, and transforming the data that appear in written-up field notes or transcriptions (Miles and Huberman 1994). The starting point for coding and categorizing the data in this study was the three question areas of organizational beliefs, value statements, and promotion of values and the initial, general codes discovered during the examination of the data. I used slightly different coding tactics for each question area. The core question areas were covered by fairly exact coding schemes, whereas less frequently appeared issues were coded on a more general level. Tables of final analysis codes are in Appendix 7.

In case of organizational beliefs, the analysis is presented in selected categories of organizational identity and culture beliefs. The analysis of data on value statements is presented in the categories of knowledge of values, purpose of values and interpretation of values. For the promotion of values, the process of creating and promoting values, as well as practices and experiences in the promotion of values will be presented. A detailed description of the coding and categorizing procedure is presented in Appendix 8.

After coding the data, a final data check was made to ensure consistency in coding and analysis, and to add detail to the analysis, if needed. At this point, part of the data was printed code by code and checked on paper. More detail was discovered within the codes at this point. Instead of re-coding the data, these topics were reanalyzed manually. The employee and manager interview data were coded in Atlas/ti, and the codes were moved to an SPSS file with the 102 cases for further analyses. Other informant interviews were coded in Atlas/ti, printed by question area, and analyzed from the prints due to the small number of respondents.

3.4.3 Data display

The displaying of data means, at best, an organized, compressed assembly of information that permits conclusion drawing and action (Miles and Huberman 1994). Extended text, i.e. interview notes, are extremely cumbersome, poorly structured and hard to analyze. Better displays are a major avenue to valid qualitative analysis. In this study, data display is focused around a number of key result variables that are either **codes** directly from the interview data or **super-codes** combined from two or more codes in the interview data, as presented above. Identity traits, critical incidents, purpose and knowledge of value statements, promotion practices, promotion context and process, and experiences with promotion are direct code items, as presented in

Appendix 7. Appendix 8 presents the super-code items as used and reported in this study for organizational beliefs (except attribute strength) and interpretation of values.

Results in this study will be presented thematically, by research question, rather than by data source. The analysis strategy and tactics resulted in four types of data display: numerical tables, cross tabulated text, process charts, and direct quotations. **Numerical tables** have been used to describe the nature of the data and for comparisons where a large number of interviews permits this. This kind of display is used for instance in presenting organizational identity and culture beliefs, comparisons of culture and identity beliefs, values promotion practices, and results of cluster analyses for the three research questions. The tables contain the frequency of response by analysis category if the whole sample is in question; or a percentage of a sub-sample where sub-sample comparisons are made.

Each of the three research questions has, in addition to other results, produced a set of numerical tables stemming from a cluster analysis of interview responses. A K-means cluster analysis has been used for this purpose. The procedure attempts to identify relatively homogeneous groups of cases (in this case interviews) based on selected characteristics, using an algorithm that can handle large numbers of cases, but which requires the researcher to specify the number of clusters. The K-means algorithm selects initial cluster centers, assigns each case to one of the clusters, refines cluster centers based on the assignments, and classifies cases into final clusters. I have tested various cluster solutions, selected the most informative ones for display purposes, calculated response percentages by analysis category for each cluster, and tested the differences between these clusters. Further information on the K-means cluster procedure can be found for instance in the SPSS Professional Statistics Manual.

Crosstabulated text and examples are used to illustrate certain result categories concisely, especially in presenting practices for promoting values with more detail. Simple **process charts** are used to summarize informants' views to how the values were created and what kind of process has been used to promote the values. **Direct quotations** are presented throughout the results, specifically to illustrate a certain point of interest and where other forms of display have not been considered suitable or sufficient. With quotations, I have purposefully selected informative quotes, translated Finnish quotes into English, and for brevity's sake shortened contextual information, if needed. Direct quotes are referred to only by quotation marks to maintain full anonymity for respondents.

The problem in qualitative research often is the large amount of data. I will not even attempt to present everything since mere transcripts are hundreds of pages of reduced interview accounts. To further reduce the amount of text, I have used four criteria for selecting quotes and examples: representativeness, meaning that the same topic has been quoted or described in several interviews; illustrative power, referring to a quotation describing particularly well the phenomenon at hand; symbolic power, referring to metaphors, stories, and other symbolic elements that for some reason have

been used to highlight an issue; and exceptionality, meaning that the topic has come up in just one single interview.

3.4.4 Synthesizing: conclusion drawing and verification

Synthesizing in data analysis refers to deciding what things mean, noting regularities, patterns, explanations, possible configurations, causal flows and propositions. The competent researcher maintains openness and skepticism but makes conclusions groundedly. Then, despite what emerges on the way of the analysis, the researcher also verifies the findings, perhaps by returning to field notes, by discussion with colleagues, by replication of results, or by comparison with theory. (Miles and Huberman 1994)

In this study, some data display formats already show certain patterns and regularities that can be considered relevant to the conclusions of this study. In refining all findings, three approaches of verification will be used. Field notes are re-read where clarification or detail is needed, and cross-checking is made between employee and manager data. Secondly, the results have been discussed in various instances, both in initial presentations at the case company, with an academic audience at the university, and with external audiences. Thirdly, the data is compared to literature in the field, documentation about the case company, and my other studies about organizational culture, values, and value-related socialization (Martinsuo 1996, Martinsuo and Ikävalko 1999, Ikävalko and Martinsuo 1998).

3.5 Evaluation of the research design

Evaluation of qualitative research has suffered from both needing to follow the footsteps of quantitative research, and avoiding that by creating new concepts to replace those of the quantitative paradigm. In my view, the concepts developed for the quantitative paradigm do hold also for the qualitative one, but their content is different (also Yin 1994). The basic question is, as Stake (1995) puts it, “do we (as case researchers) have it right?” In more detail, “are we generating a comprehensive and accurate picture of the phenomenon, and are we developing the interpretations we want?”

In evaluating the quality of the design of this research, I will elaborate on three primary issues that in my view are relevant in qualitative, exploratory, interview-based case study research as well as in other kinds of organization studies. Firstly, my own role and access to reality is explained to give readers as accurate as possible a frame of reference. Secondly, the question of validity of research design is addressed, validity referring to such issues as credibility and generalizability. Thirdly, the reliability of interview accounts is assessed, referring to dependability and confirmability. The utility of the study in terms of pragmatic implications and its limitations will be addressed only in the discussion section of this report.

3.5.1 Role of the researcher

According to Alvesson (1991) symbolism and culture have a problematic ideological nature and are therefore a challenge to study and report. In interpretive research, the researcher needs to acknowledge her role as a primary research instrument, and make readers aware of the kinds of biases that may stem from her character (e.g. Stake 1995, Yin 1994). Therefore, I take this chapter to explain some issues about my personal background, access to reality in and relations with the case company, and my role in the interviews.

Personal background. My educational background in industrial psychology, and business strategy and international management have directed my focus to industrial organizations, organizational psychology, organization rather than individual level issues, and cross-cultural issues. Organizational psychology as a frame of reference has direct implications on the way in which I have approached organizational beliefs and value statements. These phenomena could be studied equally well from a sociological, philosophical, anthropological, or psychological perspective, or in combination, of which I am fully aware. During and after graduate studies, I have had some work experience in industrial and university organizations. This means that I have had a "native" point of view prior to studying it, and that I at least think I have learned to appreciate the knowledge that exists beyond the traditionally explored apex of the multinational firm. My engineering and industrial background is probably reflected in the way in which data is analyzed and results are presented.

Personal interest in organizational culture and value-related socialization has its roots in an earlier project I did about the topic in another multinational company (Martinsuo 1996). I then had a more quantitative emphasis, and a more functionalist viewpoint to organizational culture. At that time, however, I did notice the explanatory and exploratory power of qualitative interview accounts. Therefore, my interest has now shifted towards the interpretivist approach of organizational culture and the design of new, practical models, in addition to mere description and comparison.

Relation to the case company. Access to Nokia was gained almost by accident. I met the primary contact person initially at a university seminar. We discovered the mutually interesting topic of organizational values after two general discussions on organizational culture, competencies, and training. This contact resulted in a research project that was carried out as contract research between Nokia and the Helsinki University of Technology (HUT). I was not in an employment relationship with Nokia but worked as a full time researcher at HUT. The project team members and some interviewees considered my externality good. They acknowledged that interviewees might not be as inclined to talk freely and openly to someone for instance in a managerial position in the firm, and in such a position the objectivity of the interviewer might be impossible to maintain. When planning the project, different interviewer arrangements were discussed as potential solutions to expand the scope of the project. One idea was to train the unit contact persons to carry out interviews and provide

interview notes to the researcher. This idea was declined due to the impossibility of controlling the interview format, anonymity, content, consistency, and output, and the one researcher approach was favored also for financial reasons.

All my contacts with the organizational members of Nokia during the research project focused on the Values in Action project. In addition to the interview tour, I met with the project team members several times in planning sessions, progress updates, and delivery of project-related material. During the project, I did note that my personal values were well in line with those of the company, and I felt comfortable with the way in which people operated during the meetings and interviews. These notions could indicate an inclination to speak in favor of the organization. However, the contact persons encouraged me to maintain objectivity, watch for "weak signals" and needs for improvement, and be direct and development-oriented in reporting findings. As in the earlier project (Martinsuo 1996), I have tried to maintain objectivity and reproduce native employee accounts as reliably as possible. The accuracy of my note taking has been tested with good results in two other projects, partially reported in Martinsuo et al. (1997) and Martinsuo and Nissinen (1998).

Role in the interviews. My aim in the interviews has been to learn about and understand employee perceptions and experiences, and through these accounts better understand the global organization and its values promotion as an entity. During the interviews I have acted as a question setter, listener, observer, and note taker and avoided intervening in discussion or organizational operation further than that. According to Schein (1995), any access to an organization is an intervention in itself, but the amount of intervention may vary from minor as in inquisitive or clinical interviews to major as in action research and process consultation. I would like to draw attention to two issues related to my role as an interviewer and researcher: personality bias, and objectivity in noting and reproducing interviewee accounts.

Each interview situation is influenced by the personality of the researcher, and this may cause biases in the research data. The interviewer may lack the capabilities required for the study, and her interpretations during the interview may impact what is taken note of. Interviewees may for some reason or another dislike the researcher, which can influence how they respond to different questions (e.g. Weiss 1994a). My earlier experiences as an interviewer and personal background have briefly been described above to help the reader understand my position in this project. To ensure consistency over the interview tour, I have taken note of my feelings and experiences, and these notes have been added to the interview data. Furthermore, interviewees made some comments about the interview and interviewer, indicating mainly positive experiences. A summary of interviewee comments is presented in Appendix 9. Despite some critical comments towards the open format of the interviews, interviewee reactions did not indicate researcher biases that would question the validity of the study.

Some interpretation by the researcher is unavoidable in qualitative research and during the taking and analyzing of notes. The core question, then, is how to maintain

objectivity and reproduce interview responses as reliably as possible. Several measures were taken to minimize the negative impact by the researcher. For instance, I remained external to the firm during the project to maintain objectivity, I followed a consistent question list from interview to interview, and I wrote down as much of the responses as I could in all the interviews. I did not rely on memorizing employee responses at all; if the discussion went on too rapidly, I abbreviated some lengthy points by referring to them just by a title (e.g. “a joke about ach vs. rfi conflict”). Further validity and reliability related issues are discussed next.

3.5.2 Validity

The question of validity in this exploratory case study deals with establishing correct operational measures for the concepts being studied (construct validity), truth value for findings (internal validity, credibility), and the domain to which findings can be generalized (external validity, transferability) (e.g. Yin 1994, Miles and Huberman 1994). The validity of this particular research design is under threat due to the use of only selected quotes and examples, self-designed variables and translations, and just a single case firm with a limited sample. Various steps were taken to improve validity in this design.

Firstly, the phenomena studied were derived from theory while the contents of these phenomena were formulated only through data as is typical of qualitative exploration. Questions stated to study the phenomena were based partly on typical symbolic research, also used in other contexts (Jones 1996, Sarason 1997, Gustafson 1995), and partly on company materials on socialization. For instance, I was aware that performance review had different names in the firm, so I did not miss central results due to a lack of organizationally relevant knowledge. During analysis, I consciously and consistently used well-defined constructs. As for analytical generalization, I have used other studies to improve the external validity of the results.

Secondly, I have described in detail the firm context and the sample used for studying the phenomena. The field of application has, therefore, been made visible to the readers. Within the firm, additional measures were taken to ensure sufficient variance in interviewees and groups. For instance, the final sampling was influenced by several persons having the same, consistent guidelines that have also been explained in this report. One could assume that an overly positive stance would result due to the contact persons’ potential wish to give a positive picture of their unit. Based on contact persons’ and interviewees’ opinions, data examination, and data saturation experienced at the analysis stage, I feel that the interview accounts provided sufficient validity for these research purposes.

Thirdly, multiple sources of evidence were used as a form of data triangulation (see Yin 1994, Stake 1995). Using individual interviews, group interviews, and document analysis in parallel is a form of methodological triangulation. Sample triangulation was achieved by having three to five interviews in each unit, and different units in each

division and country. Theory triangulation was ensured both by designing concepts based on theory and reflecting results on earlier research.

Fourthly, validity is improved partially through so-called “thick description” (Geertz 1973) and partially through general level quantification of results. Fifthly, my prior experience and skills in languages and interview techniques support validity. Finally, I had several discussions on interview findings and analysis results during and after the interview tour with the contact persons, to confirm or disconfirm findings, and the intermediary company report and thesis draft were reviewed both by the project group, other company representatives, and university instructors.

3.5.3 Reliability

Reliability means demonstrating that the operations of the study, such as the data collection procedure, can be repeated with the same results (Yin 1994, also referred to as confirmability and dependability, Miles and Huberman 1984). Reliability in this case study is threatened by various factors related to researcher biases, group and informant characteristics, and methodology. I took various measures to improve the reliability of research findings.

For instance, data collection and analysis methods and procedure have been documented above and in Appendix 3 in much detail. According to Yin (1994), use of a case study protocol and developing a case study database are good ways to improve the reliability and repeatability of the study. Both techniques were used, and additionally all notes have been stored. Use of one interviewer across the study has ensured that the protocol was used and recording took place consistently. Furthermore, I kept an interview tour diary in addition to taking field notes, and these highlight the budding of ideas during the research process.

In the case of the group and individual interview accounts, the group itself is one guarantee that people base their expressions on reality and respond consistently: the responses can be tested by the listeners during the interview. Some correction of facts and adjustment of expressions did, indeed, occur during the group interviews. Also, some verifications were asked about parts of the responses to obtain a more profound picture of the subject and to increase the reliability. However, a couple of interviews occurred with a strictly limited time schedule. This forced the interviewer to step from one subject to another rather rapidly without the desired profundity being reached. Only those sections of interviews that were considered reliable have been included in the results. Furthermore, several interviews were made within the same unit to ensure that as much relevant information would emerge as possible.

Alasuutari (1995) among others has pointed out the different nature of individual and group interviews and the need to take this into account in research design. Where a group interview itself often confirms or disconfirms certain content topics, in individual interviews I more frequently used additional questions (“Why”, “How”, “Could you

explain that a little bit" and so on) to make sure that the responses were clear and reliable.

Emphasizing the confidentiality of the discussions and anonymity of respondents was another means to improve the reliability of the responses. The spirit of the discussions appeared to be open, warm and lively, and no sign of falseness or secrecy was experienced. Based on these facts, we can assume that the group discussions and their interpretations are reliable.

In the analysis stage, the language issue and researcher background reveal a potential problem for reliability. It may be that some issues have been misinterpreted or misunderstood either in the process of note taking during the interview, or during analysis and translations in between. I have above noted my own background and potential biases to minimize my impact and maximize the readers' availability to my analysis framework. My language skill has been estimated as good, and I paid particular attention to reproducing interviewee accounts as they were presented. As the interviews were not recorded and the notes were not taken comment by comment but rather on a subject-centered basis, some loss has occurred between the discussion and the analyses. The purpose was not to pay attention to single occasions but the overall culture of which the interviewer herself got a clearer picture after each interview. Furthermore, coding was done in focused stages and checked on multiple occasions to ensure reliability at that stage. The project team also confirmed certain fact-type results during the interview tour, analysis stage and reporting.

4. RESULTS

4.1 Organizational beliefs

Two interview question areas were used to explore constituents' organizational beliefs in the multinational case firm. In an indirect question, employees' organizational identity beliefs were handled. From the responses, I have analyzed descriptive attributes as well as indications of perceived subcultural consistency, uniqueness, and consistency with the external environment. A direct question on interviewees' change experiences revealed organizational culture beliefs in the categories of subcultural consistency, uniqueness, and consistency with the external environment, but not in descriptive attributes. In addition to a general description of results, comparison is made between employees' identity and culture beliefs, and between different subcultural groupings.

Results on organizational identity beliefs characterize Nokia as a large and constantly changing firm with good team spirit. In addition to these strongly shared attributes, interview groups have used quite conflicting traits to characterize the firm, proposing that organizational identity is not consistent all over the firm. Interview responses reveal strong perceived superiority compared to other firms, and challenges in subcultural consistency. Organizational culture beliefs reveal even a greater concern about subcultural consistency, whereas relation with the external environment is perceived as more consistent and successful. Differences between organizational identity and culture beliefs suggest for instance that in identity beliefs, people reflect more on their personal experiences and expectations while in culture beliefs they are more likely to include other stakeholders' perceived views and the context. National, divisional and other groupings within the sample show fewer differences in beliefs than expected, while differing clusters emerge based on unit position in relation to an organizational core, and local, global, and external orientation.

4.1.1 Organizational identity beliefs

In the employee group interviews (n=53), an indirect question dealt with what Nokia is like and how it is to work at Nokia. This chapter focuses on the results concerning descriptive attributes, subcultural consistency, uniqueness, and consistency with the external environment as they were expressed in the employee interviews. At only a few points, attribute descriptions overlapped with some of the other categories, and both were coded.

Descriptive attributes and attribute strength

Table 4 presents the frequency of identified traits in the employee interview groups. Of the trait categories, three were expressed in over 60 percent of the groups: "team spirit",

"turbulence", and "size". These traits, therefore, seem to be fairly well shared across the interview groups, and they are easily used to characterize the firm from employees' viewpoint.

Table 4. Frequency of descriptive attributes used to characterize Nokia in employee interview groups, n=53.

Trait	n	Trait	n
team-spirit	30	hard work	14
turbulence	30	lack of direction	14
size	29	security	14
autonomy	26	openness	13
good firm	26	youth	13
informality	21	slow pace	10
multinational	16	success	9
support/equality	16	formality	8
high pace	15	people orientation	8
no support/equality	15	challenge	7
sense of direction	15	adv.technology	6
		other	23

"Team spirit" refers to working as a team, having a family spirit, and a good working atmosphere. For instance, the following quotes describe team spirit.

> "This is like a family, you know everybody."
>
> "I was so surprised to see that you are not just a number here, you are part of a team."

"Turbulence" refers to dynamics, constant changes, and not staying in one place. The constant changes were not always experienced merely positively: the constant change of priorities was considered also quite difficult from an individual's viewpoint. The following excerpts were coded as turbulence.

> "Here you have to learn everything from scratch when something changes. And then things change again."
>
> "This is constant adjustment and change."

"Size" refers to the largeness of the firm, large scale in operations, and growth. The size of the firm was described in general terms, through past growth, and through some additional features that it has brought to the firm such as the benefits of a big company. The following quotes give an example of how the large scale was referred to in the interviews:

> "I have the feeling that this is a huge place."
>
> "Nokia grows and we have the opportunity to grow with it."

In over a third of the groups, three further features were discussed: "autonomy", "good firm", and "informality". "Autonomy" was used to refer to a chance to make one's own decisions, independence, and freedom of work. "Good firm" contained descriptions of

the company generally as a good employer, a nice workplace, and an employer to be proud of. “Informality” meant the lack of excessive hierarchy, rules, and procedures, sometimes also a lack of needed information and guidelines, and described the relaxed relations of people. In still over 25 percent of the interviews, the firm was characterized by its multinational nature, hard work, and job security.

Several conflicting features came up with the frequency of 15-30 percent of interview groups. Some of the interview groups characterized the company as supportive, with a high pace of operation, and a sense of direction, while others described totally opposing features: a lack of support, slowness of response, and a lack of direction. These kinds of conflicting features were even described within the same interview. Examples of these are presented in Table 5.

Table 5. Examples of contradictory attributes in employee interviews.

	Yes	No
Support	“If you are in need of help, that is there.” “Training and learning is really supported here, we also have development discussions.”	“Supervisorship is deficient, they do not provide any support at all.” “After a project is finished, you are left on your own.”
High pace	“For a big firm this moves pretty rapidly.” “Everyone here is under hard pressure. When you go home, you feel like you should still be doing something for work.”	“For a big company, changing direction is slow and difficult.” “Improvements take place only if a big boss comes around.”
Sense of direction or purpose	“Nokia is very goal-oriented and determined.” “I like to see that my work has an impact. I find it important to do something useful.”	“I sometimes wonder if everyone knows what we are here for.” “There should be a little bit more direction, from top down, especially for new employees.”

In addition to the above mentioned, well-shared or partly shared but conflicting traits, there were a number of features not shared, and expressed in just a few interviews. In less than one fifth of the interviews, the company was characterized through openness, youth, success, people-orientation, challenging work, or advanced technology. In a few interviews, the above-mentioned shared features were questioned. For instance, interviewees talked about “formality”, meaning the existence or potential rising of hierarchy and rules or procedures; “smallness” despite its size, referring to its acting like a small company; “lack of spirit”, referring to all of your colleagues not being known or something that “did not hit you” when entering the firm. New, non-shared features were expressed and included in the “other” category of traits: male-dominatedness, the network-like structure, innovativeness, being the “only choice”, wisdom, oldness, location close to residence, diversity, aggressiveness or scariness, power, and beauty.

In addition to descriptive attributes, indications of subcultural consistency, uniqueness and consistency with the external environment were analyzed in respondents' characterizations of Nokia. Of the three "comparative" categories, subcultural consistency was handled the most often, consistency with the external environment the least. Subcultural consistency and consistency with the external environment were almost equally often discussed in their positive and existing sense as in a negative or lacking sense, whereas uniqueness was for the most part considered prevalent and true.

Subcultural consistency

Of the subcultural issues, both consistency and inconsistency were discussed in over half of the interviews on group/profession-related topics. National similarities and differences were talked about the second most, and fit between person and organization the third most. Table 6 presents some details.

Table 6. Types of subcultural consistency and response frequencies by category in employee interview groups, n=53.

Degree of perceived consistency	**High**	**Low**	**Sum**
Type of consistency	**n**	**n**	**n**
Between nationalities/countries	16	22	**38**
Between industries/units	9	18	**27**
Between groups/professions	32	27	**59**
Between person and organization	20	14	**34**
Between espoused and enacted values	4	11	**15**
Total	**81**	**92**	**173**

Professional and group level issues were discussed almost equally as much in terms of consistency and inconsistency, slightly more on the consistent side. They contained references to such issues as good interaction or equal treatment between professional or other subgroups, problems in inter-group cooperation, or evident differences between groups or professions. The following excerpts show how professional and group issues appeared in the data.

> "I like that there is not much of a step between you and the manager. The open door policy is really true. They are part of a team; for the most part, it is a team concept."

> "The second and third shifts do not use sandals. I think all should use them if we have to."

Consistency across different nationalities and countries was somewhat more viewed in its negative terms than positive. Difficulties between national subcultures were often attached to the poor cultural understanding between Finns and other nationalities. The positive side in turn often showed ways in which the barriers of cultures have been or can be lowered or positive aspects of national diversity. Two of the respondents' perceptions about national subcultures are shown in the below examples.

> "Finns are very weak in understanding Far Eastern cultures. Finns are too stiff. Customers do not like this, and they once even asked to sack two Finnish managers. Finns react too strictly, they are not compromising enough. A kind of flexibility is needed more because people in our country do not want to hear comments like 'You obviously do not know what you are talking about'. Understanding other cultures is very important. Brits are quite good in this, Americans are even more difficult than Finns."
>
> "I think the European exposure is good. We are kind of afraid of Japanese firms as they treat people bad. Here (at Nokia) they treat people better, there is respect and a laid-back way of working which is good, and bad, too. Due to this international environment we have a lot of different people from different countries."

Positive experiences with the person-organization fit dealt with the good perceived match of one's own personality and expectations, and the Nokia way of operating, and they were more frequent than experiences of inconsistency. However, people did acknowledge that expectations were not always met. The below examples demonstrate both sides of person-organization congruency.

> "I expected clarity and systems, and that is what I have seen here. I love this, challenges and all!"
>
> "I am frustrated when nothing changes. It is the same thing from day to day. There is no job rotation, no changes in my job. I think these kinds of opportunities would be important and interesting, and should happen more."

Divisional and unit differences were perceived more on the negative than the positive side. The perceived inconsistency between industries or units referred primarily to the gap between the two main divisions, between a non-central operation and the core divisions, between local units of different divisions, or between a unit and Nokia as a whole. Descriptions of consistency identified ways in which these gaps could be narrowed, such as increased cooperation through common projects, sharing of information about units, and so on. Brief examples of industry and unit consistency are presented below.

> "There are five Nokia units in (this country). Each of them is so different, depending on the manager and nature of business. For instance the sales unit is very busy and focusing on timetables and customers continuously. Our unit has an engineering culture, it is more open and flexible, we can wear whatever clothes we want and take holidays more flexibly."
>
> "The new Nokia house might unite the two divisions at least locally."

The least discussed subcultural aspect was that dealing with similarities and differences in espoused and enacted values. The consistency was more often perceived poor, meaning that respondents more often referred to a gap between value statements and operation than consistency. The below examples were coded as espoused-enacted consistency or inconsistency.

> "Yes, the customer is the one who pays our bills. This is really taken seriously and adhered to here."
>
> "We just do not feel the Nokia values in everyday operation. They are on paper and in the induction materials, but that is all."

Uniqueness

Almost 80 percent of the groups felt that the way Nokia operates is unique and somehow superior in relation to its competitors and other employers. Fewer than 30 percent of the respondents characterized Nokia either as inferior or similar to other firms. Table 7 presents figures and some examples of how uniqueness was referred to in the interviews.

Table 7. Types, frequency and examples of uniqueness beliefs in employee interview groups, n=53.

Type of uniqueness	n	Examples
Perceived superiority compared to other firms	41	"Compared to public sector, we have the freedom and facilities to do our best. There are no economic restraints to hinder you from doing what you have to do." "I think we have a lot of Virgo character here. Quite many people here were born in August and that can be seen in our birthday calendar. And these adults buy Donald Duck magazines to the coffee lounge, irrespective of their title or status. That is the spirit here."
Perceived inferiority	11	"Compared to small firms, a lot of time here goes to just discovering who is doing what and where."
Perceived similarity	15	"There are other good companies, too, with flexibility and all that."
Total	**67**	

Consistency with the external environment

Responses to the indirect question about Nokia character contained about equally many references to operational and strategic consistency and inconsistency with the external environment, as presented in Table 8.

Table 8. Types of consistency with external environment, and response frequency by category in employee interview groups, n=53.

Degree of perceived consistency	High	Low	Sum
Type of consistency	**n**	**n**	**n**
Between operations and external environment	19	18	37
Between strategy and external environment	5	3	8
Total	**24**	**21**	**45**

The dilemma of high and low operative consistency manifested itself in many topics, ranging from various estimates of customer service quality to the training of new tools,

efforts to reduce costs, recruitment criteria, managing competition, and speed in deciding. The following examples demonstrate what kinds of issues were coded as the consistency of inconsistency between operations and the external environment.

> "Every day is different. The pace has increased visibly, earlier we did **n** (products) in a shift, now it is 40 times **n**."
>
> "I think the worst thing about this organization is the customer side, services: there are no processes to support this. The matrix organization is only confusing. We do need backup systems for this."

Consistency between strategies and the needs of the external environment was discussed only a few times, both in a positive and a negative sense. People referred to a lack of long-term view or direction, and turbulence related to growth and a high pace. The indirect question setting did not encourage the discussion of strategic issues.

4.1.2 Organizational culture beliefs

The above general perceptions about the organization may be different from perceptions about the way in which the organization operates during times of change. A critical incident was handled in both employee and manager interviews (n=102). In organizational culture beliefs, identifiable descriptive attributes did not appear separately from the other belief categories, and therefore they were not coded separaterly. Subcultural consistency, and consistency with the external environment were discussed about the same amount whereas uniqueness was discussed less. Consistency with the external environment and uniqueness were more often approached favorably, whereas subcultural issues were more often perceived inconsistent.

Subcultural consistency

When describing critical changes in the firm, respondent groups discussed professional or group issues the most, industry or unit issues second most and national consistencies and inconsistencies third. Person-organization fit and espoused-enacted consistency were discussed the least. In general, subcultural consistency was approached more from the negative than the positive side. Table 9 presents response frequencies by category.

Table 9. Types of subcultural consistency and response frequencies by category in the critical incident descriptions of employee and middle manager groups, n=102.

Degree of perceived consistency	**High**	**Low**	**Sum**
Type of consistency	**n**	**n**	**n**
Between nationalities/countries	25	40	65
Between industries/units	31	39	70
Between groups/professions	38	47	85
Between person and organization	21	23	44
Between espoused and enacted values	3	13	16
Total	**118**	**162**	**280**

The most balanced claims on subcultural consistency and inconsistency were presented in person-organization fit, where consistencies and inconsistencies were described almost equally much (21 and 23 percent respectively). The emphasis on inconsistency gets stronger in industry/unit issues, group/profession issues, and espoused-enacted issues, and is the most evident in national subcultural consistency, where perceived consistency was expressed in 25 percent of the interviews, inconsistency coming up in 39 percent of the interviews.

Group and professional issues often dealt with teams having a good atmosphere and good working relationships, or the fact that the number of people has increased, people no longer know each other, and communication between different personnel groups, such as managers and employees, has become more difficult.

> "The good colleagues and team, and a job that you like help you carry on even if it is tough. Without this kind of comraderie we probably would not make it."
>
> "There is a big problem with upper management and our own supervisor. They do not listen to certain races. The manufacturing manager just walks around lines and flirts with girls. He needs to go; we need more sensitive people."

Industry and unit issues were often about the industry focus and rationalizing: sharing resources and the benefits and problems related to it, and even physical and systemic barriers for cooperation. The following quotes demonstrate how these kind of issues were referred to:

> "The new building (that will be shared by the divisions) offers the chance to mix people line by line physically and have them communicate. The moving could have been arranged differently, but the idea is good."
>
> "Units are rated differently for some reason. For instance, the Christmas party practices are so different. The amount of money spent per participant may vary greatly depending on the unit manager. I would very much like to know how this money really is distributed. It is awful to be part of a poor unit."

National issues dealt with the existence or lack of communication across countries, language difficulties, difficulties of understanding, ways to promote cooperation across borders, as briefly shown in the examples below:

> "We share projects across countries, so we have to take the global environment into account in many ways. There are language and culture differences, but from a content and organization viewpoint this is not significant, and actually differences can be also beneficial."
>
> "We do not use enough time in addressing these cultural differences, networking informally. People in our country are not used to being direct in their expression, other nationalities are not aware of this feature in our culture, and they think that we are stupid when in fact we just think differently."

Person-organization fit brought up respondents' views about personally valuing the ways in which the company operates, such as freedom, work-orientation, or growth. On the inconsistent side, employees' expectations were perceived as neglected through the organization's focus, such as on a high quantity of work, strict structuring, and business

objectives over employee well-being. The quotes below illustrate the responses on person-organization consistency.

> "I am very self-driven, that is, work-driven, and like to put my effort to work. Here family life is also supported, and I like this. I just hope we do not lose this when we grow."
>
> "(Due to the continuous changes,) private life does suffer. It is even worse if your husband/wife works here, too."

The consistency of espoused and enacted values dealt with specific actions that in constituents' minds did or did not fulfill the promises of the statements. They very often were very local incidents where even the name of the manager was mentioned.

> "Nokia is especially good in walking the walk and talking the talk. It is great here."
>
> "There is an inequality in workloads. There is some "covering your back" and blame mentality which goes against Nokia values. This gets on our nerves."

Uniqueness

Altogether 60 remarks were coded as signs of uniqueness in the critical incidents. Of these, 32 interviews handled uniqueness in its perceived superiority sense, 15 were of perceived inferiority, and 13 referred to perceived similarity when compared with other firms. Therefore, the existence of uniqueness was emphasized while a lack of it was discussed less.

Uniqueness, whether characterized in terms of perceived superiority, inferiority, or similarity, often dealt with quite the same issues. For instance, the size, pay and benefits, and dynamic business context were commented on through all aspects of uniqueness. Below, uniqueness-related examples are presented.

> "Think about (another firm), for instance: it is old and big. There are no more job openings at higher levels because older employees keep them forever. Here you have a chance to grow."
>
> "In a small firm, it might be easier to implement what you plan. Here the lack of progress in certain issues frustrates me sometimes; things just get stuck."
>
> "There are other firms recruiting, so the country runs out of good people at some point of time anyway."

Typical to some of the uniqueness-related culture beliefs is that they reflect the trait beliefs that were shared by over half of the employee interview groups and correlate with the positive uniqueness identity belief: size and turbulence in particular. Some further attributes can also be identified in the uniqueness descriptions, such as success, sense or lack of direction, and team-spirit.

Consistency with the external environment

In the interview notes, 223 issues were classified as operational or strategic consistency or inconsistency with the external environment, as presented in Table 10. Operational issues were handled slightly more than strategic (129 and 94 quotes, respectively). Of

these, 153 were classified as positive, and 70 as negative. This means that the company interactions with an external environment - customers, national and industrial environment - were more often presented as consistent and successful than not.

Table 10. Types of consistency with external environment, and response frequency by category in critical incident descriptions of employee and middle manager groups, n=102.

Degree of perceived consistency	**High**	**Low**	**Sum**
Type of consistency	**n**	**n**	**n**
Between operations and external environment	72	57	**129**
Between strategy and external environment	81	13	**94**
Total	**153**	**70**	**223**

Consistency between operations and the external environment was experienced somewhat more than inconsistency, whereas strategic choices were strongly considered consistent. The emphasis on experienced strategic consistency results partly from the fact that respondents explained a large number of the critical incidents by external demand and the business situation of the firm. All of the strategic choices were, however, followed by varying descriptions containing not only positively and negatively perceived operative choices but also subcultural consistency and uniqueness.

Operative consistency and inconsistency dealt with individual, group, and unit level adjustments and activities, and less often with fitting with contingencies such as national environment or industry trend. The following examples illustrate the ways in which respondents described operative choices and actions.

> "The transfer of marketing to this location was personally very hard, but now we are very happy. The whole team came at once, giving a whole new perspective in coming closer to R&D, and means a lot less travelling."

> "There is a lack of general control over what happens. We commit but cannot deliver what we promise because of the lack of control. Tools for this are needed."

Strategic issues circled around various organizational, structural, market, image, product, and pace-related topics. They were more often than not considered consistent in the sense that respondents perceived the choices successful in relation to the external environment. Examples of strategic consistency and inconsistency are presented below.

> "Moving R&D units here has been a response to a growing local market. Earlier we had just one person per product line, now they are dozens."

> "We could have handled globalization more aggressively. For instance in R&D there have been difficulties in start ups."

4.1.3 Organizational identity vs. culture beliefs in employee interviews

When comparing organizational identity and culture beliefs in the 53 employee interviews, there are certain similarities in analysis and response patterns. The framework developed for analyzing belief data seemed to function well in both indirect and direct question areas. Classifying data for the selected belief categories was rather painless, and in total only 12 quotations had to be categorized as "other". Transforming and checking the data after initial analysis has lessened the danger of neglect, and reliability of interpretation will be tested against theory in the discussion section.

The direct and indirect response areas shared the simultaneous existence of positive and negative aspects. The organization and changes within it were not only praised and cherished but also criticized and blamed. People talked about uniqueness in terms of inferiority, inconsistencies between subcultures, and the consistency of espoused and enacted values roughly equally in the two types of question areas (see table below). In both types of question areas uniqueness was approached in the sense of superiority more frequently than of inferiority or similarity, whereas subcultural consistency was more often challenged. In both question areas, people frequently used their own premises and evaluations as criteria of description rather than pursuing some purely objective representation of the firm.

In addition to the above similarities, certain differences can be noticed. The most visible difference is that about half of the identity characterizations resulted in adjective-type descriptive organizational attributes whereas in culture beliefs, identification of these kinds of traits was not possible at all due to the strongly comparative and practical nature of responses. The attribute-type of issues only came up in the categories of uniqueness which clearly represented a minority in the culture beliefs. Table 11 presents tests of difference between identity and culture beliefs and these topics are further elaborated below.

Table 11. Percentage of and differences between organizational culture and identity beliefs in employee interview responses, n=53. Wilcoxon signed ranks test for two related samples. * p<0.05; ** p<0.01; ***p<0.001.

Belief category	identity beliefs % of 53	culture beliefs % of 53	Z	p
Consistency between nationalities/countries	30	19	-1.41	
Inconsistency between nationalities/countries	42	42	0.00	
Consistency between industries/units	17	34	-2.18	*
Inconsistency between industries/units	34	45	-1.28	
Consistency between groups/professions	60	45	-1.63	
Inconsistency between groups/professions	51	53	-0.20	
Consistency between person and organization	38	17	-2.84	**
Inconsistency between person and organization	26	25	-0.24	
Consistency between espoused and enacted values	8	4	-0.82	
Inconsistency between espoused and enacted values	21	15	-0.90	
Superiority compared to other firms	77	26	-4.85	***
Inferiority compared to other firms	21	21	0.00	
Similarity compared to other firms	28	13	-2.14	*
Consistency between operations and external environment	36	74	-3.54	***
Inconsistency between operations and external environment	34	57	-2.45	*
Consistency between strategy and external environment	9	77	-6.00	***
Inconsistency between strategy and external environment	6	15	-1.51	

Firstly, Table 11 demonstrates significant differences in perceived uniqueness and consistency with the external environment. In the identity beliefs emphasis was more on perceived superiority and similarity, while the direct question on culture beliefs had a clearly stronger emphasis on issues related to consistency with the external environment. Secondly, identity beliefs contained more positive than negative remarks on group and individual level issues: consistency between person and organization, and groups/professions. In culture beliefs, inconsistency was emphasized in all subculture categories as compared to perceptions of consistency. Thirdly, identity belief descriptions contained fewer indications of unit level issues, high (and low) industry/unit consistency, than the culture beliefs. These differences may partly be explained by the indirect versus direct question setting but they may also refer to conceptual and temporal differences between identity and culture.

The correlations and content of the different types of beliefs propose further differences. Just 4.5 percent of potential inter-correlations are statistically significant, as presented in Appendix 10 for employee groups. The low number of significant correlations indicates a lack of pattern between discussed identity and culture beliefs, further supporting the proposed conceptual and temporal differences. If looking at the content of the topics handled in the two types of question areas, responses to the indirect question clearly addressed adjective-type traits and characteristics that people attach personal value to, whereas culture beliefs addressed contexts, systems, and actions.

Also, identity characterizations were more often presented as aims and opportunities, needs and ways of improvement, while culture beliefs posed more threats and risks, deficient and undesirable ways of working.

4.1.4 Consistency of beliefs across organizational units

The above exploration has shown that not all attributes and comparative characterizations attached to Nokia are shared by organizational members. Therefore, it is of interest to study whether there are subgroups with distinct belief systems within the organization. Natural groupings would emerge from continents, divisions, personnel groups, and different unit types. A comparison is made amongst the culture beliefs of these subgroupings, and of emergent belief clusters. Detailed results are presented in Appendix 11. Due to the smaller sample in identity beliefs and descriptive attributes, the comparison is here limited to culture beliefs.

Consistency of beliefs across continents, divisions, personnel groups and unit types

Comparison of belief response frequencies across continents, divisions, personnel groups, and unit types reveals very few significant differences. Subcultures, therefore, do not reveal themselves through differences in organizational beliefs as clearly as suggested by contingency literature.

Amongst the three continents included in the study, respondents in Asia paid attention to national inconsistencies between subcultures the most when compared to American and European groups. Professional/group consistency was discussed the most in America and the least in Asia. Consistency between operations and the environment was perceived the highest in Europe and the smallest in Asia. A more detailed exploration of countries does indicate further differences, but due to limited sample sizes we do not look at them here.

Between the divisions, NMP had the lowest response frequency in the consistency of both strategy and operations and the environment, while the Other division had the highest frequency, with NTC remaining in the middle. Perceived inferiority as a form of uniqueness was the highest at NTC, and the lowest in Other division. Between personnel groups, there were no significant differences at all; the employee and manager groups discussed similar culture belief topics quite consistently.

Responses in the different unit types, production, R&D and office, differed from one another with statistical significance in three topics. Groups in production units discussed group/professional consistency the most, while office groups discussed it the least. In R&D units, consistency between operations and the environment, and perceived similarity compared to other firms were discussed the most compared to production and office units.

The small number of significant differences between groupings suggests that the group-interview based, interpretive analysis of cultural beliefs does not reveal similar variances as typical studies of culture. Since the focus is on comparative issues, it seems that comparative *gaps* between expectations and reality are perceived in fact quite similarly, irrespective of the actual description or situational status. However, looking at constituents' organizational beliefs in a more integrated manner may produce interpretable differences in the multinational enterprise. In this case, identifying the historical "core" of Nokia as European (Finland-based), the R&D centered NTC could indeed explain the highest ratings of operative fit in Europe and R&D units, and highest strategic and operative fit estimations in Other and NTC divisions. Perceived flaws in uniqueness at NTC and R&D units could indicate the loss of perceived centrality in the traditional areas of the firm. The lack of difference between personnel groups' results, and the few other differences amongst continents, divisions and unit types would fit well with the following proposition: that the character of organizational beliefs is influenced by the perceived similarity or dissimilarity with the organizational historical "core" based on country of origin, core industry, and unit type, rather than objectively assessable organizational attributes as such.

Clustering interview groups by the diversity of beliefs

Since evident national, industrial, personnel or unit differences were not revealed in the analysis as proposed by traditional contingency studies, various cluster models were tested. The 102 respondent groups were clustered based on the 17 culture belief items, and a four cluster solution seemed to be the most interesting, not only due to differences in beliefs but differences in organizational demography variables.

The four clusters were named "Concerned team" cluster, "Satisfied core" cluster, "Unique critic" cluster, and "Focused" cluster, based on the culture belief results. The clusters differ from each other in continent and country, division, and unit type. There are no significant differences between interview unit, interview duration, group size, personnel group, or unit size. Table 12 presents a comparison of organizational culture beliefs in the four clusters.

Table 12. Cluster profiles as response percentages by belief category, and differences between belief clusters, n=102. * p<0.05; ** p<0.01; ***p<0.001.

Cluster / Belief category	Concerned team cl. % of 14	Satisfied core cl. % of 25	Unique critic cl. % of 21	Focused cluster % of 42	Chi-Square	p
Consistency between nationalities/countries	36	20	43	14	7.35	
Inconsistency between nationalities/countries	100	28	67	12	42.38	***
Consistency between industries/units	29	76	19	10	34.19	***
Inconsistency between industries/units	57	80	19	17	31.82	***
Consistency between groups/professions	64	64	29	17	20.12	***
Inconsistency between groups/professions	79	48	95	10	48.52	***
Consistency between person and organization	7	32	48	5	19.17	***
Inconsistency between person and organization	21	32	38	10	8.19	*
Consistency between espoused and enacted values	21	0	0	0	19.24	***
Inconsistency between espoused and enacted values	64	8	0	5	39.04	***
Superiority compared to other firms	29	32	57	19	9.40	*
Inferiority compared to other firms	7	12	52	0	31.48	***
Similarity compared to other firms	36	8	5	12	8.30	*
Consistency between operations and external environment	79	96	67	55	13.30	**
Inconsistency between operations and external environment	36	76	95	31	29.90	***
Consistency between strategy and external environment	79	96	100	60	19.62	***
Inconsistency between strategy and external environment	7	8	29	10	5.96	

Groups within **the concerned team cluster** have discussed several culture belief topics within the same discussion. They have paid extensive attention to inconsistencies between nationalities, consistency between groups/professions, consistencies and inconsistencies of espoused and enacted values, and similarity compared to other firms. They have not talked quite so much about issues related to consistency with environment, or superiority compared to other firms. To sum up, these groups seem to have a slightly negative global orientation and a positive local orientation. The representatives of this cluster are predominantly from America and NMP, with mixed unit types.

The satisfied core cluster has also discussed various belief topics in parallel, but the emphasis has been different from the concerned team cluster. These groups have rated industry/unit consistency and profession/group consistency high, but simultaneously

claimed about inconsistencies between industry/unit subcultures. They have shown high satisfaction towards operative and strategic decisions and thus seem to have a positive external orientation. They have not talked about uniqueness, nor inconsistencies in group or personal level topics particularly. This cluster is predominantly European, with a great number of Finns, from NTC and R&D.

The unique critic cluster has talked about different belief items slightly less in parallel and had more focus in discussion. The groups have extended criticism towards inconsistencies in group/professional-level topics and between person and organization. However, positive aspects of person-organization consistency have also been presented rather much. Even though consistency between strategy and the external environment has been experienced, operationalization has received attention strongly on the negative side. Uniqueness has been explored both in the form of superiority and inferiority, similarity with other firms receiving hardly any attention. National and industrial topics have not received exceptional attention compared to other groups, national coming up slightly on the inconsistent side. Due to the various critiques towards local, operative issues, this cluster can be said to have a negative local orientation. This cluster is predominantly Asian, and from NTC and office units.

The focused cluster differs strongly from the other clusters in that groups in this cluster have not talked about many culture belief issues in parallel but have rather focused on one or two of them. This can be seen in the low yes-percentages and in a further exploration of the interview data. This cluster has discussed all the topics less than the other clusters, and rather looked at its focus area (such as national inconsistency, unit consistency, and so on) from many viewpoints. A correlation analysis of this big cluster reveals that indeed the culture beliefs do not correlate significantly but in five cases; the topics have not been discussed within the same interview in parallel. This cluster is a mix of European and Asian groups, with many Finns and Japanese, and NMP and R&D groups with all types of units. Even though there were no significant differences in group sizes, the selectively focused cluster does have a large number of individual interviews compared to the other clusters, due to Japanese interviews being individual interviews so often.

The clustering of interview groups based on their organizational beliefs gives support to the above proposition of looking at the units of a multinational enterprise in an integrated manner. Not only is the earlier proposition about cultural similarity/dissimilarity from an organizational, historical core supported, but also further dimensions of positive vs. negative external, global and local orientation for approaching organizational beliefs are suggested.

4.2 Status of value statements

This chapter focuses on the position of value statements through two primary interview question areas. Firstly, interviewees' knowledge about the values and views on the purpose of the value statements was questioned. Secondly, interviewees' interpretation

of the values was discussed. Interpretation of values was handled differently with employees and managers: managers focused only on the most important or difficult value and employees interpreted most or all of them. Furthermore, a comparison will be made between organizational beliefs and value statements, and potential differences across organizational subcultures in the interpretation of values.

The results show that interviewees know the values fairly well but various gaps are frequent in value-related knowledge. The purpose of value statements is perceived fairly ambiguous, with an emphasis on ideal future culture and identity. Informants have diverse value priorities, and customer satisfaction and respect for the individual are most often put in first place amongst the four values. Respondents' interpretation of values focuses strongly on subcultural consistency type issues, with consistency with environment in second place. Differences between the interpretation of values and organizational culture beliefs confirm certain positive and negative features for espoused values, partially enforcing their role in promoting organizational culture change and partially promoting cynicism, organizational criticism, and potential negative behavioral outcomes. Differences amongst subgroups are again minor compared to what was expected and, instead, clusters emerged based on the multitude of ways in which certain values were interpreted.

4.2.1 Knowledge and purpose of value statements

Informants had a general impression and awareness of Nokia's values in all the interview groups. The broad awareness suggests a fairly well-handled promotion process, but also gaps in value awareness were identified. Since the sample covered primarily established units, awareness of values may be poorer in new and non-core units.

In 51 percent of the interviews informants mentioned some gaps in relation to knowing or remembering the values. A majority of these referred to the difficulty of memorizing the four value statements. For instance, some respondents admitted that not remembering or knowing the values had felt embarrassing in some context, like a group meeting where someone has asked about the values. Some tried to recall the values during the interview: "were there four or five of them or what". The statements are "not on your mind all the time, so they tend to be forgotten". Despite the experienced poor memorization of the values, many informants had an idea about how and where to find additional information on the values. Memorizing was not perceived as the most important thing about values. Rather, implementing the content of values was considered more relevant.

In an additional 14 percent of the discussions, a reference was made to not knowing or remembering the values at all. Some of these referred to a person outside the interview group with no knowledge of the values, some mentioned a survey that had revealed unawareness of values, while others admitted a personal lack of official information about values.

Purpose

In Nokia's general presentation materials, having and promoting values is based on seven ideas:

- an internal compass towards a vision of mutual success
- a shared philosophy of working together
- a common bond uniting diverse people
- a basis for decision-making and risk management
- a common language for communicating across cultures
- a way to align people's actions with business direction
- a guide for managing people and work across functional boundaries

The presentation guidelines note that also many other companies have values and there is nothing unique about it. "What is important, is for all people to understand to act on them. The aim is to show people how powerful the values can be if they are translated from a statement of intent to action. This will be our competitive weapon." Different slides promote slightly conflicting purposes for values, some focusing on "defining culture" and others on "statement of vision".

Interview respondents were asked about their views as to what the purpose of the values is. The purpose of value statements was classified in the responses into eight categories, based on the theoretical propositions and examination of the data: the four categories of representing culture or identity currently or as a future ideal, "all have or must have", ideal image, no purpose, and other purpose.

The most often mentioned purpose of value statements was that they presented an ideal future culture for the firm. Second most frequently, the values were seen to represent an ideal identity that the company should strive for. The role of values in reflecting the current identity and current culture was expressed less than the future ideals. The percentages and some examples of the content are shown in Table 13.

Table 13. Frequency of expressed purposes in interview responses, and some response examples, n=102.

Current identity 44%	**Ideal identity in the future 59%**
"You cannot educate values, it is something deep within us and remains."	"These reflect management's values, their ideas of who we are."
"This is self evident, it is who we are."	"This is an ideal and a goal that we may never reach."
Current culture 32%	**Ideal culture in the future 78%**
"Those values are in operation, basically because they are our own values and not only the firm's values."	"Either we have it or we learn. Stating the values reinforces this, and reminding does have an effect."
"It is probably the way Finns operate anyway."	"If you have to select a way of operating, you can with these balance your options and think if something is according to values."

In a number of interviews, many of these purposes were expressed in parallel, thus supporting the idea that an ambiguous purpose of value statements is true and even desirable. Four further categories were used to cover the rest of responses concerning the purpose of values. Ideal image was mentioned in 15 percent of the interviews, containing aspects of value-related publicity, stock analysts using values in evaluating the firm, using the values in marketing communication, purposeful molding of the external image, or differentiating the firm from its competitors. "All have or must have" was in 24 percent of the interviews, referring to the fact that all other firms have these, too, that any sound company must have a set of values and that "this is nothing special".

The "no clear purpose" type of response was given in 15 percent of the interviews. This category included respondents' uncertainty about the purpose of values, and cynical remarks such as: "this is just talk with no particular purpose"; "the purpose of these? What a good question"; "there is no purpose to this"; and "initially it felt purposeless and childish". Another purpose or one difficult to classify was expressed in 34 percent of the interviews. For instance, some saw the purpose as "something delegated down the organization but not followed-up"; "an aim for a dog-like loyalty to the organization"; "a way to minimize personnel conflicts"; "memorizing like 4H club rules"; "a choice between bureaucracy or values", and so on.

4.2.2 Interpretation of values

Employee and manager informants were asked about the most important or difficult value in their opinion, and what each value means (interpretation). With employees, all values were discussed in nearly all of the interviews, whereas in manager interviews only the most important value or two values were discussed. Each value was discussed in 60-70 percent of the interviews, respect for the individual the most often.

The most important or difficult value

In response to the question "which is the most important or difficult of the values in your unit right now", customer satisfaction was called the most important or the most challenging the most often, in 34 percent of the interviews. Respect for the individual was mentioned the second most often, in 28 percent of the interviews, whereas achievement (16%) and continuous learning (14%) were less frequently mentioned. Five percent of the interview groups did not define their value priority: in their view, "all values are equally important" or "none of them is more important than the others". Three interviews did not handle interpretation of values at all.

Interpretation of values

Interpretation of values contained indications of subcultural consistency, uniqueness, and consistency with environment in varying mixes. One of these three belief categories was strongly aligned with each value, as presented in Table 14. For instance, respect-topics were coded in 96 percent of the interviews as related to subcultural consistency, while customer satisfaction was considered to relate to consistency with environment in 84 percent of the interviews. Uniqueness did not appear much in the interviews, ranging just from seven to 16 percent of value interpretations. Descriptive attributes were not coded in the interpretation of values due to its impossibility; the nature of interpretations will be characterized later to further justify the coding scheme.

Table 14. Interpretation of values classified as related to subcultural consistency, uniqueness, and consistency with external environment. Percentage of interview responses of certain interpretation type by value category.

	Customer satisfaction % of 67	**Respect for the individual** % of 71	**Achievement** % of 66	**Continuous learning** % of 61
Subcultural consistency	48	96	82	80
Uniqueness	7	11	8	16
Consistency with environment	84	18	42	48

Customer satisfaction was interpreted through many kinds of descriptions of internal and external customer relations. In subcultural consistency, customer satisfaction meant internal customer issues, and task and process design. From a uniqueness viewpoint, it referred to a winning competitive position in the market and related factors. The strongest aspect, consistency with environment, contained the more frequently identified external customer issues, product and service related attitudes, systems and tools. Below, an example of each of these three is given.

> Subcultural consistency: "The internal customer comes first; then the external one is easy. You should always help others or help them in finding help. I do understand that sometimes people get busy but they have no reason to be rude towards each other."

> Uniqueness: “Youth and constant improvement are certainly our success factors in the market.”
>
> Consistency with environment: “Customer satisfaction is knowing your customers and their expectations, what is important to them, and doing that. Final satisfaction depends on need and demand, not only performance. You even have to surpass the expectations. It is service in addition to quality, quantity, reliability, and price. This is what Nokia wants to be and look like.”

Respect for the individual was the most often seen from the subcultural consistency viewpoint in the form of accepting differences, acting nicely towards others, equal treatment, teamwork, and open communication. Uniqueness in the case of respect most often meant mutual trust and support, not typical of other firms. Consistency with environment in the respect value appeared in the form of a respectful relationship with customers and other stakeholders. An example of each of these is given below.

> Subcultural consistency: “Part of this is having the courage to express your opinions, finding equality, having no divide between bosses and subordinates. It is freedom, a basic attitude of respect. But there is some of this basic dissatisfaction which encourages you to joke or talk about the lack of respect.”
>
> Uniqueness: “In Nokia, how you achieve your targets is based on your choice, and this is respect. You can choose your own way, have your own opinion, and team ideas count. In other companies you either follow the rules or get out.”
>
> Consistency with environment: “In (a country), companies need to be very kind to customers. Foreigners, for instance Finns, are different, and we should improve our services and treatment of the customer. But we also have to think about benefit vs. cost in customer satisfaction.”

Achievement from the subcultural consistency viewpoint was seen as shared goals, working for and accomplishing results as a group or unit, appreciation of results, and feedback. In uniqueness terms, achievement meant a leading position in the industry, country, or market. Achieving results and appreciation in an external relationship, such as customer service, was coded as consistency with environment. The following examples highlight the varying contents given to achievement.

> Subcultural consistency: “What does this mean? Is it individual, department, or company achievement? Doing well is achievement. A good working atmosphere, attitude and communication is achievement. I think this is quite difficult.”
>
> Uniqueness: “We have to stay in line with (a competitor). We have to come up with competitive product features, which provides a framework and goals for personal work even if results cannot always be anticipated.”
>
> Consistency with environment: “Achievement goes hand in hand with customer satisfaction: it is seen through customer feedback, achievement of milestones, staying on schedule.”

Continuous learning was the most frequently seen from a subcultural consistency perspective, in the form of taking time for learning individually and in groups, having support and programs for learning, and a positive learning attitude. Learning was perceived unique compared to other firms through the strong firm-level emphasis on learning. Furthermore, learning was experienced in the form of responding to new

technology and external demands, and adjusting to these continuously. Below are some examples.

> Subcultural consistency: “This is open-mindedness, learning through daily problem solving, daily work, training, books. Since time and energy are limited, we sometimes have to learn just when time allows it.”
>
> Uniqueness: “Continuous learning is big! Everyone in my staff is going to be in school this summer. The firm supports education financially and allows time off for school. This kind of flexibility is not typical of others.”
>
> Consistency with environment: “Development in this business takes place so fast that you have to learn constantly. It is a question of survival.”

Despite the emphasis on subcultural consistency, all the values did contain some elements of uniqueness and consistency with environment as well. Strong emphasis on subcultural consistency-related issues follows the lines of identity beliefs, and the fact that culture has earlier been attached to merely subcultural consistency. The interpretations handled many of the belief categories in parallel, which is why the percentage sums in the above table exceed 100. This highlights the multi-dimensionality of values.

4.2.3 Organizational beliefs vs. interpretation of values

Chapter 4.1 focused on respondents’ beliefs about the organization. Chapter 4.2.2 in turn showed briefly how people interpret the value statements and how subcultural consistency, uniqueness, and consistency with environment are prevalent in these interpretations. If we look at these two response areas in the 102 employee and manager interviews side by side, two primary similarities can be identified.

Firstly, contentwise the interpretations seemed to stem partly from similar sources as organizational beliefs: past experiences (one’s own or someone else’s), current situation, wishes or expectations, and the perceived gap between values and reality. Secondly, positive and negative viewpoints to subcultural consistency, uniqueness and consistency with environment were identifiable both in interpretations and organizational beliefs. As an example, a positive and negative quote of respect for the individual are presented below.

> “We respect each other, differences are accepted. It means not being negative or hostile about differences. Respect is more difficult to show than disrespect or anger. It is open communication, trust, being there and helping if others need help. Do unto others as you would have them do unto you.”
>
> “They do not respect or listen to your opinion. They talk about this all the time but they do not treat you like humans. You are a slave or like in a kindergarten. You should treat others as you want to be treated. They talk down to you. Supervisors should never take up personal problems in front of others. You cannot confide in them. They spread your personal things all around. It is like high school, cliques and a matter of who you know.”

With the emphasis on subcultural consistency-related topics and less so on issues concerning consistency with environment, the interpretation of values resembles

organizational identity beliefs. However, as concerns the few uniqueness-related responses and impossibility to separate descriptive organizational attributes, interpretation of values is closer to organizational culture beliefs.

General differences

In addition to the above similarities, several qualitative differences can be identified between organizational culture beliefs and the interpretation of values[8]. I will handle three issues in particular that came up when interpreting the values, and not in organizational beliefs: the difficulty to classify interpretive data, the substitute role of values, and the objectifying, condensing, and abstracting nature of direct interpretation.

Firstly, the analysis stage revealed that it was fairly **difficult to classify interpretations** to the comparative belief categories or positive and negative within them, which is why only the three general categories were used. The framework of values and the "what is it" style being mixed in current, desired, and other ways of working made the content of interpretation fairly general and ambiguous and, thus, impossible to classify similarly as identity and culture beliefs. The following quotes show the generality and mixed nature of the content of interpretations.

> "I do not know what it (achievement) is supposed to be. Perhaps corporate achievement, not so much individual. Perhaps group achievement. A list of plan; that is all there is. When a task is completed, you feel good. But there is no quality check, which is not good. This is definitely the most difficult one of the values. I am not sure whether what we do is enough. At the same time, you are allowed to fail, once, if you learn from it. This is important. Trying is better than not trying." (Achievement)

> "I read a book if I want to learn about something. We need to adapt and learn fast. I have been in the U.K. learning about customer satisfaction in administrative tasks, and now I measure customer satisfaction. A number of other things are there: whenever there is a new idea or task, I just take it up and learn it. Tasks force you to learn all the time. New software, task contents, tools, and systems. It also gives you a lot when you notice you learn. But there is always so much that is new that you never manage it all." (Continuous learning)

Interpreting values without setting a specific context, based on this exploration, does not clearly identify gaps between current and ideal ways of working. In organizational beliefs, the inconsistencies and related needs of improvement were more visible.

Secondly, when interpreting values, informants approached conflict and consistency in a different manner than when characterizing the firm or changes in it. Within interpretations, informants "externalized" conflicts: **substituted reality with the values** and for instance expressed that values clash with each other sometimes and prioritization is difficult. The values, in respondents' opinion, pose conflicting demands

[8] Quantitative comparison will not be applied due to differences in coding schemes.

in difficult situations, or conflict with business priorities (within a value or between values). The following quotes exemplify conflicting priorities.

> "For instance, in my unit it is sometimes really tough when you have to make negative decisions for an applicant of (a certain service or procedure). Do we follow the law and regulation or would we like to just serve the person's interest? So, who is the customer here, what is the relevant entity? We have to solve these kinds of incidents case by case."
>
> "If you go back to school, you will have problems. Balancing work, learning, family, is impossible."

Similarly, the respondents externalized consistency and again substituted everyday reality with the values in claiming that the same conflicting values *support* each other, coexist naturally, follow one another, or result from similar things. They are linked together, which does not necessarily come up in the management message when they are presented separately. Examples of this supportive character are below.

> "Achievement is for me the starting point for all planning. It leads to job satisfaction and feeling respected, often, however, only if we have focused on core tasks."
>
> "Work is what teaches the most, and colleagues. Also courses and other nice exceptions to the routine mean continuous learning. We do not make noise about mistakes but rather try and learn. We know that mistakes happen, but of course we want to minimize them, find them so they can be corrected. This is tied with customer satisfaction."
>
> "Meetings of people across countries help acknowledge and deal with mistakes and discuss them; they are open forums for sharing. They promote not only continuous learning but also respect for the individual."

In the organizational beliefs, what interviewees saw in conflict were people and their different aspirations and ways of working rather than values as abstract ideals. They also sought balance and solutions more naturally in beliefs, whereas interpretation of values as such did not produce similar reactions as much. While interpreting values, people substituted reality with values as the source and target of conflict or consistency. As values in this sense are a target to constant interpretation, espousement of values immediately encourages one to take up conflicts between and within them, and calls for capabilities to handle the existence of conflicts and different priorities. This brings up the issue of whether organizations have sufficient systems and procedures to handle such conflicts and to transform ideals into practical ways of working.

Thirdly, the examples on respect for the individual presented at the start of this chapter already show that the question setting and interpretive framework of values promoted the use of the "what is it" style of speaking: an **objectification** of a topic in addition to subjective stories of practical, real-life experiences. Strong emphasis on subcultural consistency-related topics suggests that interpretation promote **condensing** or restricting real-life issues rather than "thick description". If the purpose of the statements is to promote ideal culture and identity, interpretation of values had surprisingly little emphasis on performance-related topics of consistency with

environment and uniqueness. Handling the four values separately encouraged **abstracting** real-life issues: separating events from their context and generalizing based on that separation. For instance in the below example, the interview group talks about customer satisfaction: they somehow separate a particular customer issue from everyday operation, rush and other topics, the customer nearly becomes an internal cooperation issue rather than an external service issue, and a generalization is made on what is important.

> "We do see customers sometimes, they come here and test our products. When we write specifications for a new product feature, we constantly think about what the customer wants. The customer is the starting point of all business. If we just did what is nice and easy, we would not work long. We need to make quality products with no faults. That requires good specifications, good codes, cooperation in-house. We need to take the customer viewpoint. If the customer is not happy, we get messages about faulty codes or specs every day. Then we have to see if it is a fault or a product feature, study, analyze, repair immediately or for the next version. The most important thing is for the customer to see that we are reacting; that can already make him/her satisfied." (consistency with environment)

Or, as in the below example, a staff group is dissatisfied with how certain people act and expect immediate service unaware of regulations and other service requests. Here, respect is separated from all other issues, as if it could be operationalized alone, without other factors intervening.

> "Respect. They (a certain group of people) should respect others' work procedure. Inform your wishes beforehand or be satisfied with service delay, if you make your request to (a service unit) too late. For instance flight cancellations and invoice payment: you should not create trouble by your negligence. Do not expect to be treated as an exception all the time. So you should know what is standard requirement, regulation, and know what you are requesting. If we do not follow these regulations, we get trouble. Like expats can be really demanding and unreasonable in their demands. We cannot make exceptions for this one group continuously, it causes bad spirit and problems." (subcultural consistency)

The nature of interpretation will be further elaborated on below. In addition to interview responses, the objectifying, condensing and abstracting character of interpreting values was clearly prevalent in the documentation from NTC's performance review training, value-based materials, and interviewees' comments concerning those materials.

Interpretation vs. beliefs by belief category

If we look at the interpretations of values in more detail, each of the belief categories proposes differences between beliefs and interpretation of values. The objectifying, condensing and abstracting nature of interpretation is prevalent in all of these.

In **subcultural consistency**, the framework of values produced a chain of people - internal and external customers - who interact and learn in happy collaboration, leading to successful operation and feedback from achievement. The focus was on group and individual points of view. In organizational beliefs, people were more often identified

as separate groups possessing conflicting needs and roles, and conflicting views to performance, occasionally interacting and learning from each other. The gain of one was often presented as the loss of the other. Group and individual level issues were complemented with national, unit, division, and Nokia level issues.

In **uniqueness**, the framework of values just barely showed the uniqueness within the values, and highlighted the position of the company in the competitive field through products, achievements, and reputation. Nokia was separated from its surroundings rather than identified as part of something. Beliefs, from their side, were more realistic in the form of negative types of uniqueness, lack of uniqueness, and in more personal experiences at other firms. Nokia was not perceived as separate from others but amongst them and aware of them.

In **consistency with environment**, the framework of values primarily raised above all others an entity called the customer which is close to individuals and groups. The focus was on the feedback coming from the environment, partnership nature of customer relationship and the idealistic process presumably leading to feedback and mutual satisfaction, with the nameless, impersonal entity of the customer. In organizational beliefs, the customer entity was referred to more as the market and fierce competition surrounding units, departments, and the entire firm. The focus was more on systems and day-to-day solutions; the customer was seen as a demanding companion who controls what you do and how you succeed. Also, customers and competitors were more often identified by organization name, and with a face.

4.2.4 Consistency of interpretation

Above, the diverse and ambiguous interpretations of value statements, collected in employee and manager interviews, were summarized briefly. The mixed nature of interpretations encourages looking into potential subgroups within the firm. Again, continents, divisions, personnel groups and unit types are explored in how they have interpreted the values. Also, the belief clusters presented in Chapter 4.1.4 will be used as potential subgroups, and emergent clusters are sought. Appendix 12 presents details on these comparisons.

Consistency of interpretation across continents, divisions, personnel groups and unit types

Comparison of belief response frequencies across continents, divisions, personnel groups, and unit types again reveals only a few significant differences.

As could have been anticipated, respect for individual in its consistency with environment sense came up significantly more often in Asia than in other continents, as did respect for the individual as the most important or difficult value. Respondents in Asia more frequently referred to the newness of the respect value to them as well as a different local culture compared to this value. There were no other significant differences between continents.

Between divisions, interviewees in the Other group talked significantly more frequently about customer satisfaction and respect for the individual in their subcultural consistency sense, achievement in its consistency with environment sense, and learning in its uniqueness sense than did NMP or NTC. Since respondents in the Other division were from the research center and headquarters, discussion about internal customer issues and fair treatment of colleagues was no wonder. Achievement from the consistency with environment viewpoint focused on business awareness and the feedback from customers, and learning from a uniqueness perspective distinguished the Other operations as "professional learners".

In the two personnel groups, employees discussed for instance subcultural consistency-related issues clearly more than manager groups, which is the result of the different question setting in the two groups. However, in the case of first values there were no significant differences, reflecting similar priorities.

Among the three types of units, production, R&D, and office, there were just two significant differences. In production units, there was more talk of customer satisfaction in the uniqueness sense than in the other units, contentwise focusing on the quality and appearance of Nokia products. In office units, respect for the individual was more often put in first place than in the other units, emphasizing the importance of services, cooperation, and mutual treatment.

Clustering interview groups by the diversity of interpretations

A cluster analysis of organizational culture beliefs revealed groupings that differed from each other in their global, local and external orientation, and distance from the organizational core. As can be seen in Appendix 12, these clusters differ in their value interpretations only in customer satisfaction in the uniqueness sense, here the concerned team cluster having the highest response frequency. No other significant differences were identified, even when excluding manager groups from the analysis.

A clustering of respondents based on interpretation of values produced interpretable solutions with two, three and four clusters, of which the latter will be presented. The clusters were named as the respect-focused cluster, customer-focused cluster, learning-focused, and the selectively focused cluster. These clusters differed significantly from each other in how subcultural consistency, consistency with environment, and first value was discussed as presented in Table 15. As to background variables, the selectively focused cluster had a manager group emphasis, as could be expected, whereas the other groups are more employee dominated. The clusters differed also in unit size. One may think that the differences are only due to the fact that managerial discussions concerned the first value only, but results were checked with the employee sample separately and the same differences maintained.

Table 15. Cluster profiles as response percentages by interpretation category, and differences between clusters, n=102. * p<0.05; ** p<0.01; ***p<0.001.

Cluster / Interpretation category	Respect-focused % of 25	Customer-focused % of 29	Learning-focused % of 23	Selectively focused % of 25	Chi-Square	p
subcultural consistency: customer satisfaction	16	48	30	28	6.67	
subcultural consistency: respect for the individual	100	97	65	4	68.68	***
subcultural consistency: achievement	44	76	65	24	16.55	***
subcultural consistency: continuous learning	24	69	96	4	50.69	***
uniqueness: customer satisfaction	0	10	0	8	4.78	
uniqueness: respect for the individual	4	14	13	0	4.87	
uniqueness: achievement	12	3	4	0	4.10	
uniqueness: continuous learning	4	10	26	0	10.47	*
consistency with environment: customer satisfaction	20	93	57	44	30.32	***
consistency with environment: respect for the individual	24	21	0	4	9.48	*
consistency with environment: achievement	16	41	35	16	6.67	
consistency with environment: continuous learning	20	38	48	8	11.43	**
first value: customer satisfaction	0	79	0	48	52.68	***
first value: respect for the individual	96	17	0	0	76.19	***
first value: achievement	4	0	39	24	18.66	***
first value: continuous learning	0	0	61	0	55.19	***

The respect-focused cluster has talked about respect-related issues more than other groups and in a multitude of ways. Customer-related issues, and some learning-related issues have been discussed less than in the other clusters.

The customer-focused cluster has discussed customer-related issues more than other groups and in a multitude of ways. Additionally, this cluster has handled the topic of achievement from the subcultural consistency viewpoint, and respect for the individual from the consistency with environment viewpoint more than the other clusters.

The learning-focused cluster has discussed learning issues more than other groups and in a multitude of ways. Additionally, achievement and learning as the most important or difficult values have come up more than in the other clusters.

The selectively-focused cluster has discussed interpretational issues generally less than in other clusters, and has focused on one belief area at a time rather than looked at the values from many different perspectives. This cluster also includes many of the groups that were not able to identify the most important or difficult value separately.

This brief exploration shows that differences in organizational beliefs are not directly observable in different interpretations or vice versa, and that value priorities differ across the organization, possibly depending more on the particular group of people and its features than any organizational characteristics.

4.3 Process and practices for promoting values

Three primary question areas were used to cover the ways in which values are promoted in the multinational firm. Not only is employee and middle-manager interview information used but top manager informant questions are included as well. Firstly, the idea is to look at the promotion history and explore the process for creating and promoting values from a strategic perspective. Secondly, I study the different practices and global and local processes for promoting values as experienced by employees and middle managers. Also, consistency of awareness about these mechanisms will be explored. Thirdly, I study the experiences of promotion, both from other informant, and employee and middle-management viewpoints.

Based on the results, the process of creating and promoting values has for the most part followed the lines of ideal values promotion. However, the most evident deficiencies seem to exist in using evaluative information about the promotion process and outcomes for future purposes, applying socialization practices and evaluating outcomes locally, and ensuring learning transfer from the promotion processes to everyday operation. A multitude of promotion practices are used throughout the firm, but the use is inconsistent and currently focused on applying the global practices more than developing and using local ways. The primary deficiency in currently used techniques is the strongly institutionalized nature, inconsistency and manager-oriented audience, and low focus in mechanisms that promote innovation and change in ways of working. Experiences from the promotion of values range from dissatisfaction and cynicism to satisfaction and positive change experiences. Many ideas arise as to how the promotion could be improved at this global firm and applied in other organizational environments.

4.3.1 History of promoting values

One of the core ideas in other corporate informants' interviews was to look at the history of values: the context in which they were created, initial creation arrangements, initial promotion, further, ongoing efforts of value-related socialization, and ideas for the future.

According to the other informants, the creation context in 1990-1992 was a highly uncertain, crisis-like business situation. A financially poor situation and top management changes drove top management towards the idea that "it was time we changed our attitude towards business". As one informant gathered: "I think it was part of this globalization, too: we were afraid that we would lose the heart of Nokia with the entry of new people around the world." However, many informants stressed that the values did have longer roots: already in 1985 some discussions had been held related to

what is important to good organizational performance, and what was typical or desirable for the firm. This discussion was based on a management development program and related climate assessments. According to three informants, the 1992 effort produced pretty much similar topics as this earlier program, and thereby the processes are tied together.

The initiation stage of the values promotion process is by many of the informants tied to the new top manager arrival in 1992. Twenty-five key persons gathered together in strategy meetings: discussions considered the "key elements in the successes we have had and what is needed to survive in the future". Some people see that the process around 1985 had an important role in this. Many of the informants participated in the creation of values and felt strongly about the process of creation: "We had a really good atmosphere. We made great progress in a short time, everybody was so enthusiastic about it." Furthermore, most of the informants felt that the process had been successful and the values provided a good basis for future business operations. "This is what our values have always been; now they were crystallized to these four."

The values were launched in an initial process of promotion in the spring of 1993. Values were integrated into new, yearly strategy seminars for managers. Top managers started talking about the values in various contexts, pretty much in a "top-down" manner. Slide sets were distributed, training programs were initiated, and various materials were later developed. The values were, therefore, fairly intensively promoted during the first year after creation. "After that, this has become a part of every day", as one informant said. "But the way in which people have taken this has varied greatly."

After the initial promotion over five years ago, many things happened with the promotion of values, according to the informants. At the strategic level, various promotion and socialization tools have been developed. A yearly **employee satisfaction survey** has been distributed to analyze employee experiences, also of the values, throughout the company. A corporate-wide **performance review program** has been implemented to monitor and improve performance at the individual level. Global leadership and other **training programs** have been implemented to transmit desirable skills, as well as knowledge of the values. One of the most widely used is the **induction training** for new entrants, but otherwise these programs have been developed mostly for managers. One of the management training programs once handled the values in particular, the primary task being the development of new tools to transmit values and resulting in a video and a number of value-related games. The **strategy process** has continued with varying themes every year and is intended to be diffused to all levels, at least partly. Many of the **top managers** constantly use and repeat the values in what they do daily, from site visits to own management meetings. At least in some places, the values have been included in the recruitment and selection process, partly in promotion, and a competence management program is under way. Furthermore, a wide range of supporting materials has been developed: brochures, videos, games, mousemats, posters, slides, roadshows, and so on. Below are some examples of informants' opinions about the tools and values.

> "The basic idea is that nobody can say to you what the absolute meaning of each value is: the perception is always personal. These tools are to help you realize what the values mean to you and discover behaviors that support the values. There are some people whose own values are in a clear conflict with these and they may be difficult to change, but you can learn to behave differently, despite your values."
>
> "The starting point in all this is a positive perception of the human being: not controlling but providing opportunities, supporting. This perception needs to prevail throughout the work place for the values to function as intended."
>
> "The material that we have is suitable for many occasions. Whenever you have something new that may be difficult for employees, you can use these values to speed up the process of understanding. We have to stick with what is central to our operation."

According to respondents, the current interests lay not only in constantly implementing the values but also in finding social innovations to support this, and in evaluating the status in implementing values to uncover needs for improvement. The implementation of values now calls for more systematic tools and processes, and more support. Some informants mentioned the need for more substance and future orientation, meaning that there is a need to get behind the four words for deeds, to produce innovations in all areas and not be satisfied with the status quo. Additionally, the need for cross-cultural understanding was discussed: through global operation, the values and promotion mechanisms need to be made suitable for all the different cultures. Furthermore, more employee-friendly ways of working are needed among all the technology orientation: there is a desire to maintain some sense of family even in a large and growing company.

Figure 14 summarizes the stages of promotion that were covered above. As is visible, the link from evaluation to context has not been realized, so far; only a few informants mentioned the need to reconsider the content of the values. Also, the link between evaluation information and further tool development was not so clear in the interviews.

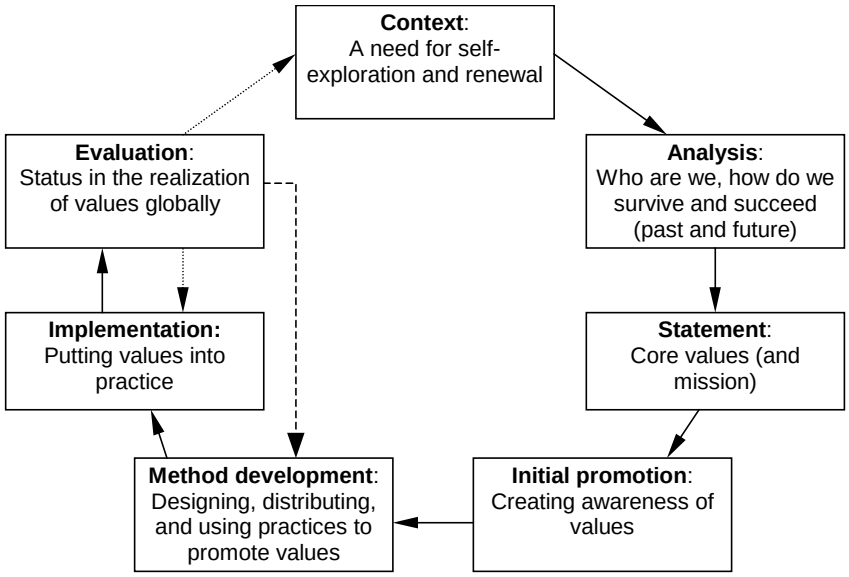

Figure 14. The stages in promoting values from other informants' viewpoint.

4.3.2 Practices and process for promoting values

Practices for promoting values

The three most visible forms of promoting values in the responses of employee and manager groups were: induction training; various promotion materials; and management communication, expressed in over half of the interviews. The four next most often mentioned promotion practices were: performance review; training programs; meetings or discussions; and strategy process. These all were mentioned in over one third of the groups. Additionally, less than a third of the groups recognized recruitment and selection, the employee satisfaction survey and various special sessions as mechanisms to promote values. The least frequently mentioned promotion practices were magazines, the toolkit and games, and the Internet. Table 16 presents the practices and the frequency of familiarity with each practice in the interview groups.

Table 16. Awareness of promotion practices in the interview groups, n=102.

Promotion practice	n
Induction	82
Materials	70
Management communication	59
Performance review	42
Value-related training programs	41
Discussion, meetings	34
Strategy process	33
Recruitment, selection	29
Opinion survey	21
Special sessions	20
Internet (incl. intranet)	13
Toolkit and games	12
Magazines	10

An "other" category contained altogether 101 quotations with very diverse contents. Some interviewees for instance mentioned that the interview occasion in particular was a way to promote values, and for a few persons, it was the first time to hear about the values. In some respondents' opinions, the values are seen "here and there all the time even though they are not particularly promoted". Some had heard about the values even before entering the company. Further examples of the other promotion issues are given below.

> "Values are promoted in Nokia's products and brand."
>
> "It is part of quality policy. A quality auditor may ask about the values and give you (a small amount of money) if you know them."
>
> "In our unit, certain values already existed prior to the head office initiative; they were then molded according to the corporate values."
>
> "We have hobby-like activities and fitness programs related to values."
>
> "The annual report contains the values."

> "There are various acronyms used to deliver this message: care, ccc, and so on."
>
> "Our meeting rooms are named after these values."
>
> "We hear about them when visiting Finland."
>
> "Some people use values to draw positive attention to their initiatives, to gain easy acceptance from peers and bosses."
>
> "They are referred to when something goes wrong."

An aspect of "no promotion" was handled in 48 interviews. Interviewees in these cases mentioned issues that somehow diminished the role of values promotion. Such claims were made that "our own managers do not really talk about the values", "initial promotion has not received any continuation or follow-up", and "there has not been much talk after induction training or an annual strategy meeting". Some have not seen materials or experienced group works mentioned by others, or values have failed to be visible in one of the above socialization mechanisms. A number of interviewees, for instance, were not familiar with the value-related games at all, when asked. Some said that "the values thing is probably now in a maintenance mode".

In general, the strategic tools highlighted by top management seem to be well implemented and known. Induction training, management communication, performance review, and value-related training programs were among the five best known socialization practices. Strategy process and opinion survey were not so well known. Of mechanisms not given such a strategic priority, only various materials were identified well by the respondents, and the other practices were less well known.

Characteristics of promotion practices

The interviews and other sources of information revealed certain characteristics of the promotion practices. Other key sources of information used in characterizing the practices are: the interviews of the two frequently used trainers of the value-related programs among other informants; training sessions that I observed; and materials such as videos, brochures, slides, toolbox, magazines, induction packages, performance review forms, intranet pages, management presentation materials, and so on. Table 17 presents the frequency, target group, strengths and weaknesses of each promotion mechanism as identified in the data.

Table 17. Characteristics of the promotion practices and their current use.

Practice	When	Target group	Strength	Weakness
Induction	at the start of employment	all newcomers	• Consistency • Coverage	• Short presentation • Not much time for interaction • Not for old employees
Materials	occasionally	varies	• Potential coverage • Easiness • Availability	• Impersonal • Inconsistent • Questioned usefulness
Management communication	occasionally	limited, management-focused	• Potential impact • Potential consistency • The role of example	• Not much time for interaction • Depends on top management visits and local management interests. • Lack of local communication?
Performance review	annually, semi-annually or quarterly	all	• Continuity • Consistent form • Interaction • Past and future orientation	• Conduct and consistency of implementation depends on manager • Values part considered difficult • Difficult with constant organizational changes
Value-related training programs	occasionally	management-focused	• Interaction • Potential impact • Innovation character	• Access to training? • Potential inconsistency
Discussion	occasionally	limited	• Interaction • Potential impact • Innovation character	• Depends on manager, group, etc. • Inconsistent

(Table 17 continues on the next page)

The tools and programs highlighted by top managers are generally fairly well known locally for their role in promoting values, but not in the case of all mechanisms, and not consistently. The supporting, more locally oriented mechanisms have not spread widely except for different materials. Many kinds of local applications have been designed, but the response frequency of one reveals that they were not well known even within the same unit.

The explored characteristics of the various socialization practices show that the globally induced practices suffer from a number of weaknesses: a narrow focus in the early career stages and managers; partial randomness of audience; and largely institutionalized form. The usage of local, more individualized and interactive practices is highly inconsistent, and the potential in these practices is not fully achieved. The awareness of the globally available channels of the Internet and magazines is surprisingly low, knowing their potential coverage and ease of use.

Table 17 continues.

Practice	When	Target group	Strength	Weakness
Strategy process	annually	management-focused	• Potential continuity • Future orientation • Potential impact • The role of example	• Little interaction • Extension to employees depends on the unit management • Potential inconsistency
Recruitment, selection	at the start of employment	some newcomers	• Potential conformity to culture	• Depends on recruiter and unit • Poor current coverage • Lack of guidelines
Opinion survey	annually (+if local, separate surveys)	all (+ what defined locally)	• Consistency • Continuity • Coverage	• No live interaction • Limited content and foci • Applicability of results • Role of values?
Special sessions	occasionally	limited	• Interaction • Potential impact • The role of example • Spirit-rising nature • Future orientation • Self-exploration	• Depends on managers
Internet (incl. intranet)	continuous	all interested, partly limited audience	• Coverage • Easiness • Continuity • Rapid and wide delivery	• Depends on personal interest • Impersonal • No interaction • Part of the pages just for HR
Toolkit and games	occasionally	varies	• Interaction • Potential impact • Spirit-rising nature • Potential coverage • Innovation character	• Lack of awareness • Depends on manager and toolbox availability
Magazines	monthly/ occasionally	magazine language groups	• Easiness • Potential coverage • Consistency • Continuity	• Impersonality • No interaction • Message perceptions may vary • Depends on coverage and interest

Process for promoting values

From the employees' and managers' viewpoint, the process of promoting values is fairly straightforward. Designing and distributing promotion practices is followed by local implementation, value-related awareness and status of implementation, and evaluation. Figure 15 presents the local experience with promoting values. The dotted lines mark issues that were barely mentioned. For instance, only a few respondents remembered having heard the initial communication process in 1993, which is understandable knowing how young the interviewees were. Some dissatisfaction was

attached to the way in which the results of the global employee satisfaction survey were utilized, if at all.

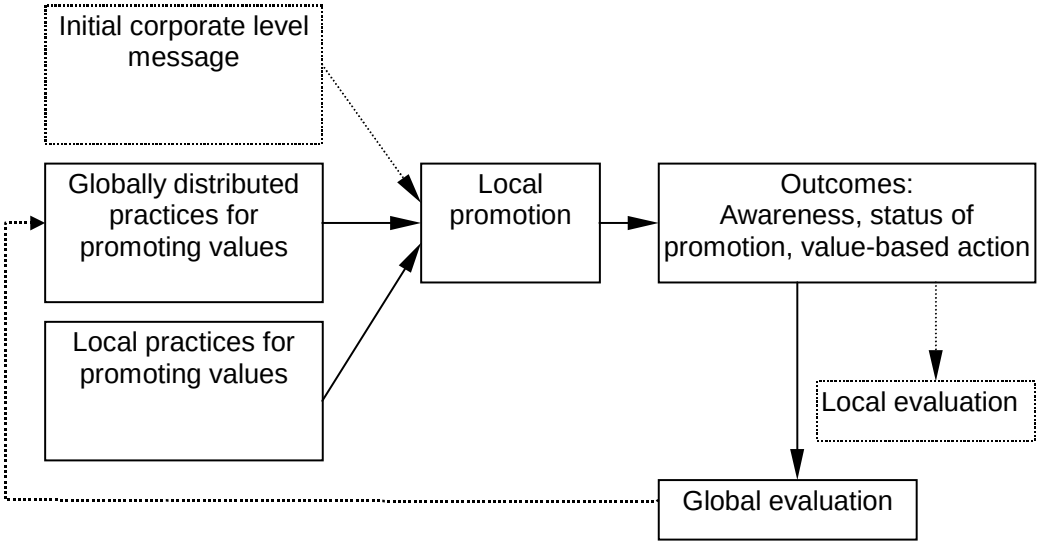

Figure 15. The local process for promoting values.

In addition, the above figure highlights the lack of awareness about any local, holistic evaluation of values or their promotion except for the few, occasional competition-like surveys or queries about remembering the values. This may indicate that local evaluation does not take place, is deficient or occurs in connection with some other forms of assessment and is not, therefore, attached to the promotion of values naturally. Interviewees did not express the issue of using any local evaluation to develop further ideas for value-related socialization, or ways to apply value-related knowledge in practice. Some respondents mentioned that values could be turned to practice for instance in quality and project management processes. The source of information used when designing local mechanisms of promoting values remained unclear during the interviews.

4.3.3 Consistency of promoting values

The above study of practices used for promoting values shows inconsistencies in applying the different practices and in the knowledge of these practices across groups. In this chapter, we will look in more detail to what extent different practices came up in different sub-areas of Nokia. We will use the same groupings as in earlier chapters to cover this comparison: continents, divisions, personnel groups, unit types, and belief clusters. Also a cluster analysis is made on the basis of values promotion. Details of these comparisons are presented in Appendix 13.

Consistency of promoting values across continents, divisions, personnel groups and unit types

Across the three continents, respondents in the Americas talked significantly more often about values being embedded in the recruitment and selection process than in Asia or Europe. There were no other significant differences between continents. However, there were some interesting differences between countries, suggesting that awareness of different promotion practices is the greatest in the historically more established areas of Nokia, Finland, the U.K. and the U.S., and the smallest in the newer areas of the Far East and Central America.

There were just a few differences amongst the three participating divisions, too. Other operations and NTC had a strong emphasis on induction training and performance review, while NMP had lower responses with these. NMP, in turn, had a larger awareness of values being part of the strategy process, and using values in the recruitment and selection stage. There were no further significant differences despite the fact that the values toolkit and games were developed in NMP and NMP's response frequency in this was slightly higher. Also, the Other division did seem to have a higher usage of values within weekly/monthly meetings or other discussions, but the difference was non-significant.

Differences between personnel group responses were surprisingly small, knowing the fact that in both groups indications were given that managers would be more exposed to such initiatives as strategy process, management communication, and training programs. Managers' responses were more frequent in management communication, whereas employees more often referred to the use of values in the global opinion survey. There were no other significant differences, but the order of items was somewhat different. Both groups identified induction training the most frequently, but employees put materials at second place, training programs far behind in third and management communication fourth. Managers had management communication in second place, materials a close third, and performance review fourth. This does indicate that there are differences in exposure to values in personnel groups.

Across different types of units, there was only one significant difference. R&D units reported the use of discussions and meetings in transmitting values more often, office units coming a close second, with production units lagging far behind.

Clustering interview groups by the diversity of promotion practices

Belief clusters named in Chapter 4.1.4 do not differ in their promotion mechanisms significantly. Therefore, I again decided to cluster the results based on respondents' awareness of different value-related socialization practices. The best cluster solutions seemed to be those with three or four clusters of which the four-cluster solution will be looked at. The clusters will be called Active, Obedient, Integration, and Program cluster, based on their different patterns of promoting values. The results of the clusters are presented in Table 18. The clusters do not differ from each other in the length of the interview, group size, continents, personnel groups, unit type or unit size. However, some differences can be seen in the division and country distribution of respondent groups.

Table 18. Cluster profiles as response percentages by promotion practice category, and differences between promotion clusters, n=102. * p<0.05; ** p<0.01; ***p<0.001.

Cluster Promotion practices	Active % of 12	Obedient % of 34	Integration % of 25	Program % of 31	Chi-Square	p
Induction	83	82	76	81	0.45	
Materials	100	62	64	68	6.43	
Management communication	33	65	52	65	4.48	
Performance review	25	6	64	68	32.87	***
Training programs	75	3	4	97	79.79	***
Discussion	17	6	80	32	37.18	***
Strategy process	92	53	12	3	42.21	***
Recruitment, selection	75	21	44	6	23.92	***
Opinion survey	33	18	16	23	1.75	
Special sessions	58	9	28	10	16.81	***
Internet	33	18	4	6	8.05	*
Toolkit and games	33	0	4	23	14.71	**
Magazines	0	3	24	10	8.73	*
Average sum of practices	6.58	3.44	4.72	4.90	29.48	***

The Active cluster is very small, but extremely active in or otherwise aware of promoting values. It recognizes all the basic tools and processes - induction, management communication, materials, and survey - as much as the other clusters but also seems to show activity outside the traditional fields. This cluster exceeds the other clusters in the awareness of values in the Internet, strategy process, recruitment and selection, special training sessions, the toolkit and games. The average sum of all practices used in these interviews is clearly higher than in other clusters. This cluster does not acknowledge the use of values in personnel magazines. The cluster interview groups represent NMP except for one, and a wide array of countries compared to the number of groups: Finland, Singapore, the U.S., Mexico and the U.K.

The Obedient cluster is the largest of the four clusters. It uses the basic practices of induction, management communication, and materials to the same degree as the other clusters, but is significantly less aware of such special tools as discussions, performance review, special sessions, the toolkit and training programs. The average sum of recognized promotion practices in these groups is visibly smaller than in other clusters. This cluster has most of its interview groups from the NMP division, with NTC and Other in a minority. The country representation is fairly mixed, with a slight emphasis on Finnish, Japanese and American interview groups.

The Integration cluster received its name from practices that are more typical to it than the other clusters: everyday type meetings and discussions, magazines, and a

performance review that can be used to integrate values into an everyday context. This cluster is not as aware or as active a user of special tools such as the toolkit and games, or training programs. Furthermore, respondents do not show any particular interest in being aware of values in the Internet. The average sum of practices mentioned is the second lowest, but visibly higher than in the obedient cluster. This cluster has representatives from all the divisions, with NTC and NMP almost in balance and having the most "other" interview groups compared to the other clusters. The country sample consists of Finland and the U.S. in particular, and Japan, the U.K. and Singapore as a minority.

The Program cluster is slightly more aware of the variety of practices than the integration to work cluster, but differs in using training programs more than others, and strategy process and recruitment type of promotion less than others. In performance review, it is in the top position, even higher than the integration to work cluster. The name program cluster was selected in an assumption that training and performance review could be interpreted as separate, implementable programs whereas strategy process, Internet, discussions, recruitment and many others could be interpreted as containing more continuity. The cluster has representation particularly from Finland, the U.K. and China, and a clear NTC emphasis. It is separated from the other groups also in how the groups perceive the purpose of values: the program cluster has mentioned ideal identity and image more often than the other clusters.

The interesting points in this exploration are the following. Firstly, there are no significant differences between clusters in the implementation of the globally initiated practices of induction, management communication, and employee opinion survey, and the varying materials. Secondly, there are differences in performance review, which is guided globally but applied locally, and various more occasionally used practices. Thirdly, there are no background variables explaining the differences other than some countries and divisions. The claim of inconsistent values promotion is, therefore, supported. Fourthly, since clearer groupings based on countries, divisions, and unit types were not found, this suggests a very local approach to promoting values in other than global practices. Unfortunately unit level exploration is not possible with these sample sizes, but is certainly recommended for the future.

The discovered differences in applying the global vs. local practices of promoting values gives rise to separating the global and local promotion processes. As the clusters differed from each other in the local implementation primarily, that may be what one should focus on next at Nokia.

4.3.4 Experiences in the promotion of values

Experiences of employee and manager groups

Employee and manager groups were asked about their opinions on values, promotion process, and other related topics. Expectations were handled in the most interviews (74%), and they primarily dealt with the process of values promotion. Negative process-

related comments and realization of values were both handled in almost half of the interviews. Table 19 presents the frequency of response with positive and negative content, process, and outcome opinion categories in the employee and manager group interviews.

Table 19. Frequency of opinions on value statements in content, process and outcome, n=102.

	Positive	Negative
Content	35%	25%
Process	25%	47%
Outcome	13%	10%

The **content** of values was more often than not perceived as good, valid and something that people can relate to. The values were not questioned as a set at all, but some felt that they were too abstract, simple, or difficult to memorize. Here are some examples of content-related comments.

> "This is a very nice package that you can relate to and use when and however you need."
>
> "We need these, they are necessary. Each employee needs to know what to do and why. Then we can do our best."
>
> "My impression is that it is just small talk."
>
> "As a list, this is idiotically self-evident, trivial. Who would say anything against this."

The **process** of promoting values received more criticism than praise. A critique was given on the way in which management operates, the gap between values and everyday behavior, and deficiencies in some promotion mechanisms. Practical examples of situations where values have clashed or promotion has not worked were described. Interviewees liked the freedom that prevailed in values promotion, and the naturalness of expressing and acting the values. Examples of good, well-applied promotion practices were also described. The following excerpts are from process-related interview comments.

> "(The process) has gotten better. One of the games is good: it helps to relate to everyday work and lets the values sort of pop out of the game rather than starting from the abstract sentences. It requires good facilitation, though."
>
> "The performance review program is good: you start from your work, it is interactive, and you can talk freely about what is important."
>
> "Discussion about what these mean at the departmental level would be important, but has not occurred sufficiently."
>
> "Globally, a lot seems to be done, but nothing practical happens here locally."

As for **outcomes**, positive responses were slightly more frequent than negative. People felt that the values were at least partly put to practice in everyday operation, or that organizational operation had changed positively towards the direction of values. Practical examples were presented about these kinds of changes, too. The negative

outcome experiences dealt with very much the same topics as the positive ones, reflecting a lack of unanimity about the impact and realization of values. Below are a few outcome-related examples.

> "Values do give a sense of quality, you are being heard and can express your opinion. Whether the difference is values or something else, I do not know."
>
> "In general, the company has really adopted this kind of a culture."
>
> "There is more noise than what is happening."
>
> "We do not see results on this field. There is a lack of communication, lack of trust, and so on."

Some additional comments were made about single events concerning the **realization** of values. These comments reflected a general satisfaction towards the realization of values or at least trying to live the values, but they often revealed dissatisfaction towards single incidents where values had not been applied, or the way in which values conflict with each other or are prioritized. Quotes below are examples of respondents views towards the realization of values.

> "Employees are very satisfied with the fact that training is invested in, people are encouraged to learn, and not only managers get all the hype. In this, the value really comes true."
>
> "There are many problems with the realization of values. Respect for the individual is not doing so well: it is a nice idea, but we do not see it in practice. This is so male-dominated, engineer-driven, and product development focused. Women are second class citizens, they are treated as such, they are like kitchen people. Like men expect that women always make the coffee."
>
> "Customer satisfaction may be known as a concept, but implementation is another story. For instance, as the company telephone system was implemented, an inexpensive one was selected, so the system does not allow call transfer, queuing, or other services, and customer service suffers."

Further opinions and comments dealt with the respondents' general satisfaction with Nokia, the general notion that values cannot be taught, a fear of the wrong values being instituted, satisfaction with an earlier company's way of promoting values, and the difficulty of getting into the minds of people.

The most frequent **expectations** dealt with the wish to get the values from words to deeds, with new or improved promotion practices, and with the way in which certain values should be seen in behavior. Only a few expectations were mentioned about the content of the values. The primary wish was to have more concrete explanations of the fairly abstract values. Some respondents held the opinion that values should not be treated as separate statements at all but they should always be tied to a more tangible substance. Another expectation was that the confusion between different terms, i.e. values, mission statement, strategic intent, Nokia way, and so on, should be clarified to the personnel. There were greater expectations for the promotion and implementation process of values than the content. The promotion and realization-related comments are below divided into general or global, local, and individual level expectations.

The general or global level expectations dealt with management communication and attitude, ideas related to the tools and programs used to promote values, and the balance of different mechanisms. Many expectations dealt with the critical role of management in promoting values. Interviewees considered of high importance the behavioral example of managers, the capability to promote values at all managerial levels, and a need to ensure value-based decisions both in day-to-day and in larger strategic choices. Respondents suggested tying the values more to manager training and operation so that all managers would be personally prepared to deal with value-related issues.

Several suggestions were made on how promotion could be intensified. For instance, new tools could be designed for team-based discussion on values or working the values through in the line organization. More information could be available on the tools that exist already to enhance their use. More systematics could be built into how values should be handled in all processes, such as project management, planning, quality, and evaluation. It should be ensured at the organizational level that regulations, practices and values are consistent. Internal magazines could contain more value-related stories. The results of promoting and implementing values could be measured more systematically. The respondents did not quite agree on how much visibility the values should have: some hoped for more visibility and promotion, some did not take a position on this. The threat of over promotion was acknowledged. Many groups considered it important that the promotion of values should occur in such modesty that the process does not turn against itself and make people cynical, but yet with such intensity that people know the values, act accordingly, and violations to values are reacted upon. As one group put it, promotion of values should be "a good balance of big bangs and continuous operation." Furthermore, the questioning of values was considered needed from time to time, as well as comparison to other organizations.

At local level, respondents primarily expected more discussion within and between groups, and the creation of a local understanding of the values. Various discussion forums were suggested for these purposes: more open conversation between supervisors and subordinates, lectures or panels where local management is involved in the topic of values, sauna evenings and other informal meetings, role play scenario exercises, workshops, and visual reminders of values, referring to materials. More focus was expected on the local level promotion of values in addition to what is going on globally. Furthermore, smaller sessions were preferred as opposed to large-scale lectures, and recognition was expected to be more consistent with values than currently. The local promotion situation could in some respondents' minds be improved by just reserving some more time for the values issue, and taking them up in various instances from time to time, on a more continuous basis than now. Additionally, some examples were made about how values are realized locally, and how one or more of them calls for consistent actions. Some of these are presented below.

> "We have had some discussions about internal employee satisfaction in relation to customer satisfaction. We try so hard to please the external customer that we sacrifice internal happiness. One example of this is the expatriate drinking problem: they have to triple the amount of alcohol use here

> because our customers force them to do this. They for instance make our salesmen compete against the best drinker in the customer firm to get the deal. Are we really willing to do this?"
>
> "During the worst growth years it was recruitment from morning to night, and after that, orientation training from morning to night. Values were pretty much taken lightly at that time. Maybe now would be a good time to concentrate on that more."

Only a few expectations dealt with **the individual level**. Some respondents considered it important that all employees would think the values through and give them personal meaning, notice how the values are and should be applied in their own jobs. It is simple practices that support values, according to the responses. Examples were given of how two or more people meet and how important such things as greetings, smiles, and other forms of politeness are from a values viewpoint. Also, individuals could pay more attention to how the values are implemented when recruiting new persons, and in all work related contexts. Furthermore, at the individual level it would be important to actively participate in sharing value perceptions for instance in the above mentioned local sessions: to hear what other people think about the values and relate oneself to that.

Based on the emphasis amongst different expectations, people see values as a local or globally shared issue more than their own, individual issue. This skewed viewpoint does explain why there may be difficulties in the implementation of values: people do not take personal responsibility for them, values are always a responsibility of a nameless entity, "they" or "the others".

Other informants' experiences

According to the expert and top management informants, promotion of values has definitely been a worthwhile process, and there is clearly more that is positive than negative to it. No-one questioned the existence or continuance of the process, but of course many weaknesses were identified in the way in which the promotion has been handled. The informants see that compared to many other companies Nokia has done well in the field of values, with some other companies' failures used as points of comparison. A table on the strengths, weaknesses, opportunities and threats seen by other informants in values promotion currently is in Appendix 14, and some highlights are given here.

We can generally note that employee and manager informants and other informants seem to share similar satisfactions and concerns. In the **content** of values, key informants particularly praised the strong reality basis and continuity. However, they also acknowledged the difficulties of prioritization among the values, questioned the suitability to different business contexts, and the potentially different interpretations.

Informants preferred the natural, not too formalized **process** of values promotion. They valued the involvement and commitment of managers and other key persons in the topic, and were aware of many good ways to promote values. At the same time, they did

notice problems in localizing the promotion of values, putting the values into practice in addition to communicating them, covering the global organization in the process, and following up progress in promotion. Problems were identified in the form of some negative attitude among employees, and also a lack of suitable materials.

As for **outcomes**, other informants were particularly satisfied with the fact that changes have been accomplished, values have become visible in many areas of operation, and many systems have been aligned well with the values. Still, weaknesses were experienced in unchanged employee attitudes, poor cooperation, problems in the balance of life, and frequent negatively charged value-perceptions such as "being late has in some places unfortunately become the Nokia way as we have to respect the individual".

In addition to strengths and weaknesses, various opportunities and threats were mentioned in relation to the future of promoting and implementing values. Key informants saw a good future for the values if employees world-wide become more active, continue to learn and use the values, and find new contents and emphases for them. Promotion could now be carried out more systematically. Positively value-oriented people could be used to promote the message constantly, but also strong bottom-up action is needed. A desired outcome is not only improved cooperation across the firm, and increasingly committed people, but improved competitive advantage amongst competitors.

Other informants do not see clear external threats to the process of promoting values. However, they have certain fears related to over-promotion, over-formalization, the provoking nature of values, and the appearance of internal and external incapabilities during the process. They see that the value process may turn against itself if carried out poorly, leading to undesirable outcomes, or having no influence at all.

As was presented earlier on the plans for values promotion (4.3.1) and as emphasized in other informants' comments, some actions and plans already focus on the key informants' concerns. For instance, the performance review process is being improved, the evaluation of outcomes is being addressed, and new tools are constantly under development. However, as many of the interviewees said, "this process is never over; we have so much to do all the time."

5. DISCUSSION

5.1 Main findings on the promotion of values

The first objective of this study was to increase understanding on the promotion of values in a multinational enterprise. The topic was studied in a qualitative case research design through three research questions dealing with organizational beliefs, the position of values, and the promotion of values in an MNE. The results are now explored in the light of existing theory.

5.1.1 Organizational beliefs in a multinational enterprise

The research results revealed the complexity and variety of organizational beliefs in a multinational enterprise well. Nokia interviewees' organizational beliefs followed the lines of Gustafson (1995), Sarason (1997) and Gustafson and Reger (1998) in that the number of descriptive identity attributes shared by a majority of respondents was very low. The three most frequently stated attributes were team spirit, large size, and turbulence. However, sharing of descriptive identity beliefs was especially questioned and challenged in such dichotomies as existence vs. lack of support, existence vs. lack of direction, and slow vs. high pace. Furthermore, descriptive attributes were not identified separately in culture beliefs, at all. It may even be that descriptive attributes describe the person and his or her preferences more than the actual organizational reality.

Comparative beliefs of subcultural consistency, uniqueness, and consistency with environment appeared in both organizational identity and culture beliefs. In general, respondents' orientation towards Nokia seemed to be primarily positive, which was seen in a visible consistency orientation in identity beliefs. Perceived uniqueness was particularly strong in Nokia respondents' identity beliefs, whereas consistency with environment was emphasized in culture beliefs. However, subcultural consistency was more challenged and questioned especially in culture beliefs. The analyses supported current differentiation and fragmentation paradigms of organizational culture and culture change (Martin 1992, Meyerson and Martin 1987, Martin and Frost 1996) which have long challenged the one culture paradigm of organizations.

In both descriptive and comparative beliefs, dynamics of beliefs appeared in the form of a mixture of positive and negative experiences, expectations, hopes, and fears. This opposes Kotter and Heskett's (1992) model which separates adaptability purely as a distinct category, and, rather, supports Reger et al. (1994) in looking at identity and culture *gaps* (also Schein 1993a) as a source of dynamics. The two types of beliefs, however, revealed different types of gaps. Identity beliefs, both descriptive attributes and comparative beliefs, were more derived from personal preferences or experiences,

whereas in culture beliefs the focus was more on perceived or desirable context and systems (see also Sarason and Huff 1998).

The prevalence of similar comparative attributes in both types of beliefs suggests that the two types of beliefs are linked, but the data in this study does not fully explain how. Low correlations between items suggest that the link is not direct but perhaps temporally arranged. The temporal order of the two types of beliefs seems to be influenced by the extent to which the organization intrudes into the environment to understand it: is the organization passive or active regarding external events (Daft and Weick 1984). Even though the temporal distinction between identity and culture beliefs cannot be determined on the basis of cross-sectional data, the findings in this study could reflect Nokia's past transition into a large, global, successful enterprise. During the transition, the aim for external consistency seems to have driven the operation at the cost of subcultural consistency, which is now reflected in perceived external consistency and slight subcultural inconsistency in culture beliefs.

According to Daft and Weick (1984) and Smircich and Stubbart (1985), it is organizational managers' choice whether the environment is passively adapted to or actively enacted. In the enactment perspective, identity beliefs may transform into culture beliefs. Dutton and Dukerich's (1991) study has tied identity beliefs to initial behavioral responses that are followed by construed external image beliefs and secondary responses. It would seem logical for external image beliefs to be formed on the basis of culture beliefs that would follow the initial behavioral responses. Two findings in this study support a focusing on identity beliefs in managerial intervention in the enactment perspective, as proposed by Sarason and Huff (1998), and Reger et al. (1994). Firstly, the above discussion showed that identity beliefs and identity gap were usually seen from a personal perspective on which individuals clearly have an influence. Secondly, the malleability of identity beliefs was manifested in aims and plans for improvement, or opportunities as named in Dutton and Jackson (1987), which are more inclined to be acted upon than threats or dissatisfactions as in culture beliefs. In Nokia, an enactment perspective would now justify active managerial intervention to maintain the positive perceptions of uniqueness, and promote positive perceptions of both internal and external consistency. Those descriptive attributes that currently produce internal ambiguity could be used as guidance: Nokia could more actively decide on its priorities in relation to existence vs. lack of support, existence vs. lack of direction, and slow vs. high pace, and ensure future perceptions of team spirit, turbulence, and size.

In the passive perspective, external impulses guide organizational operation, and culture beliefs are likely to transform to identity beliefs. Traditional approaches of organizational control have relied on this perspective, and on constrained and bounded interpretation of the environment (Daft and Weick 1984, Simons 1995a, b). According to Sarason and Huff (1998), culture beliefs are less amenable to managerial intervention because they draw on external social systems and are less likely to be made explicit. The feeling of being at the mercy of the organizational environment was to some degree

visible in Nokia informants' responses. A passive perspective would possibly imply satisfaction towards current external success, and reacting aggressively to the perceptions of subcultural inconsistency for instance through excessive formalized control. As the size of the firm continues to grow, perceptions of external pressure may increase and threaten the future success of identity belief-oriented managerial interventions.

Organizational boundaries did not define belief similarities or differences within the firm directly. Rather, belief differences appeared across units in relation to the historical "core" of the firm, and local, global, and external orientation as presented in Figure 16. This study, therefore, proposes taking organizational beliefs into account in MNEs by looking at organizational demographics in an integrated manner rather than separating country, division, unit, or professional group details. Gregory (1983) and Tichy (1993) have also identified the need for an integrated approach.

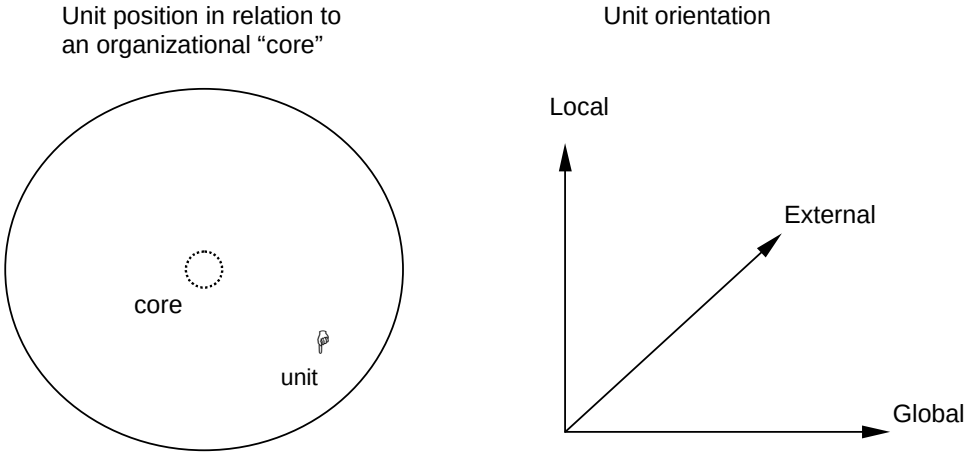

Figure 16. Two key issues to be identified when managing beliefs in an MNE: unit position in relation to organizational "core", and local, global and external orientation.

Unit position has been referred to in Schein's (see Van Maanen and Schein 1979) notion of inclusion in the organization, i.e. the centrality of an individual's or unit's role in the workings of the organization. Centrality concerns the social fabric or interpersonal domain of organizational life and is clearly more difficult to conceptualize than the concepts of functional or hierarchical position. Knowing the matrix structure of Nokia, it is understandable that functional or hierarchical issues did not appear more noticeably. How, then, can centrality be taken into account in the workings of the organization? An analogue of organizational demographics at the personal level has already taken a look at marginal persons and their difference from the core group (Chatman et al. 1998, Pelled et al. 1998). These studies have revealed perceived dissimilarity at the marginal groups but emphasized their importance in the form of distinctive competence, valuable information, and other benefits. Tight cooperation has been suggested with the core organization in harnessing the desirable competence.

The local, global, and external orientation refers to organizational members' concerns and emphases concerning group and professional issues, national and divisional issues, or strategic and operative issues. Ghoshal and Bartlett (1988) have discovered an almost similar pattern in a study on the creation, adoption, and diffusion of innovations by subsidiaries of multinational firms. The three-phase study of top managers in three industries, including consumer electronics and telecommunications, proposed four important attributes for national subsidiaries in relation to their capability to contribute to the innovation tasks: extent of local slack resources, local autonomy in decision making, normative integration with the goals and values of the parent company, and densities of inter and intra-unit communication. These have close resemblance with the local and global orientation discovered in this report through constituents' interviews. In Ghoshal and Bartlett's study, the dimensions were noted to be relevant in different ways in the various phases of innovation. Normative integration and intra and inter-unit communication appeared to be positive for all the innovation tasks. Ghoshal and Bartlett's findings lend support to the idea of implementing social, managerial interventions in a multinational firm unit by unit on the basis of their local, global, and additionally external orientation.

To sum up, organizational beliefs as a context and target for intervention poses a challenge to any organization, multinational firms in particular. Even if knowledge of the belief context is important for the success of managerial interventions, an exact description of beliefs is not possible or even desirable. More important is to learn to understand gaps, ambiguities, and diversity in beliefs across the organization. In an active enactment view, identity beliefs should be taken as a target of managerial intervention. Complementing descriptive organizational attributes with comparative beliefs helps find important areas of content for managerial interventions, as well as ideas for localizing implementation in different parts of the firm. Due to the constant change of beliefs, these emphases need to be checked and renewed continuously.

5.1.2 The position of values in a multinational enterprise

Nokia's four general and abstract values were in use in all targeted subsidiaries. Simplicity and brevity are, based on the results, central in disseminating value-related knowledge globally and enabling local interpretation and application. The position of values cannot, however, be predefined due to the necessity of local interpretation in the dissemination process (cf. Lillrank 1995).

The data, the success of the case firm, wide value-related knowledge, and the endurance of the values during the past five years suggest that the slight emphasis on ideal culture and identity in the perceptions of employees represents an ideal relative position for values (see also Reger et al. 1994b). The position, however, is not stable due to constant shifts in organizational beliefs. This implies that values may indeed promote the perception of gap in organizational beliefs if constantly re-positioned with new interpretations in the identity-culture framework. A stable interpretation of values, in turn, may hinder the perception of such gaps. Therefore, the existence of value

statements should not be seen as an end in itself or a means to success; only their re-interpretation in new organizational contexts can ensure the hoped-for benefits.

Reger et al. (1994b) have proposed and presented evidence of a so-called change acceptance zone where change interventions are perceived neither too unrealistic nor too invisible. They show that ideals too demanding (such as value statements) cause stress that results in change resistance rather than action. Ideals too weak and close to current ways of working, in turn, cause inertia since they are not experienced as influential. The data in this study suggests taking Reger's and her co-authors' model a step further, focusing on the gap between ideal and current beliefs, and including culture beliefs in the framework. In particular, I would like to exemplify the position of values in the framework of organizational identity and culture belief gaps, as in Figure 17. Letters A through D denote various undesirable positions of value statements, the dotted line represents "danger zones" between desired and undesired belief sectors, and the change acceptance zone is presented as a gray field.

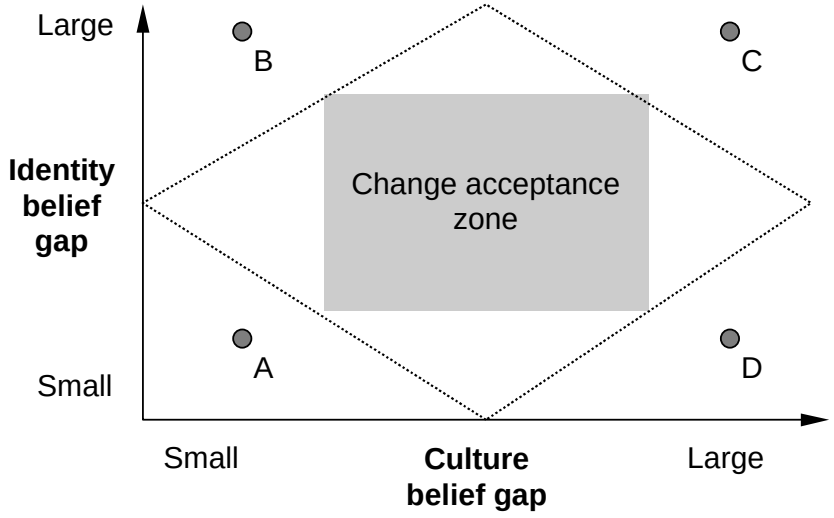

Figure 17. Positioning of values in relation to the gaps between ideal and current identity and culture beliefs. Modified from Reger et al. (1994b).

Position A represents **a stable maintenance zone** where persons' ideals are fulfilled in current culture and identity beliefs, and espoused values are fully consistent with the beliefs. This kind of a position discourages change and, rather, emphasizes maintaining current beliefs and ways of operation. Value-based interventions are probably seen as irrelevant and they are received with inertia, as suggested by Reger et al. (1994b). One core question most likely is how to select and socialize new people into the current organizational framework, typical to the old one-culture approach (e.g. Peters and Waterman 1982) or integration approach (see Martin 1992). Another question is, how organizations with this kind of a framework can survive in times of change and whether, in fact, some other values or another interpretation would be more relevant.

Position C in turn refers to the overly distant ideals that cause resistance and stress illustrated by Reger et al. (1994b) and represents what we could call **a distant ideal zone**. Value statements that are too idealistic are most likely neglected and even broken down by organizational constituents due to their lack of realism and relevance (e.g. Schein 1985, Hatch 1993). In this kind of a situation, a revolutionary change would be needed to fulfil the gap between current state and ideals, but the need will be resisted as it threatens the very nature of the organization.

Positions B and D propose new kinds of situations that we could refer to as **conflict zones**. In position B, values reflect current ways of working but simultaneously an ideal identity that is distant from the beliefs of "who we currently are". Position D has value statements that coincide well with current identity beliefs but suggest ways of working that are very different from current ones. In these problematic settings, there is a conflict between identity and culture beliefs. For instance Elsbach (1998) has described the California Legislature as an example of a stigmatized organization where staffers develop "schizo-identifications" to maintain positive self-identities in the obscure professions that they have. Juuti (1995) has referred to some interesting organizational "illnesses" that match well with these kinds of conflicts. The dotted line separates various **danger zones** between the change acceptance zone and undesirable zones.

Within the **change acceptance zone**, values represent sufficiently well current identity and ways of working to be considered real, but are simultaneously so ideal that they encourage action. Nokia seems to be well positioned in this zone, based on respondents' experiences. I have purposefully sketched the change acceptance zone as fairly large to signify the field on which the values may move. Due to the constant renewal of beliefs and repositioning of values in the field, as mentioned above, the statement of values also poses the danger of stepping out of the change acceptance field. However, the repositioning also encourages taking up systematic action to ensure that the firm stays in the desirable zone.

The model becomes especially interesting when positioning each value separately on the field of identity and culture beliefs. In the case of Nokia, all the values were "accepted" by the interviewees, but this may not be the case for all organizations. Different variations of the scales and size of change acceptance zone are likely to exist across organizations.

Employees' interpretation of the Nokia values highlighted the role of values as a tool or vehicle to be used rather than as a content to be learned. Values became a substitute for everyday reality when employees targeted criticism and praise. The statements produced ambiguity in the discussion content in a mix of past, present and future topics, and they objectified, condensed and abstracted real-life issues. Values were even referred to as a lense through which events are observed. Based on the data, this can be viewed both as an opportunity and a threat to the organizations' success. While values can by their nature show a shared direction to strive for and provide a common language, they at the same time may direct attention to conflicts and hinder people from

seeing operative reality in its entirety. The latter points explain how values in their idealism can activate cynicism and dissatisfaction towards the way in which the organization operates. This character of values should be taken into account in the promotion process in different ways. For instance, values should not be promoted as mere communicative content but should be integrated into real-life contexts and used primarily in an action-oriented manner to avoid cynicism (e.g. Ikävalko and Martinsuo 1998). Secondly, forums are needed for the discussion of priorities, as priority differences cannot be avoided in a global context. Thirdly, mechanisms are needed to deal with conflicts and priority differences that values may bring to the surface. Fourthly, interactive control systems for instance need to be in place (Simons 1995a, b) to ensure the constant renewal of business strategy.

The nature of value perceptions indicated more closeness with identity beliefs than with culture beliefs especially in the focus on subcultural consistency issues. This similarity may be purely accidental or methodological, but it may also support the assumed link from value statements to identity beliefs. It additionally suggests looking at the relation between purposes and interpretations of value statements in the Nokia case. Where the perceived purposes of values are strongly oriented to enforcing ideal ways of operation, the values currently provide little guidance on where to focus in relation to an external social system (consistency with environment). Procedures are required to ensure a balance and match between internal aspirations and fulfillment of external expectations.

Different value foci and a multitude of interpretations given to the specific value differentiated the respondents' views better than did the functional or hierarchical organizational boundaries. It seems that these priorities stem from the combination of individual history and background, organizational beliefs, and even national background rather than one of those factors alone. Priority differences may therefore develop both at organizational or group, and individual level and at worst make the organization a global battlefield of priorities. This emphasizes further the need to accept and take the differences into account, and also provide channels for acting on and sharing the diversity of priorities to increase mutual understanding.

To conclude, the results encourage focusing on values as a vehicle that should be used actively to guide interpretation rather than a content to be implemented as such. The nature of values promotes desirable organizational adaptability, but it may also induce undesirable reactions on the part of organizational members. Successful use of values as a vehicle for managerial intervention requires constant repositioning in the framework of organizational identity and culture beliefs, and mechanisms for conflict resolution, sharing of priorities, balancing of internal and external expectations, and value-driven action.

5.1.3 Promotion of values in a multinational enterprise

The promotion of values at Nokia was identified as a versatile strategic, corporate-wide process that has occurred rather ad hoc, without long-term plans, but that has established its position in many managerial processes and programs over the years.

After initial communicative promotion, value-related issues have been embedded in a multitude of socialization practices in a visibly more serious manner than in younger programs on promoting values (Martinsuo 1996). Various practices for promoting values have been used in different parts of the firm. The use of these practices, however, was found inconsistent and even deficient not only in their geographical distribution but also in timing, audience, and purposefulness in relation to expected outcomes.

At Nokia, typical problems in promoting values can be identified, and they still present a risk for the success of the program. Process-related deficiencies were identified especially in localizing value-related socialization programs, transferring learning from promotion practices to everyday operation, using evaluation and feedback from the programs to develop the promotion of values, and distributing locally initiated programs and individualized socialization practices globally or even between units. According to Salminen (1995), and Martinsuo (1996), these are fairly typical failures in many kinds of projects but important to the overall success. Interviewees' expectations highlight the need to "close" the cycles of values promotion to enable future development. The values should be re-validated through new interpretations over and over again to guarantee process continuity until actual change in the content themes is required.

Even though the awareness of values was high and people admitted to using values sometimes in interpretations, the later stages in individuals' learning process were not well covered in the promotion process at Nokia. The emphasis on institutionalized practices for promoting values presents a concern for the continuity of value-based organizational innovation in the case firm. Enabling the constant re-interpretation of values would require more adaptive and individualized practices, more opportunity for discussing and questioning the values, and more action orientation (e.g. Ikävalko and Martinsuo 1998). Therefore, the data suggests as the next step at Nokia focusing on how values are promoted through more adaptive and individualized mechanisms locally in units. Initiatives at the global level would, then, shift from global tool design and distribution more towards facilitating local program designs, sharing knowledge, encouraging learning from others, and developing new ways for evaluating the process.

According to the results, promotion of values can be evaluated based on the degree to which global and local promotion practices are used and integrated into ordinary work processes, as illustrated in Figure 18. The cluster analysis further supported the finding that the global aspect of promotion is in fairly good hands at Nokia, but local application still needs some work.

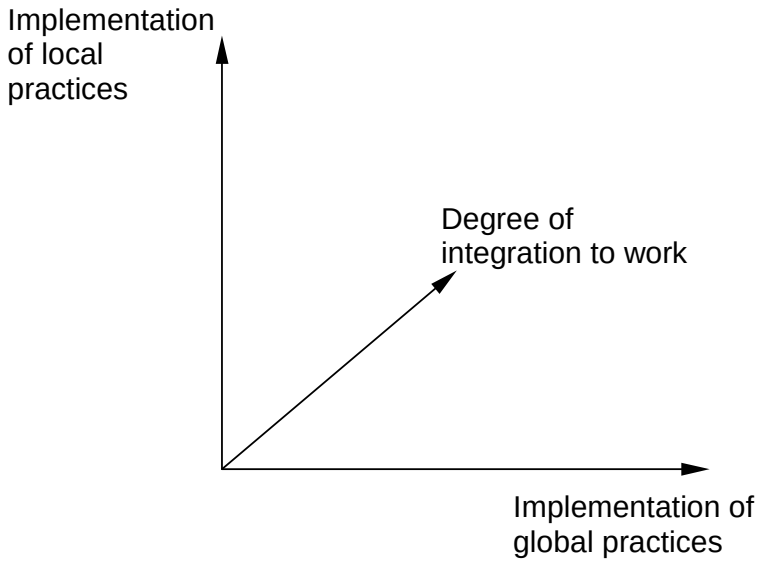

Figure 18. A framework for estimating the status of value-related socialization in an MNE.

Experiences with the process for promoting values contain a disturbing finding that was discovered also in an earlier study (Martinsuo 1996). Where top managers expect individuals to take more responsibility in implementing the values, individuals at local units expect that global and local, nameless entities would on a program level ensure the efficient implementation. The greatest challenge in promoting values is to respond to the expectations that the values have created both towards individuals and the firm. Future study should, therefore, put more effort into exploring management by values especially in the active, individual and group-level use and enactment of values.

In all, the results concerning the process and practices for promoting values reveal that knowledge about values may well be possible to accomplish, but it is insufficient for the success of the promotion program as an entity. Even in a firm at an advanced stage in the promotion of values, other stages in the learning process can have been left rather untouched. In a multinational firm, global value awareness and local practice of promotion should be separated, and the localization stage should be clearly enforced to activate the use and enactment of values. As values tend to create expectations, firms should be prepared to respond to these expectations while at the same time individuals should be made more accountable for implementing values in their own tasks.

5.1.4 Impact of promoting values

The above discussion on organizational beliefs and the position and promotion of values leads naturally to the issue of impact. What has the company accomplished through promoting values? Are Nokia's success and the promotion of values somehow related, in addition to the fact that they both have occurred simultaneously? To what extent have the espoused values permeated Nokia and been adopted by organizational members? Do people behave according to the values, and if they do, is it just because of

consistency between their national background and Nokia values? If they do not behave according to the values, who is to judge and act on misbehavior?

This study did not seek or provide answers to these kinds of questions, but raised them and many more. In the Nokia case, the study revealed a widespread knowledge of the values, a multitude of methods used to promote them, positive attitudes towards them across the firm, and strong top management commitment. It also uncovered some deficiencies in localizing the practice of promoting values, as well as many other flaws in implementation. Is Nokia advanced in promoting values? Compared to a number of firms, I believe it is. But at the same time I think the best edge and potential is still to be reached. Based on the penetration into all kinds of organizational control systems and procedures within Nokia, values as a primary control mechanism and managerial intervention could indeed have an impact. The findings of this study encourage company managers and other employees to be more active and conscious in utilizing the selected values when leading and working their organizations towards success.

5.2 How to promote values successfully?

The second objective of the research was to determine essential factors in promoting values successfully in a multinational enterprise. This study has largely confirmed the model developed on the basis of theoretical propositions, and added certain aspects to it especially concerning the multinational firm as an implementation context. This chapter presents five practical propositions on how values should best be promoted in an MNE.

5.2.1 Theoretical contribution

Generally, taking account of the context and target of organizational beliefs has proved useful in understanding what managerial interventions such as the promotion of values be directed towards, and how. This study has demonstrated the use of a new analysis framework for studying organizational culture from the interpretive perspective, enlarging existing frameworks of identity attributes and cultural strength significantly (e.g. Gustafson 1995, Gustafson and Reger 1998, Reger et al. 1994). The new framework is non-context bound in the sense that descriptive categories emerge from data, and comparative categories focus on performance and change-related gaps that seem to fit all kinds of cultural contexts. The study also provides new information concerning the relation of identity and culture beliefs, their differences, and potential linkages (e.g. Gustafson and Reger 1998, Dutton and Dukerich 1991). Findings concerning the demographic distance and difference and unit orientation in subsidiaries provide new ideas on integrating local units into the global organization.

The study repositions organizational value statements in the framework of organizational culture studies, and provides new information on the relation of value statements and organizational beliefs. Value statements are now shown to be a moving target in the field of organizational identity and culture beliefs of organizational members (e.g. Reger et al. 1994b). If a multinational organization can keep value

statements sufficiently real and ideal at the same time, and provide tools to guide operations towards them constantly, value statements can attain their full potential. Therefore, value statements can also be used to improve organizational adaptation capability (Reger et al. 1994b). This study gives support to studies suggesting that the point of influence in successful managerial interventions is organizational identity beliefs (Sarason and Huff 1998).

New perspectives were discovered in the process for promoting values in a multinational firm. References about "writing down the values" (e.g. Anthony 1994, Blackler and Brown 1980) give an overly simplistic picture of what promotion of values actually is and should be. This study encourages realizing the complexity and far-reaching character of promoting values, and paying attention to and managing ambiguities and conflicts in beliefs and priorities in addition to managing consistency (e.g. Martin 1992). The results highlighted the importance of localization, and the separateness of initial communication and continuous implementation processes when promoting values globally. A great number of failures in promoting values may indeed result from the fact that the importance of local culture is neglected at the corporate level (cf. Lillrank 1995). The context of organizational beliefs should be taken into account by looking at unit demographics in a more integrated manner. In practice, enforced promotion of values is proposed to consist of the following strategic steps:

- repositioning values in the organizational belief context regularly,
- instituting global and local processes of promoting values,
- selecting and applying promotion strategies both globally and locally,
- developing a diversity of implementation practices to suit the variety of belief contexts, and
- evaluating progress to redirect the promotion program.

I have not repeated certain obvious truths on the practice of promotion that are frequently expressed in the literature: ensuring the commitment of management, reserving resources, involving people, and so on (e.g. Martinsuo 1996). This by no means indicates that they would be irrelevant.

In Chapter 2.4, a tentative framework was presented on factors relevant to the success of promoting values in a multinational enterprise. This study confirmed the model to a large extent but proposes some refinements and further detail, as summarized in Italics in Figure 19. In the Introduction, I proposed a rough idea that in promoting values, it would be important to take the context into account and proceed systematically. This study has verified that these issues are vital to the success of promoting values as a managerial intervention. It also seems to be relevant that management by values is consciously selected as an overall managerial control system (also Simons 1995b,

Martinsuo 1996), and other forms of control are used merely to support and enforce the values.

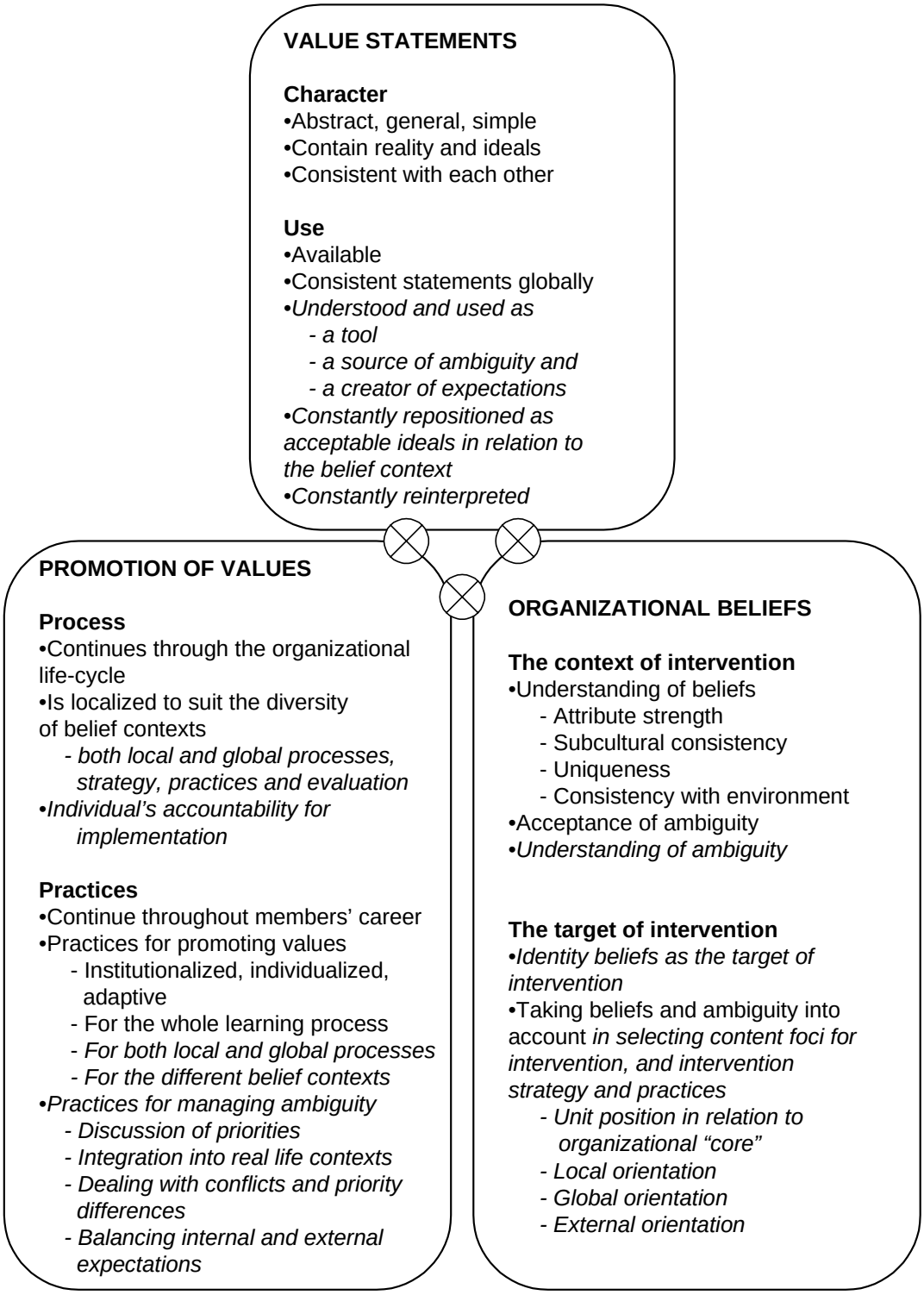

Figure 19. A model of promoting values in a multinational enterprise.

The following chapters focus on a practical agenda for action in more detail. This is based on the research data and theoretical framework, but strongly supported with my own interpretations and ideas.

5.2.2 Proposition 1: Initial and constant positioning of values

In relation to positioning values, I would like to highlight four topics: the context of creating values, the new top manager role in the constant positioning of values, the content of values, and maintaining values in the change acceptance zone of organizational beliefs.

This study has already demonstrated the complexity and challenge which is inherent in the promotion of values due to a diverse belief context, nature of values, and resource requirements in the promotion process. Therefore, it is suggested that values *not* be used as a vehicle for managerial intervention *unless* specifically required by the organizational context. Data in this study suggests that a crisis situation or an urgent internal need for change provide a fertile ground for rethinking and negotiating organizational values in a multinational enterprise. A strategic discussion on reality-based but at the same time future-oriented values was in the case company used as a serious attack towards the crisis, and as a guideline for survival. As it turned out, the values have not only lived through the survival period but also through phenomenal firm growth, success, and new times of turmoil. Comparison of this background to internally non-urgent values creation contexts such as presented in Martinsuo (1996), Anonymous (1997) and Blackler and Brown (1980) questions the relevance of stating values in other than significant, internally perceived crisis or change situations.

The literature review emphasized how the actual use of values is separate from the context in which the values were created. The results, in turn, highlighted the need for the constant repositioning of values in new organizational belief contexts. This encourages us to re-evaluate the role of top managers in the promotion of values. Since value statements are expected to be fairly stable, the managers' task is not only to ensure the continuous promotion of values but also give new meaning to values in the light of new information from the organizational environment (see e.g. Gioia and Chittipeddi 1991). As Gagliardi (1986) puts it, a firm must change in order to preserve its identity. Leaders should interpret the recent past and present constantly to encourage the birth of new myths and beliefs. The managerial interpretation should, therefore, recreate the strategic meaning of values repeatedly, and act as a new input to organizational members' interpretation process, as illustrated in Figure 20.

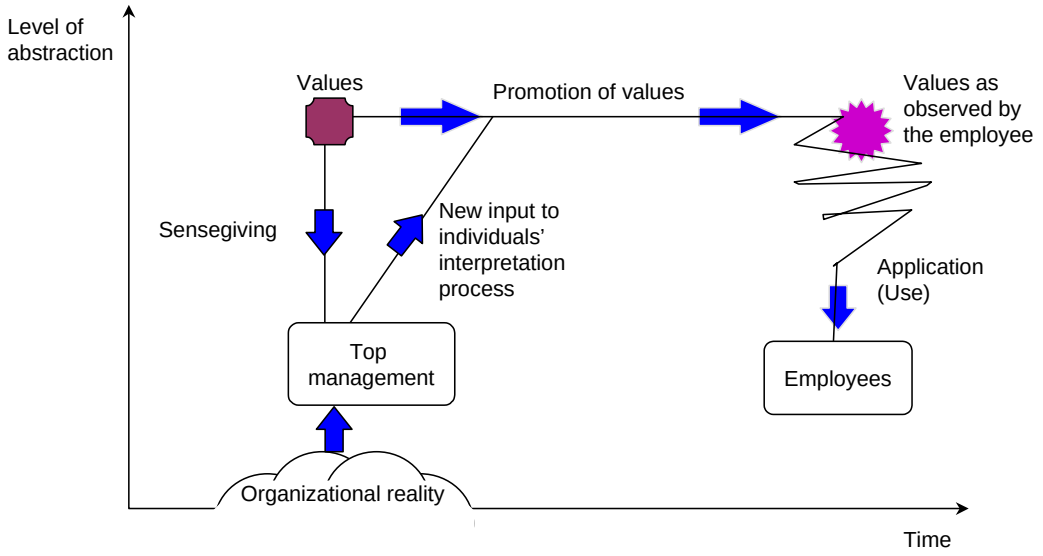

Figure 20. New role of top management in the continuous promotion of values.

As Nokia's internal documents and literature (Lillrank 1998, Martinsuo 1996, Kabanoff and Holt 1996, Jones and Kahaner 1995) reveal, the content of value statements is rarely unique. On the contrary, the data in this study suggests that the generality and simplicity of values is required for them to be understood and considered relevant by all constituents. In the global context this generality requirement is particularly valid. Despite some negative comments attached to the repeated use of the one single slide containing the four values, Nokia's way of keeping the core material simple is, from a global viewpoint, better than developing too detailed, often nationally culture-bound explanations to the values (as in Martinsuo 1996, Blackler and Brown 1980). However, contentwise explanations and interpretation may be needed at the local level, especially outside the core units of the firm, as demanded by some constituents. Localization of a global values promotion program is also, from the other evidence viewpoint, of critical relevance.

Discussion in the previous chapter has emphasized that values need to be positioned and constantly repositioned on a change acceptance zone where employees perceive change towards the values desirable and possible. I would like to propose that in a multinational firm, the positioning of values should depend on perceived organizational context (or *external orientation* as referred to in organizational beliefs) and influence the selection of promotion strategies and practices. Figure 21 highlights alternative positions.

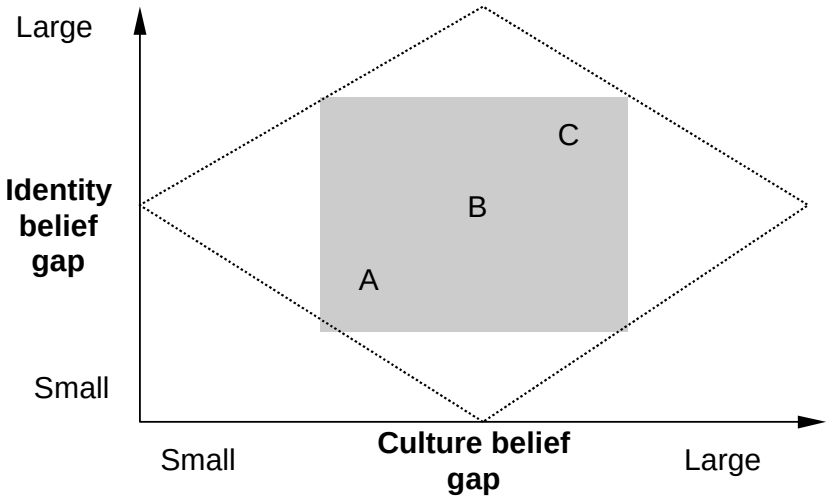

Figure 21. Alternative positions and strategies for the promotion of values.

In a crisis situation where the external orientation is negative (possibly also in conflict with local or global orientation) and the existence of the organization may be threatened, values should reflect a moderate belief gap between the future ideals and current state as probably was the case at Nokia in 1992 (B). As in Nokia's example, the managements' key questions at this stage were strongly focused on the relation between internal characteristics and external expectations: "how have we succeeded and how will we survive". In a turbulent growth situation and when the external orientation is positive and environment provides opportunities rather than threats, more challenging identity and culture ideals are possible (C). The key question is how to make progress, how to tackle the opportunities provided by the environment, and how to continue success. In more stable circumstances, however, the approach would be different. Interpretation of values should probably move closer to current identity and culture, and a smaller gap between the future ideals and current state (A). The core managerial question then is how to maintain a desired degree of adaptability to guarantee status quo in relation to the environment.

External orientation was positive in the satisfied core cluster in the interview data, and did not come up specifically in the other three clusters. A neutral external orientation directs focus towards the internal aspects of the unit, and the positioning of values within the change acceptance zone could be assumed freer. Change in business context, if noticed and interpreted, directly molds the relation of the two types of beliefs and may, thus, position value statements undesirably. All kinds of changes, therefore, should be followed by intentional reinterpretation of values so that their position would remain within the change acceptance zone.

5.2.3 Proposition 2: Global and local processes for promoting values

The findings indicate that in a global environment, the promotion of values should be approached in three separate cycles: the initial creation or crisis cycle, the global awareness cycle, and the local adaptation cycle, as in Figure 22. Earlier models,

propositions and studies of promoting values do not acknowledge this global aspect of values promotion at all (e.g. Blackler and Brown 1980, Ledford et al. 1995, Anonymous 1997, Martinsuo 1996).

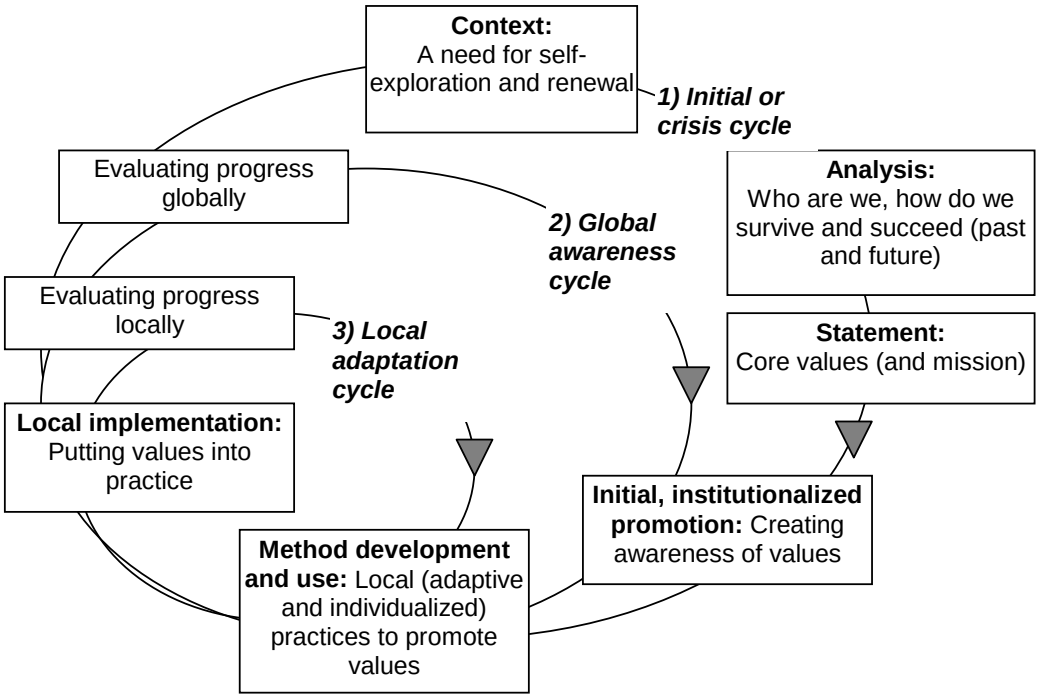

Figure 22. Three cycles of promoting values in an MNE.

Interview results on the initial cycle of promoting values presented a very straightforward and whole approach at Nokia, visible in the above picture. Since there was no perceived need for renewing or restating values, the primary focus had shifted from the crisis cycle to the global awareness cycle. The status of global value-related awareness and socialization was at least in the selected sample fairly high, but all the stages were not applied as suggested in the above model. In local adaptation especially, various needs for improvement were identified. Applying force to fulfilling the needs for improvement such as utilizing evaluational information more efficiently, localizing values promotion, and enforcing the mutual sharing of locally designed practices are evident next steps in the promotion of values at Nokia.

Particularly at an advanced stage of values promotion, the global awareness and local adaptation processes seem to occur in parallel. One challenge in a multinational firm is managing the two processes simultaneously. Taking organizational beliefs into account can provide insights into what kind of a strategy to select to promote values within the multinational firm. Experiences at Nokia encourage firms to further test whether the partly sequential, partly parallel order of cyclical processes functions as proposed.

5.2.4 Proposition 3: Selection of global and local promotion strategy

The research results on Nokia's process and practices for promoting values proposes that a multinational firm should have two types of strategies for promoting values: those directed at the firm as a global entity, and those for local units' needs. Where the global strategy should be guided by a global status estimate and a more general vision of the future, local strategies of promoting values should be directed by the unit position in relation to an organizational core, and its local and global belief orientation.

Similarity or dissimilarity with the organizational core is likely to differentiate unit types in their "mission" of values promotion. While increasing adaptability can be considered the primary interest in the core units of a dynamic industry firm, for non-core units the question is more one of becoming part of the adaptable core. This proposition combines two streams of literature that have earlier been perceived as contradictory. The latter, non-core focus reformulates the early emphasis on "strengthening" culture from a strongly collective viewpoint, as for instance in Peters and Waterman (1982). In the case of core units, the claim for increased adaptability in turbulent times follows the lines of Reger et al. (1994b), and has been approached especially in studies concerning the case of knowledge-intensive firms in turbulent business environments (Kunda 1992, Kotter and Heskett 1992).

In the core units of a multinational firm, or in the special case of local knowledge-intensive firms, increasing adaptability is the primary interest when promoting values. This refers to ensuring the constant reinterpretation of values as the external frame changes and means that the so-called core is not even supposed to be fixed. Figure 23 proposes different value-related socialization strategies depending on the relation to the global and local frame within the core unit. With Nokia, the units and people in the satisfied core cluster could be used as messengers of the values even across units, or in seeking new opportunities. Localization of global programs could be enforced within the concerned team cluster. The negative local frame was not identified in the core areas of Nokia in the interview sample, but in these areas various local approaches are suggested.

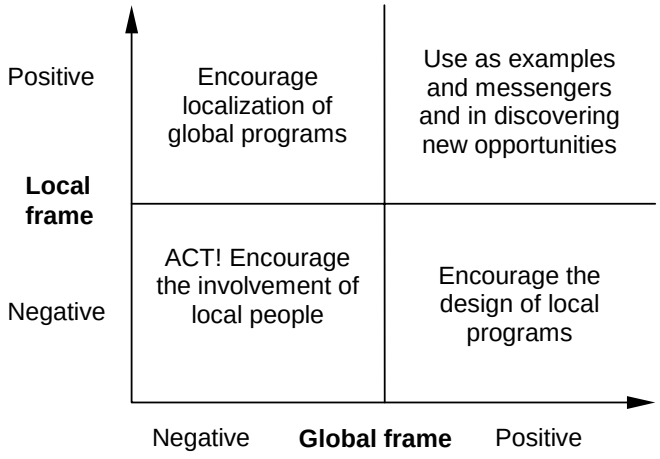

Figure 23. Suggested starting point for selecting socialization strategy in organizational “core” units.

In the non-core units of a multinational firm, and various forms of firm partnership, integrating units into the intended core way of operating could be seen as the key concern when managing beliefs. This refers to ensuring that strategic priorities are perceived in a sufficiently consistent manner even in countries and business areas that do not represent the historical core of the multinational. Propositions of different strategies in this kind of a situation are presented in Figure 24. In Nokia’s unique critic cluster, a negative local frame was identified, and also a global frame was more on the negative than positive side. Going local or at least training locals to act locally are suggested as potential operational strategies. A positive local frame was not identified in the sample, but the figure proposes ways to approach this kind of situation. The focused cluster presumably may suit any of the possibilities.

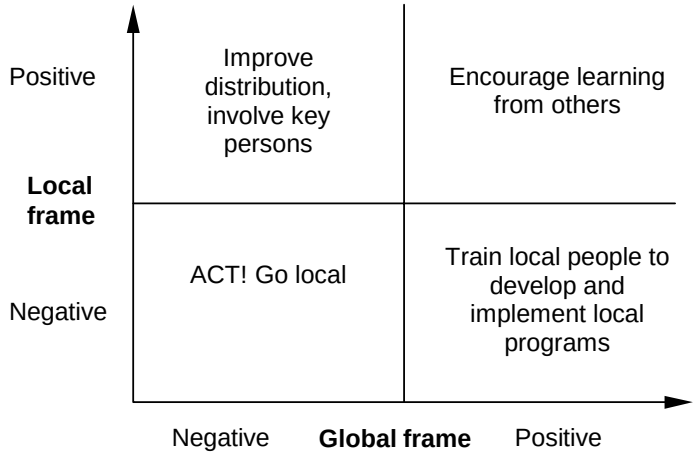

Figure 24. Suggested starting point for selecting socialization strategy in organizational “non-core” units.

How, then, can a firm estimate whether a unit is core or non-core and whether local and global frames are positive or negative? I assume that an absolute measurement in this sense is not possible or even desirable since the very nature of core operation shifts constantly. Rather, an overall classification can be made amongst organizational subsidiaries based on their estimated distance from the historical and recently central core operations. As for signs of a local and global orientation, I feel that a balanced promotion scheme should be designed and followed globally and suited to the overall global situation. “Weak signals” of negativity should be reacted to in an appropriate manner, as suggested in the above figures, instead of forcing overly detailed programs on various unit types or geographical areas.

5.2.5 Proposition 4: Selection and implementation of promotion practices

A balanced socialization scheme should, based on the data, contain tools and methods for all the global and local promotion cycles, for both core and non-core units, for various external orientations, i.e. organizational contexts, and for all stages of the individuals' learning process. The promotion of values is expected to produce different outcomes in each type of situation, which is why many types of practices are needed.

In addition to status quo-oriented, institutionalized practices and innovation-oriented, individualized practices (e.g. Jones 1986), a set of adaptive practices is needed for a balanced socialization scheme. By adaptive practices I refer to easily distributable practices that at the same time promote generative and expansive learning needed for influencing constituents' beliefs. Table 20 summarizes a tentative framework on what kind of practice would seem particularly suited to the different promotion cycles, unit types, and organizational contexts.

Table 20. Framework for designing practices for promoting values.

	Organizational conditions		
External orientation	Neutral	Positive or neutral	Negative or neutral
Expected outcome	Status quo	Progress, reaction to opportunity	Survival, reaction to threat
Promotion cycle	Global awareness, initial crisis	Global awareness, local adaptation	Local adaptation, initial crisis
Distance from core	Large	Any	Small
Learning stage	Knowledge, support to interpretation	Any	Enactment, dialogue, scanning
	⇓	⇓	⇓
	Suitable practices for promoting values		
Category	Institutionalized	Adaptive	Individualized
Examples	Induction Materials Internet Strategy process Opinion survey Magazines	Top management communication Performance review Training programs Recruitment/selection Toolkit and games Project and quality management	Local management communication Discussions and meetings Special sessions "Hallways" (Dixon 1997) Personal communication

Various combinations of the different potential situations are possible, which may lead to an institutionalized focus, individualized focus, adaptive focus, or balancing of the three. This study has not evaluated in detail to what extent various promotion tactics are institutionalized, individualized, or adaptive. My primary criteria for classification have been the content and context of socialization presented by Jones (1986, also Van Maanen and Schein 1979 etc).

5.2.6 Proposition 5: Evaluation and redirection in promoting values

Existing literature has failed to give guidelines as to how promotion of values could and should be evaluated, even though the necessity of evaluation is to some degree acknowledged (Martinsuo 1996, Martinsuo 1998). The Nokia case, my previous study (Martinsuo 1996), and general project and process management literature (Salminen 1995) encourages evaluation of the progress in values promotion to ensure that full benefits of the topic can be achieved. I will take a brief look into three topics here: why, what and how to evaluate, and later suggest ideas for further study.

A good and tangible motive for evaluating the promotion of values in multinational firms is money. The extensiveness of the promotion program for instance in Nokia suggests that a lot of money be spent not only in designing various socialization practices but also in the actual implementation, the processes and programs of value-related socialization. In the case of other monetary investments, firms eagerly measure returns. These kinds of measurements, even harsh estimates, have not appeared in value related projects. Current discussion on measuring human capital indicates a direction where investments in personnel will finally be evaluated. However, I do not see much use in trying to quantify the issue too much but, rather, encourage evaluating value-related socialization as a project, with project management criteria, and producing new information to improve the process.

Using project or process management criteria for evaluating the promotion of values gives ideas as to what to evaluate or measure. Martinsuo (1998) has proposed that both the status of beliefs and the status of the promotion program should be evaluated occasionally. Salminen (1995) has presented five general criteria on the evaluation of the success of development projects: keeping the project schedule, budget and scope, meeting project objectives, change in the operative measures of the organization, change in the economic measures of the organization, and satisfaction with the project. These in turn lead to development, results, and success as is very much expected from the promotion of values, too. From a values promotion viewpoint, program objectives may deal with the multiplicity and types of socialization practices, width of their distribution, awareness of values, changes in systems and processes, or other actual impacts. These are partly very measurable and at least possible to describe. The model proposed for the successful promotion of values can be used as a question list to evaluate the status of a global program for promoting values.

This leads to the question of how to evaluate. In the case of Nokia, annual, standard-format surveys have been used to evaluate how well each of the four values is applied. This “Values in Action” project was used to get a more in-depth understanding of how values are interpreted, what kind of organizational beliefs employees really have, and to what extent have various socialization practices been used in the firm. Employee experiences and interview comments revealed the positive stance towards interview-based analysis and negatively oriented views towards simple surveys. In particular, the

implications of survey-based findings were questioned, and several references were made to the lack of reaction to needs for improvement discovered in the survey.

Literature proposes various new kinds of ways to analyze the status of operation or values promotion, all suffering from the weakness of small scale. Ledford et al. (1995) propose a plant visit cycle, briefly introduced in Chapter 2.4. Global "value ambassadors" could be selected yearly to identify weak signals and reporting on a global level. Current information technologies could be harnessed to gather consistent information on value-related programs implemented and changes accomplished. Interactive applications are also possible. As one quote in the interview data emphasized, however, such assessments as "the quality auditor asking you to name the four values and giving one dollar for remembering" may produce more bad results than good.

Furthermore, at the local level, evaluation could be easier and more influential through existing systems of project and quality management than through global evaluational programs. Utilization of this information globally would require that assessment be consolidated at the global level.

5.3 Evaluation of the research approach

Chapter 3.5 has evaluated the quality of the research design. The selected research setting produced fascinating outcomes and responded to the exploratory research questions, and can therefore be considered to have served its purpose. The qualitative research approach produced new information on the promotion of values as a managerial intervention in a multinational firm, and ideas and propositions for future studies.

The research *design* in this study contributes in three primary ways to existing literature. It, firstly, has combined in a new way and in an empirical setting the research areas of organizational beliefs, values, and the promotion of values. The topics have been mentioned together, but empirical research has been scarce (Martinsuo 1998). Secondly, it has studied the topics in the context of a multinational enterprise with a qualitative methodology. Both the multinational focus and the qualitative approach have been rare in organizational culture studies (e.g. D'Iribarne 1997). Thirdly, the extensive data on the phenomenon were collected in a highly interesting industry, and largely from a constituent, not top management, perspective. This kind of an exploratory, cross-sectional research setting has produced new information not only on organizational beliefs and the promotion of values, but successful managerial interventions in general.

5.3.1 Practical implications

This study has two direct practical contributions. Firstly, in addition to the exploratory nature of this study, it has served as a **qualitative descriptive and evaluative study** of the promotion of values at Nokia and thus complemented Nokia's own quantitative measurements. It not only has described how the promotion of values and the belief

context are in the firm but also estimated the status of promoting values and identified needs for improvement. It provides new ideas on how to continue, what to do better, and what to focus on next.

Secondly, the study can be considered a minor **intervention**. Based on the interviewees' comments, it was important for the 340 people to share their ideas, express their opinions, and get their opinions heard. The discussion itself was to show the people that someone does care, and employees' views are important. However, the wish to get improvements going based on the comments is now in the hands of the firm. Particularly, more local analysis efforts may be needed to put forth the improvements. How, is another question. My earlier study (Martinsuo 1996) also suggested that this kind of discussion of values has provided a second chance for taking up the values in the units selected, which is a positive outcome as such.

In addition to the direct influences, this study has suggested an **agenda for action** for multinational firms planning to implement values, more practical, realistic and individualized than what other studies of values and culture have provided. Not only does it give ideas on how and where to start the creation and promotion of values, but it provides information on the further steps in the promotion process: how to select a strategy, and how to take the multinational environment into account. The model on critical factors in the promotion of values can be used as a question list to evaluate the status of promoting values.

5.3.2 Limitations

In addition to Section 3.5, some further limitations to the research need to be mentioned. I will not go into detail concerning the biases stemming from my background, languages used, research procedure, or the interview method since they were handled earlier, but I have acknowledged that they all cause limitations and have documented them. I will take a brief look into some additional issues, ranging from theoretical setting to utility.

This study has been guided primarily by literature in organizational culture, values, control, change, organizational socialization, and learning. The theoretical frame has directed my attention and controlled the selection of research questions, research methods, and analysis framework. This background has evidently limited the study content; alternative literature foci such as strategy, general management, knowledge management, philosophy, anthropology, or sociology might have produced different outcomes. For my part, the focus on organizational science has been purposeful, but I do acknowledge the potential in multi-perspective studies. As an afterthought, for instance, identification and other linkages with individuals' personal beliefs, or interplay of beliefs and organizational artifacts could have been selected as foci of study instead of concentrating on the promotion of values as a managerial intervention. Also, the promotion of values could have been explored as it was implemented, from a corporate or a business unit perspective, rather than as experienced by personnel. In my

view, however, the experiential and interpretive approach in this case served both the case firm's demands and the field of science better.

Due to the small number of empirical studies concerning promotion of values, and the case firm's wishes, this study was carried out as a qualitative, exploratory single-case study. Other alternatives would have been possible, as well. Organizational beliefs, value statements and promotion of values could have been investigated in an ethnographic inquiry, in a multiple case study, in an embedded and descriptive case design, as an action research project, through archival analyses, a statistical inter-firm comparison, and so on. For instance, a descriptive, embedded case design could have produced more information on the details, diversity and success of unit-level strategies for promoting values. As each of the 118 interviews turned out to be a fascinating story in itself, the descriptive approach would have been justified. With the scope of the project, and time and resources reserved for the study, however, I feel that the holistic one-case design was well suited. It is also likely that the global context, process and entity of promoting values would not have become as evident in other kinds of research designs. If I could restart the project all over again with additional resources, I would probably combine questionnaire, document, and interview data in a larger, longitudinal, embedded or multiple case research design.

The use of a unique and extreme, multinational firm as a case example limits the applicability of research findings. As my earlier study showed (Martinsuo 1996), promotion of values and its outcomes may be perceived very differently in a different setting. For instance one may ask whether firms with poor performance ever have the resources to be involved in an extensive program of promoting values, and whether it is even desirable. When discussing the findings of this study, I have tried to pay particular attention to *what* firms should focus on in different situations, and *how*. Additionally, I have emphasized the need to apply this and other managerial interventions in a manner that suits each organization. As a learning case, I see that the Nokia case currently is among the best globally.

The question setting in the interviews worked surprisingly well despite its generality. Relying partly on indirect questioning, and partly on direct but fairly general questioning contained the risk of inconsistent and unanalyzable data in a fairly large and diverse sample. Due to the exploratory nature of the study, however, more structured approaches were not possible. Several trials and errors, and relying on extant literature in the analysis stage helped to tackle the complexity of the data. Certain improvements at the interview outline could have been worthwhile, such as interpreting the values rather in than out of context. Partial retrospectiveness and the cross-sectional design have made it impossible to study the relations between organizational beliefs and value statements thoroughly. Since the purpose of the study was to develop propositions for promoting values in a multinational enterprise, a thorough examination was not even the idea. However, the results suggested certain temporal differences in organizational beliefs, and connections between beliefs and value statements, and certainly directed

interest in that direction. As are many other organizational scholars, I am inclined to encourage more longitudinal research designs in the future.

Only fairly well established units of Nokia were included in the interview sample. Therefore, the dimensions developed for defining the organizational belief context by subsidiary, and for evaluating local promotion of values were only partially covered in the data from Nokia employees. Extension to newer or even more distant units, eastern European or additional countries in the Far East would bring new data and new information on different belief contexts and ways of promoting values. There were limitations in the interviewee samples, too, despite the fairly random selection of respondents. The irregularity of group size and construction were challenges for me both as an interviewer and data analyst. I am well aware of the fact that individual and group interviews are by nature quite different. Adapting the interview outline based on interview type, however, functioned well, and in this interpretivist approach all the interview accounts can be considered equally valid despite the partially inconsistent settings.

The final analysis framework gained its form largely during initial reading of the interview data, with research questions and theoretical propositions as a guideline. Other frameworks could have been possible, as well. I did explore various alternatives during the initial examination of data, such as using the four espoused values as a basis for analyzing organizational beliefs, or grouping countries not by continent but by Hofstede's (1991) dimensions of national culture. The analysis stage, however, was limited by the original interests of the case company, a fairly general question setting, and purposeful focusing on the promotion of values (and not on other stages of management by values). Checking and re-checking data and its categories improved the validity of the analysis frameworks. Such interesting topics as organizational identification and other affective states, or interpretation of values within an organizational context had to be left out due to the nature of data. Including these types of topics in the interview protocol could have brought further detail to analyses, and I am aware that other kinds of analysis schemes could have been possible. What I could have done is brought a second opinion to the analysis stage and used more description along the way. For instance, summaries of whole interview stories, and more thorough documentation and analysis of my own experiences could have been used as additional data. For the sake of report brevity, these ideas were rejected at the analysis stage.

5.4 Ideas for further research

This research has presented a model for promoting values in a multinational enterprise, consisting of factors relevant to the success of the managerial intervention in relation to the belief context, values, and process and practices. Several further research ideas have emerged during and as a result of this research project, ranging from testing the model of promoting values to studying various details in it. Before entering this discussion, I would like to repeat three challenging research areas that have been mentioned already earlier:

- What is the actual impact of promoting values? E.g. how do firms differ in the impact of promoting values?

- To what extent have company employees actually adopted espoused values, and to what extent do people apply these values in their behavior? Also, how are promotion strategies related to adopting values? What is the process of adopting company values?

- How could the ideas proposed in this study be applied in other kinds of managerial interventions: strategy process, vision statements, mission statements, a major change program, implementation of a management information system, and so on?

Due to the propositional nature of the model on promoting values and practical ideas related to it, an evident future research topic is the **testing and verification** of ideas produced concerning the promotion of values. The framework for analyzing organizational beliefs in a multinational enterprise should be tested and confirmed in future studies. For instance, future exploration could focus on the suitability of the framework of perceived subcultural consistency, uniqueness, and consistency with environment complemented with emergent, descriptive attributes in different types of organizations. Detail should be added to the framework especially in the dimensions of uniqueness and consistency with environment. In any case, in the future studies of organizational beliefs, quantifiable traits should increasingly be complemented with comparative identity and culture beliefs to produce more realistic information on the link between organizational culture and performance, and to make analysis results of different sections in the multinational firm comparable. Secondly, future studies should determine the functionality of the model of promoting values and determine to what extent the propositions in Chapter 5.2 lead to the successful promotion of values in other firms. Thirdly, of interest is the exploration of potential differences in the promotion of values across firms, including smaller and medium-sized organizations.

My focus has been primarily on the ideational aspect of organizational culture, and managerial interventions used in influencing beliefs. The study has given some ideas on how organizational beliefs may or may not lead to practices, but further research is needed. I would like to refer to Schultz and Hatch (1996) in encouraging empirical studies on **paradigm interplay**, for instance between organizational beliefs and the cultural system, or organizational beliefs and systems and structures. One area of interest is how constituents' concrete beliefs, for instance those concerning organizational structure or physical surroundings, are formulated and connected to the formation of the central, abstract organizational beliefs concerning identity and culture. Gagliardi (1990) has gathered a collection of writings on physical organizational settings and their role in organizational culture. The process by which organizational beliefs are manifested in certain symbols and myths, and transformed into them also seems very interesting.

Interview results supported the prevailing view that organizational beliefs are malleable, and indicated that organizational identity beliefs were more so than culture beliefs. The

malleability of beliefs should be explored further to increase understanding on the mechanisms by which beliefs are altered. For instance, the concept of the change acceptance zone, its dimensions and implications in an organizational context should be studied to discover new ideas on the implementation of managerial interventions, and on the improvement of adaptability on the organizational level. Forms, traits, indications and implications of the malleability of beliefs as well as tools to promote adaptability other than values are potential research areas. The increased number of studies from the fragmentation and differentiation perspective already indicates this direction (Martin and Frost 1996), as do studies on the belief gap and tools used to promote it (Reger et al. 1994b). Also, methods and tools could be developed for identifying the culture and identity gaps.

As for **value statements**, this study showed that ideally the statements have ambiguous purposes and a large number of different interpretations. The ambiguity of the purpose of values is one area for future study: what is it for instance at the level of one single value, what are its implications, how can it be achieved. The results have demonstrated that value statements may have different positions within (or outside) the change acceptance zone of organizational identity and culture beliefs. The conflict and danger zones in particular are largely unexplored, so far, and further research is needed for organizations to avoid using values as a managerial intervention in this kind of situation. Knowledge of values, the exactness or superficiality of knowledge, was explored only briefly and requires further study. Of interest would be to learn about the impact of knowing the values on experiencing values, behavior, expectations, and other topics. The relationshop is considered evident, but is it so in reality.

As concerns **management by values**, this study has primarily explored the promotion process and briefly the creation and evaluation stage, and only superficially estimated the potential role of promoting values in other stages of the learning process. A more thorough empirical study on the management by values process or its other stages is timely. For instance, how do value statements translate to decisions and actions? Which factors drive and restrain the creation of "correct" values? Why do some persons consciously use values and others do not? It would be interesting to further explore the multinational aspect inherent in this: how, for instance, is being part of the organizational "core" reflected in value-related decision making? Is it easier for people at core units to ensure consistent behavior? This knowledge is relevant not only to make easier the mutual understanding of different cultures but also for providing tools to enforce value-related action all over the globe.

Continuous **interpretation of values** was in this study considered critical to maintaining the influentiability of values as a managerial intervention. The context-boundedness of interpretation was thought particularly important. Further study is needed on how to facilitate the constant interpretation of values to maintain the desired adaptability. Studies could also explore how personality and context characteristics are transformed into interpretation at the personal and group levels. For instance, could

there be a way to forecast and guide interpretation, knowing a person's past, or take individual level issues into account better in value-related socialization.

In a global business environment, the localization of **value-related socialization** was identified as problematic, but desired and expected. As empirical studies are particularly scarce in this field, many kinds of studies are needed in the future. Several ideas have been mentioned already earlier. For instance, what, in more detail, should the localization process be like especially in the case of promoting values, compared to other managerial interventions? How could socialization practices support the development of individuals' responsibility for implementing the values? What kinds of modern, practical individualized or adaptive socialization practices are there to promote values, especially during the later years of organizational membership? Early ideas on topics of this kind are presented by Ikävalko and Martinsuo (1998) and Martinsuo and Ikävalko (1999). Comparison of different value-related socialization practices should be made, to elaborate on the model of what practices suit what situations. Effectiveness studies (before - after) are important, to clarify outcomes of socialization. More profound studies of single socialization practices and their usefulness in influencing beliefs may also be of interest.

The study of **organizational innovations** that are based on value-related socialization is of interest, too. This qualitative exploration identified many kinds of perceived outcomes of promoting values, such as new kinds of attitudes, improved organizational performance, and so on. However, at the same time criticism was levied against the realization of single values. Future studies should focus on what kinds of organizational innovations emerge as the result of promoting values, both at the individual, group and organizational levels. We could also ask, what kinds of factors in the promotion of values drive and restrain the accomplishment of desirable organizational innovations. On a more practical level one may ask what has lead to these innovations, how have they been carried out, what has influenced their success or failure, and what are the final outcomes.

Finally, I would like to highlight the potential question of **productization.** Recent literature has encouraged taking managerial interventions in a more product-like manner (Koivula 1998, Pankakoski 1998). In the case of management by values or the stage of promoting values, one may ask whether it or parts of it could be productized and sold as a consultant service. Consultants have indeed sold their services for firms at least at the creation stage of values. However, empirical studies rarely reveal how these processes end up. Studies on disseminating and the local tailoring of productized development methods show promise and encourage investigation into the issue on the promotion of values (e.g. Pankakoski 1998).

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APPENDICES

Appendix 1. Sample information by interview type.

	All	Employees	Managers
N	324	242	82

Continent	All	employee groups	manager groups	Chi-square	p
	%	%	%		
Europe	54	54	55	0.205	
Americas	29	30	27		
Asia	17	16	18		
Total	100	100	100		

Country	All	employee groups	manager groups	Chi-square	p
	%	%	%		
Finland	35	38	29	9.576	
UK	13	12	15		
Germany	6	5	11		
USA	24	23	25		
Mexico	5	6	2		
Japan	5	5	4		
Singapore	7	7	7		
China	5	4	7		
Total	100	100	100		

Division	All	employee groups	manager groups	Chi-square	p
	%	%	%		
NMP	50	48	57	5.491	
NTC	41	41	39		
other	9	11	4		
Total	100	100	100		

Unit type	All	employee groups	manager groups	Chi-square	p
	%	%	%		
Production	29	33	17	8.23	*
R&D	39	38	44		
General, office	32	30	39		
Total	100	100	100		

Number of interviews and participating persons by continent and division.

	NMP		NTC		Other		Total	
	interviews	persons	interviews	persons	interviews	persons	interviews	persons
Europe	22	72	25	74	9	30	56	176
Americas	16	65	7	29	0	0	23	94
Asia-Pacific	13	25	10	29	0	0	23	54
Total	51	162	42	132	9	30	**102**	**324**

Appendix 2. Respondent profile by interview type.

	All	Employees	Managers
N	324	242	82

Sex	All	employee groups	manager groups	Chi-square	p
	%	%	%		
female	45	52	24	20.118	***
male	55	48	76		
Total	100	100	100		

Age	All	employee groups	manager groups	Chi-square	p
	%	%	%		
below 25 years	9	12	2	29.299	***
26-35 years	54	58	42		
36-45 years	27	20	48		
46-55 years	7	7	7		
over 55 years	0	0	1		
N.A.	3	4	0		
Total	100	100	100		

Task	All	employee groups	manager groups	Chi-square	p
	%	%	%		
production, maintenance	12	15	4	45.94	***
product development, research	29	32	20		
production planning, control, quality	3	3	4		
sales, marketing, customer service	20	18	26		
(general) management	6	1	18		
finance, human resources, administration	21	20	24		
other or combination	9	11	5		
Total	100	100	100		

Education	All	employee groups	manager groups	Chi-square	p
	%	%	%		
primary or secondary school	4	5	0	23.326	**
highschool	7	8	5		
vocational school	6	7	1		
college, vocational college, bachelor	52	54	45		
university, master's	28	23	42		
university, higher	2	1	6		
other	0	0	0		
N.A.	1	1	1		
Total	100	100	100		

Nokia tenure	All	employee groups	manager groups	Chi-square	p
	%	%	%		
below 1 year	14	17	7	17.953	**
1-5 years	65	66	60		
6-10 years	13	12	17		
11-20 years	6	3	13		
21-30 years	2	2	2		
over 30 years	1	0	1		
N.A.	0	0	0		
Total	100	100	100		

Other years of service	All	employee groups	manager groups	Chi-square	p
	%	%	%		
below 5 years	51	56	37	13.571	**
6-10 years	26	24	31		
11-20 years	19	16	27		
21-30 years	2	1	5		
over 30 years	0	0	0		
N.A.	2	2	0		
Total	100	100	100		

Comments	All	employee groups	manager groups	Chi-square	p
	%	%	%		
no	31	27	43	9.259	
yes, on Nokia	2	3	1		
yes, on interview	41	44	32		
yes, on both	14	13	8		
yes, on other	12	14	15		
Total	100	100	100		

Appendix 3. Data collection and analysis procedure: the interview tour.

Research interviews were conducted at Nokia unit by unit, and the arrangements followed a consistent procedure. This Appendix presents how initial contact was made and how information was provided to each site, how interviews were arranged, carried out and recorded, and what steps were taken after each interview and the whole tour before the actual analysis stage. Other informant interviews were arranged directly with each person in question (or an assistant): an introductory letter on the project was E-mailed or faxed, and a meeting was arranged when convenient for the interviewee in his or her own office or conference room. This procedure will not be handled with further detail here; it was otherwise similar to group interviews but arrangements occurred personally and not through contact persons.

All the interviews took place inside four months, December 1997 through March 1998. Due to the intensity of that time period, the research team called the project phase the interview tour. The project design and planning took place during autumn 1997, and transcribing, coding, and analysis between April and October 1998. In this sense, the study is very cross-sectional in nature. As compared to the usual pace of changes in Nokia, the interview time period was not exceptional in any way.

Informant selection and interview arrangements

At the planning stage, the project team selected the units for study and made an early sketch of a schedule for site visits. The idea was to start from the Finnish units where travel and other arrangements were easier for the researcher, and then continue country by country in Europe, the U.S., and the Far East to avoid flying back and forth. This initial schedule did not materialize as such, but it provided a good starting point for discussions with unit contacts.

Contact with each site took place after the Nokia project team had sent initial information on the project to the potential contact persons. I sent an informative E-mail message personally to each contact and briefly stated the objectives of the project, my wishes concerning the sample in the unit, and potential dates for the site visit. Unless the person responded within a few days, I phoned him or her to set the date for the unit visit and answer possible questions. The effort required for establishing the interview date varied greatly unit by unit: sometimes, just two messages were needed, but in two cases, several messages were exchanged, the contact person changed, and the interview date was postponed three times which was followed by a rearrangement of the country schedule. All established contacts, however, resulted in interviews and an opportunity for data collection, as requested.

About one week before the set interview date, I asked the contact person to confirm the details of the meeting such as schedule and approximate number of interviewees per group, and sent an informative letter to be delivered to the interviewees. This letter provided information of the project objectives, interview topics, and informant anonymity and response confidentiality. I assured the interviewees that there was no need to prepare for the interview, and gave my contact address in case someone would have questions related to the project. Some contact persons provided me with a detailed schedule and a participant list at this stage, others just confirmed the date and starting time and provided schedule details only at the start of the visit.

Interviews and data recording

At each unit, the interviews lasted the whole day. The site visit usually included two employee group interviews, and one to three manager sets, totalling three to five interviews per day. In some units, a factory or office tour was added to the program. The agreed day schedule changed in some units due to managers' tight timetable, missing persons or other reasons. Nevertheless, all interview dates were successes in that despite some problems, all were held and a decent number of participants were present. There were three particularly problematic cases: in two units, interviewees did not show up at agreed times, and at one site no interview arrangements were made prior to my arrival in the country. In these cases, it took some time to get the discussions going, the number of interviewees was lower than expected, but the discussions proceeded as well as any others. In total, the final number of interviewees was somewhat smaller than was initially planned as groups were smaller and managers fewer, but that made discussions easier.

During each interview day, interviews took place in a small conference room reserved for that purpose. At the start of each interview, I introduced myself and the project, explained the purposes of the study, referred to confidentiality, and told about general results being published in Nokia's internal magazine. The interviewees were given a chance to introduce themselves briefly, and tell about their current tasks and tenure at Nokia to lead the discussion into the characteristics of Nokia.

After the introductions, the interviews were easy to start with the question of what Nokia is like (unit presentation or critical incident in the case of managers). In most cases the interviews proceeded fairly smoothly from one question to another. Sometimes respondents covered many interview topics without me needing to intervene. Some groups, for instance, took up the issue of change during the identity descriptions, and I then just prompted for some details, as my role was more to keep the discussion on track than present questions. In individual or very small group interviews, a tighter interviewer role and question setting was needed.

During the interviews, I endeavored to keep the questions open-ended, give interviewees the freedom to express themselves and listen what each of the respondents had to say. To encourage further discussion, I made prompting questions such as "what do you mean by that" or "could you elaborate on that a little" or "how about you others, do you agree with this". I have earlier experience in both individual and group interviews and consider it important not only to focus on what the active speakers are saying but also encourage from time to time the more quiet persons to speak. In addition to words, I took note of nodding, expressions of enthusiasm, disagreement, and other gestures. I also tried to act as if every discussion was the first interview and I had no previous knowledge about the firm or the unit. I tried to keep up a fair schedule so that each topic could be handled and none would be cut short before all important points were mentioned.

All interviews were carried out by me in Finnish, English, or German, depending on the national language at each target site. There were two minor exceptions to this: in one interview in Finland, the discussion was held in English due to one expatriate participant, and in Germany, one discussion contained both English and German to accommodate the wishes of a Finnish expatriate who was not, yet, comfortable with speaking German. In the latter case, English was back-translated to German so that non-English speaking participants would be able to follow the discussion. The language

selection limited the participants largely to the three language groups, which is an obvious sample bias.

Using an interpreter was given as an alternative to ordinary interviews in Mexico and the Far Eastern countries where none of the above languages are native. As English is the official language of the company, the managers and office personnel in Japan, Singapore, China, and Mexico spoke English and no interpreter was needed. With two large groups of non-English speaking employees in Mexico and one large group in Singapore, the interview was carried out differently from the initial plans. In these cases, the large groups were divided into two smaller groups. In Mexico, I presented the interview questions both orally and on paper to the groups; each group had one English speaking person who translated my questions to Spanish, the groups discussed in Spanish, and wrote down responses to the questions on paper in English. After each question, the translator repeated to the group what he or she had written down for the responses, and the group corrected details at that stage. In the Singapore groups, discussion was held in English and responses were written down as in Mexico. I afterwards prompted the most important issues in English with the interpreter, asked the group if they would like to emphasize something in certain topics, and asked to confirm whether the main topics were now written down. I wrote these and other own observations into my field notes. In these interviews, the resulting transcripts are much shorter from what I wrote down in other discussions, but the discussion topics are equally clear and quite similar to other interviews. The interviewees in these groups commented in the respondent profile forms that they were glad to have had the chance to discuss important topics openly. My motive for carrying out these interviews this way was precisely this need to give consistently positive experiences to employees, irrespective of language, and not just focusing on my need for data. Direct interpretations in a group of eight persons would not have functioned as nicely.

I took notes at all the interviews. The project team agreed not to use audio recording due to the promise to maintain respondent anonymity, the obviously large amount of tapes and transcripts, and the desire to focus on the main topics and experiences and not on narratives. According to Stake (1995), audiotaping is valuable for catching the exact words used, but the cost in making transcripts and the annoyance for both the respondent and researcher argue strongly against it. The researcher should, rather, develop skill in keeping shorthand notes and count on member checks to get the meanings straight. I have earlier experience in taking notes in group and individual interviews and have learned certain techniques for recording interview accounts as reliably as possible. For instance, I have used consistent abbreviations of the most typical words to shorten time required for note taking, I have paid particular attention to issues that the group has agreed or disagreed upon, and I have used certain symbols to signify various response types and reactions (quotation marks refer to direct quotation, underlining means that a topic is agreed upon, ☺ means that a topic was joked about, an arrow signifies a relationship or process between two topics, and so on). Eventually, some data is missed in note taking, as for instance Jones (1996) has demonstrated. Alvesson (1996), and others especially in the field of case study research note that exact narratives do not need to be saved as long as the content theme and flow of issues remains as good as possible. That has been my aim.

At the end of each discussion, the respondents were thanked for their time and the good discussion, and they were asked to fill in the background information form and give further comments. All respondents filled in the profile form, except for two groups at

the start of the tour where the details were requested only orally and taken note of by me. In some discussions, some persons remained in the room to clarify a point in the conversation or comment on the interview, and these were added to the field notes. In some cases, a person had to leave in the middle of the discussion, and he or she was thanked and prompted to fill in the profile form at that point.

Post interview tour actions

The interview day in most cases finished with a meeting with the contact person and thanking him or her for the arrangements. The notes were checked and completed, and the last field notes were written down. About a week after each interview, a thank you E-mail was sent to the contact persons to inform them about the report and internal article that would be made of the interview tour. After the tour, all hand written notes were typed on computer files. At this stage, the data and background information were separated to further enhance interviewee anonymity. The data files were named by interview date and number, and participant information was attached to these interview numbers. No unit level reports were created due to the small amount of data per unit, but the data was viewed as a whole as documented in the analysis chapter.

The interview data was pre-analyzed right after the interview tour during summer 1998, and a company report was written of the topics that the contact HR persons had requested. The report gained its final form through two meetings and E-mail and phone conversations with the project team. It was delivered to site contact persons by the project team, an article was written for the internal magazine of Nokia, and the report was put into the intranet pages of Nokia. Two presentations were given to the project team and interested site contact persons, and these presentation materials were made available to others through intranet. The meeting occasions were used to verify some issues in the content of the report and get other feedback from the contact persons. Also, some plans were initiated on how to use the findings to develop value related programs at the global level.

Analysis arrangements

The respondent profile data except for handwritten comments were typed into an SPSS 7.5 file. Each respondent received a personal identification number (1 - 324), an interview number (1 - 102), and an interview day number (1 - 28), the latter of which could be used to tie the respondent profile data to actual interview data. Furthermore, all background data was coded numerically except for the current job task and educational field that were typed as written by the respondent. Respondents were coded based on whether they had commented on the interview, the firm, the values, many of these, or none. This data was used to describe the sample as presented in the chapter on research material.

Notes from all the interviews were typed on text files, one file per interview for employee and manager interviews (totalling 102), and other informant interviews (16). At this stage, handwritten abbreviations were written in full, and unclear notes were removed. My initial impression from each interview was included in these files as an endnote. Each employee and middle management interview data file was given a name that consisted of the number of the interview (1 - 28), a country code, a division code, a group code (managers or employees), and an interview number. Other informant interviews were identified through their division and informant’s initials. The naming

system made the data easy to scan when it was combined into two hermeneutic units in Atlas/ti: employee and manager interviews, and other informant interviews. Also, the naming system helped me to recall exact interview scenes when analyzing the data. The data were organized by interview date and interview.

Respondents' comments and my fieldnotes during the interview days were typed to one file per site visit, totalling 26 comment files. The two missing comment files resulted from the two days when background information was taken orally, and my comments were included in the endnotes of the interview files. The comment files were identified by interview date, country, and division codes. The coding took place by interview type, interview, and question, i.e. employee and middle management data were coded first from first to last interview, starting from organizational belief issues, then continuing with value related topics, and finally socialization. For other informant interviews, the values creation and promotion process was coded first, and then experiences.

Appendix 4. Employee interview questions.

1. Introduction

- Me and they
- Topic & expectations
- Confidentiality, open discussion, notes

2. Characteristics of current operation

- What kind of a firm is Nokia from your viewpoint?
- What is it like to work here?
- How does it differ from other companies?
- What is typical to daily worklife?
- Why have you selected to work for Nokia?

3. Organizational history: critical incident

- What is from your viewpoint the most significant change, topic or event in Nokia in the past years?
- What happened? What caused the event? How was the event handled? What was the result?
- How did you experience it? What was your role? Who were the key people?

- What is the most significant event in your own unit in the past years?
- What happened? What caused the event? How was the event handled? What was the result?
- How did you experience it? What was your role? Who were the key people?

4. Values history

- When did you hear first about the values?
- In what contexts have they been expressed?
- What do you think is the purpose of the values?
- What kind of procedures/initiatives have been used to support the values?
- How have you experienced the process?
- What role do the values have for you?

5. Interpretation of values (value by value)

- What does this value mean for you?
- What kind of behaviors do you attach to this value?
- In what kind of situations have you “felt” this value in practice?

6. Conclusion

- Questions or comments?
- Thanks
- Presentation of results in the internal magazine

Appendix 5. Manager interview questions.

1. Introduction

- Me and they
- Topic & expectations
- Confidentiality, open discussion, notes

2. Company information

- Products, strategies
- Current operation
- Where does your unit come from, where is it now, and where is it going

3. Organizational history: critical incident

- What is from your viewpoint the most significant change, topic or event in Nokia in the past years?
- What happened? What caused the event? How was the event handled? What was the result?
- How did you experience it? What was your role? Who were the key people?

- What is the most significant effort that you have had to organize in the past years?
- What happened? What caused the event? How was the event handled? What was the result?
- How did you experience it? What was your role? Who were the key people?

4. Values history

- When did you hear first about the values?
- In what contexts have they been expressed?
- Have you used them in some way? For what purposes? What has been your role?
- What kind of procedures/initiatives have been used to support the values?
- How have you experienced the process?
- What role do the values have for you?
- What is the role of values in organizational management?

5. Interpretation of values (the most timely one)

- What does this value mean for you?
- What kind of behaviors do you attach to this value?
- In what kind of situations have you “felt” this value in practice?

Appendix 6. Other informant interview questions.

1. Why and when was the need for stating values noticed?

- How, by whom?
- What was the triggering event in this?

2. How were the values created?

- What was done?
- Who lead the process?
- Who were involved and to what extent? What was your role?
- What tools/mechanisms were used in the creation process?

3. How were the values promoted after creation?

- What material was created?
- Who participated in the promotion? What was your role?
- How long did it last?
- What was the purpose in this?
- What kind of guidelines did people get on communicating the values?

4. How have the values been enforced after initial promotion?

- What kind of other material has been created?
- How has the original material been renewed, and how are they now used?
- What problems are there? What should be done differently?
- What kind of examples do you have about conflicting behaviors?
- What will happen in the future in relation to values?

5. What kind of impacts have you noticed from the values process?

- How have you experienced the process, what is your opinion?
- Has the organization or something in it changed after or due to this?
- How do you see the values in managerial decision making?

6. What do you see as the most important ways of promoting the values from now on?

- Is there something more to do? Should some new actions be taken into use?

Appendix 7. Analysis codes.

1. What kind of organizational beliefs do members have in a multinational firm?

Interview section	Variables: employees	Variables: midman	Variables:topman
identity beliefs critical incident	trait:size trait:multinational trait:success trait:turbulence trait:youth trait:informality trait:autonomy trait:high pace trait:sense of direction/purpose trait:team-spirit trait:support trait:adv.technology trait:good firm trait:challenge trait:hard work trait:openness trait:security trait:formality trait:lack of direction trait:inequality trait:slow pace trait:people orientation trait:other identity critical incident bscoll:yes bscoll:no bscoll:ind. subculture bscoll:prof. subculture bscoll:nat. subculture bscoll:P-O fit bscoll:espoused-enacted bsfwe:yes bsfwe:no bsfwe:contingencies bsfwe:strategic fit bsuniq:yes bsuniq:no bsother chan:growth chan:focus chan:local, organizational chan:internationalization chan:way of working chan:constant changes chan:rationalization/stream-lining chan:other local chan:other global chan:no change	critical incident bscoll:yes bscoll:no bscoll:ind. subculture bscoll:prof. subculture bscoll:nat. subculture bscoll:P-O fit bscoll:espoused-enacted bsfwe:yes bsfwe:no bsfwe:contingencies bsfwe:strategic fit bsuniq:yes bsuniq:no bsother chan:growth chan:focus chan:local, organizational chan:internationalization chan:way of working chan:constant changes chan:rationalization/stream-lining chan:other local chan:other global chan:no change	

2. What is the position of value statements in relation to the prevailing organizational beliefs and generally in the management of the multinational organization?

Interview section	Variables: employees	Variables: midman	Variables:topman
previous + interpretation of values	val:first value val:respect val:customer val:achievement val:learning val:collectiveness val:uniqueness val:fit with environment pur:current identity pur:ideal identity pur:current culture pur:ideal culture pur:all have/must have pur:no purpose pur:ideal image pur:other memory:all memory:part memory:none	val:first value val:respect val:customer val:achievement val:learning val:collectiveness val:uniqueness val:fit with environment pur:current identity pur:ideal identity pur:current culture pur:ideal culture pur:all have/must have pur:no purpose pur:ideal image pur:other memory:all memory:part memory:none	pur:current identity pur:ideal identity pur:current culture pur:ideal culture pur:other pur:ideal image pur:all have/must have

3. How are values promoted, and how is value-related socialization experienced in the multinational firm?

Interview section	Variables: employees	Variables: midman	Variables:topman
values creation values promotion	prom:recruitment, selection, hiring prom:induction prom:pem prom:recognition and reward prom:training programs prom:magazines prom:materials prom:toolkit and games prom:special sessions prom:management kickoff prom:survey prom:other prom:role of values in the tactic prom:management communication prom:no promotion opin:good process opin:poor process opin:good content opin:poor content opin:other opin:expectation opin:good outcome opin:poor outcome opin:realization	prom:recruitment, selection, hiring prom:induction prom:pem prom:recognition and reward prom:training programs prom:magazines prom:materials prom:toolkit and games prom:special sessions prom:management kickoff prom:survey prom:other prom:role of values in the tactic prom:management communication prom:no promotion opin:good process opin:poor process opin:good content opin:poor content opin:other opin:expectation opin:good outcome opin:poor outcome opin:realization	context team opinion initiation (1) initial promotion (2) continuation (3) plans (4) other strength:content strength:process strength:outcome weakness:content weakness:process weakness:outcome opportunity:content opportunity:process opportunity:outcome threat:content threat:process threat:outcome

Appendix 8. Interview data coding procedure and categories.

Different coding logics and variables were used when analyzing different parts of the employee and manager interviews.

Organizational beliefs

The two primary analysis logics used in the first question area are description and pattern matching. The theoretical basis for this study lead me to look for descriptive, adjective-type identity attributes (traits) of which some would be shared, some not, and comparative attributes of subcultural consistency, uniqueness, and consistency with external environment. Based on examining the data, a coding scheme was developed to contain descriptive organizational identity **attributes** (23 categories). As descriptive attributes, I have mainly coded adjectives and adverbs describing the organization's character: what it is like, and what work is like at Nokia generally. "Informality", "high pace", and "security" are examples of the categories used. Both characterizations of the global firm and nature of daily work were included. At this stage, elements referring to comparison with competitors, differences within the company, or relation to customers' expectations or national environment were excluded. Altogether 597 traits were identified in the 53 employee interviews. The data were transformed for further analyses, i.e. in each interview transcript, each trait was either mentioned (coded 1) or not mentioned (0). On average, groups used seven different traits to characterize Nokia (0 - 15). The number and percentage of interviews mentioning each trait was calculated. Descriptive attributes of the firm were to be found only in the indirect belief question, not in the direct, critical incident question.

In addition to the 23 descriptive attributes, a pattern of three types of **comparative beliefs** was used in coding the data: subcultural consistency (5 categories), uniqueness (2), and consistency with external environment (2). Each quotation was further coded as "yes" or "no" referring to the perceived existence or lack of subcultural consistency, consistency with environment, or uniqueness. Additionally, the type of critical incident was coded (10 descriptive items, explained below).

Response to Nokia characterization and change event description was coded as a type of subcultural consistency if the description contained comparisons between nationalities, divisions or units, professions or groups, one's own expectations and organizational operation, or espoused and enacted values. Beliefs were coded as a type of consistency with the environment if a comparison was made between strategic decisions and environment expectation, or operative choices and national, industrial, market, or other environment. Another set of beliefs was coded as uniqueness if the firm was compared with competitors or other employers. At this stage, uniqueness was divided into superiority, inferiority and similarity as different types of uniqueness or the lack of it due to responses including all of these.

Afterwards, the codes were combined to formulate 17 comparative belief categories indicating the existence or lack of a type of subcultural consistency, consistency with environment, or uniqueness, for instance perceived inconsistency between nationalities, superiority, and consistency between strategy and external environment (as described in Table 1). After coding, references to comparative beliefs were split into two parts: those concerning organizational identity (from characterization of the firm), and those concerning organizational culture (from critical incident). Altogether 533 remarks

fitting to the categories of subcultural consistency, consistency with environment, and uniqueness were coded in the *identity* descriptions of the 102 employee and manager groups. A total of 921 comparative statements were coded in the *culture* descriptions of the employee and manager groups. Both in identity and culture beliefs, the data were transformed to signify that a belief was either discussed (coded 1) or not discussed (0) in an interview. The number and percentage of interviews dealing with each of the topics was calculated for display and comparison purposes.

Table 1. Description of the final comparative belief categories.

Category	**Meaning**
Organizational beliefs	*Respondents have in some manner described how...*
Consistency between nationalities/countries	different nationalities, or units in different countries understand each other well, cooperate, or aim to improve understanding, cooperation
Inconsistency between nationalities/countries	different nationalities, or units in different countries do not understand each other, cooperate, or there are threats to understanding, cooperation
Consistency between industries/units	different divisions or units understand each other well, cooperate, or aim to improve understanding, cooperation
Inconsistency between industries/units	different divisions or units do not understand each other, cooperate, or there are threats to understanding, cooperation
Consistency between groups/professions	different professions or groups understand each other well, cooperate, or aim to improve understanding, cooperation
Inconsistency between groups/professions	different professions or groups do not understand each other, cooperate, or there are threats to understanding, cooperation
Consistency between person and organization	individual's preferences match well with those of the organization or how the organization operates
Inconsistency between person and organization	individual's preferences are not congruent with those of the organization or how the organization operates
Consistency beetween espoused and enacted values	the organization's espoused values are well in line with how it operates
Inconsistency between espoused and enacted values	the organization's espoused values are not consistent with operation
Superiority compared to other firms	the company is different from institutional alternatives (competitors and other employers) in a positive sense
Inferiority compared to other firms	the company is different from institutional alternatives (competitors and other employers) in a negative sense
Similarity compared to other firms	the company is similar to or does not particularly differ from institutional alternatives (competitors and other employers)

Table 1. continues

Category	**Meaning**
Organizational beliefs	*Respondents have in some manner described how...*
Consistency between operations and external environment	operations have somehow succeeded, fulfilled an external party's (e.g. customer's) expectations, or fit the local (e.g. national) business environment
Inconsistency between operations and external environment	operations have somehow failed, failed to fulfill an external party's (e.g. customer's) expectations, or not fit the local (e.g. national) business environment
Consistency between strategy and external environment	strategic choices have somehow succeeded, built success for the firm, and been accepted as valid and functional both internally and externally
Inconsistency between strategy and external environment	strategic choices have somehow failed, failed to build success for the firm, and rejected as valid and functional internally and externally

The critical incident was used as a descriptive context where the focus was more on the way of operating in that particular context than on the organizational character in general, and it was used in exploring the organizational culture beliefs of the respondents. In most of the interviews, both a Nokia level and a local incident was handled. I coded ten change categories within the incident descriptions so that each document would only receive a 1 (change handled) or 0 (change not handled) in the case of each change category. After numerical categorizing, 185 change incidents were covered altogether in 102 interviews. Change topics and corresponding figures are in Table 2.

Table 2. Frequency of the critical incidents discussed, n=102.

Critical incident	**n**	**% of interviews**	**% of changes**
growth	58	57	31
local, organizational	24	24	13
focus on telecoms	21	21	11
constant changes	13	13	7
way of working	13	13	7
no change	10	10	5
rationalization	9	9	5
internationalization	7	7	4
other global	21	21	11
other local	9	9	5
sum	**185**		**100**

The most often discussed change category was clearly the growth of the firm, in over half of the interview groups. Local, organizational changes were handled the second most, including for instance structural and managerial changes. Recent focusing on telecommunications was discussed the third most. Thirteen percent of the groups claimed initially that changes have been constant and no single event can be identified, but many then, however, focused on growth or another issue. Thirteen percent described changes in the way of working locally, and ten percent did not identify any particular

changes in the operation of the firm as being more significant than others. Other global changes included such shifts as external image change, top management change, global product changes, name change, structural changes in global organization, changes in the competitive situation, global bonus program, and the new performance review program. Other local changes include a local crisis, product change, a new building, change of production emphasis, and so on.

The change events were often exploratory in the sense that a group "sought" a good change and then continued only after negotiating the change that seemed the most relevant to them. This is one reason for many events being handled in part of the interviews. The groups then continued by describing how the event proceeded and how it was handled in their experience and opinion.

Value statements

When analyzing results concerning the knowledge, purpose, and interpretation of value statements, description and pattern matching have been used as analysis logic. Earlier findings in literature and data examination lead me to develop simple descriptive categories for the knowledge and purpose of values, and a pattern of performance-related attributes of subcultural consistency, uniqueness, and consistency with environment in the interpretation of values. Therefore, codes were developed for the perceived **knowledge** (3 categories), **purpose** (8), and **interpretation** of values (8, including the "first value"). Each respondent group was aware of the espoused values to some extent, which is why the knowledge categories were developed to contain different types of deviance from knowing the values. For the eight purpose categories, a pattern was developed from ideal and current identity and culture, to which four descriptive categories were added, based on the data content. As for interpretations, I coded the four values of Nokia, the most important or difficult value in the groups' opinion, and what within the interpretations represented subcultural consistency, uniqueness, or consistency with environment. To make the data comparable, I developed a super-code for each combination of values and comparative beliefs, resulting in 15 interpretation categories (see Table 3). The data was transformed to show whether each topic was discussed within the interview (coded 1) or not (0), and the number and percentage of interviews dealing with each of the topics was calculated for display and comparison purposes.

Table 3. Description of the final categories used for interpreted values.

Category	**Meaning**
Value statements	*Amongst respondents...*
first value: customer satisfaction	customer satisfaction is the most important or the most difficult value in their unit
first value: respect for the individual	respect for the individual is the most important or the most difficult value in their unit
first value: achievement	achievement is the most important or the most difficult value in their unit
first value: continuous learning	continuous learning is the most important or the most difficult value in their unit

Table 3. continues

Category	**Meaning**
Value statements	*Amongst respondents...*
subcultural consistency: customer satisfaction	customer satisfaction is interpreted in terms of some of the aspects of collectiveness: national, division or unit, group or profession collectiveness, or P-O fit or espoused - enacted consistency or outcomes of such collectiveness
subcultural consistency: respect for the individual	respect for the individual is interpreted in terms of some of the aspects of collectiveness: national, division or unit, group or profession collectiveness, or P-O fit or espoused - enacted consistency or outcomes of such collectiveness
subcultural consistency: achievement	achievement is interpreted in terms of some of the aspects of collectiveness: national, division or unit, group or profession collectiveness, or P-O fit or espoused - enacted consistency or outcomes of such collectiveness
subcultural consistency: continuous learning	continuous learning is interpreted in terms of some of the aspects of collectiveness: national, division or unit, group or profession collectiveness, or P-O fit or espoused - enacted consistency or outcomes of such collectiveness
uniqueness: customer satisfaction	customer satisfaction is interpreted in terms of uniqueness, exceptionality, distinctiveness amongst institutional alternatives, such as competitors and other potential employers
uniqueness: respect for the individual	respect for the individual is interpreted in terms of uniqueness, exceptionality, distinctiveness amongst institutional alternatives, such as competitors and other potential employers
uniqueness: achievement	achievement is interpreted in terms of uniqueness, exceptionality, distinctiveness amongst institutional alternatives, such as competitors and other potential employers
uniqueness: continuous learning	continuous learning is interpreted in terms of uniqueness, exceptionality, distinctiveness amongst institutional alternatives, such as competitors and other potential employers
consistency with environment: customer satisfaction	customer satisfaction is interpreted in terms of strategic or operative fit with the external environment and external constituents' expectations
consistency with environment: respect for the individual	respect for the individual is interpreted in terms of strategic or operative fit with the external environment and external constituents' expectations
consistency with environment: achievement	achievement is interpreted in terms of strategic or operative fit with the external environment and external constituents' expectations
consistency with environment: continuous learning	continuous learning is interpreted in terms of strategic or operative fit with the external environment and external constituents' expectations

Promotion of values

The third question area was covered partly in the employee and middle management interviews, partly in other informant interviews and the document material. Two primary techniques were used in coding and analyzing the interview data. Firstly, program logic models were used to identify the process of creating and promoting organizational values. For this purpose, other informant interviews were coded in their

values creation and promotion process items (6 categories). No separate categories were developed in employee and manager interviews to cover the process of values promotion: these items are included in the below mentioned promotion practice and experience categories. Secondly, descriptive categorizations were used to explore two particular issues of interest in these processes, namely the promotion practices, and experiences. In the employee and manager interviews, codes were developed for **practices for promoting values** (15 categories). In each interview transcript, each practice mentioned was coded and given 1, and if the practice was not mentioned, it was coded 0. The **experiences of values promotion** were coded both in employee and middle management groups (9 categories) and in other informant data (12 categories). In employee and manager groups, I coded all comments for positive and negative content, process or outcome category, and other opinions, realization of values, and expectations. Other informant interviews contained more future orientation, and therefore not only the strengths and weaknesses but also opportunities and threats in content, process, and outcomes were identified. The data was transformed as in other question areas, and frequencies were calculated. The document material will be separately referred to when used; particular techniques were not used for its analysis.

Appendix 9. Summary of interviewees' written comments on the interview, Nokia values and Nokia.

Interviewees were given an opportunity to make comments about the interview or other topics in the respondent profile form after the interview. Forty-one percent of the participants made a comment about the interview, most of which were positive. An additional 12 percent commented on multiple issues, including the interview. Thirty-one percent did not state any comments. In the comments, I coded nine issues: positive, negative or expectation about the interview, values, or company. Table 1 presents the frequency of comments in the respondent profile forms.

Table 1. Frequency (n) of coded comments about the interviews, n=324.

Content of comment	Positive	Negative	Expectation	Total
Interview	156	14	27	**197**
Values	26	10	40	**76**
Company	13	2	8	**23**
total	**195**	**26**	**75**	**296**

The interviewees' comments touched primarily upon their gladness and thankfulness for participating or being invited to the discussion, and the free, open nature of the interview. They also revealed some persons' desire for more direction and focus in the discussion, an expectation for continuing this kind of events, and a wish for the interview tour resulting in improved values promotion. I noticed afterwards that the few wishes for more direction and focus had come up in fairly large group sessions that were longer than average and where the two first topics had taken fairly much time. However, the content in these discussions covered all the same topics as in other groups. The expectations of continued meetings and impact on values promotion are an obvious message to the managers of the units and designers of global value-related socialization programs. Some examples, both positive and negative, about the interviewer and interviews are given here:

"An interesting and enlightening interview; I learned to know other departments than just R&D!"

"A happy, relaxed interview."

"The discussion was interesting."

"Discussions need to be guided more around the issue 'Nokia values'. The open discussion caused the subject of 'Nokia values' to be lost among other topics."

"The interview was ok but more bad stuff was brought up than good."

"This appears to be a good exercise, more evidence that Nokia management really cares about the values."

"Interview was organized well. I liked the 'discussion' based interview. Facilitator knew how to handle this."

"I really wonder how you can listen to us and write at the same time."

Appendix 10. Correlations of identity belief and culture belief items in employee interviews.

Correlation table part 1.

culture beliefs / identity beliefs	nat cons	nat inc	ind cons	ind inc	grp cons	grp inc	po cons	po inc
Consistency between nationalities/countries	0.10	0.11	-0.04	0.06	0.06	-0.12	-0.08	0.01
Inconsistency between nationalities/countries	0.08	0.22	0.04	0.00	0.00	0.03	-0.18	-0.12
Consistency between industries/units	0.04	0.03	0.21	-0.01	-0.01	0.02	0.06	-0.02
Inconsistency between industries/units	0.06	0.04	**0.33***	0.15	0.31	0.20	-0.11	-0.04
Consistency between groups/professions	0.09	-0.02	0.09	0.12	0.12	0.08	-0.25	**-0.35***
Inconsistency between groups/professions	-0.11	-0.02	-0.17	0.06	-0.02	0.06	0.04	0.12
Consistency between person and organization	0.12	-0.02	-0.15	-0.16	-0.08	-0.04	**0.37****	0.10
Inconsistency between person and organization	0.15	0.02	-0.07	-0.03	-0.20	0.14	0.18	0.16
Consistency beetween espoused and enacted values	-0.14	-0.10	-0.20	0.03	0.03	0.27	0.25	**0.34***
Inconsistency between espoused and enacted values	0.11	0.14	-0.27	**-0.28***	-0.19	0.02	-0.11	-0.08
Superiority compared to other firms	0.15	0.09	0.10	0.04	0.04	0.12	0.00	-0.22
Inferiority compared to other firms	0.11	0.23	0.03	0.10	**0.28***	**0.30***	-0.11	-0.08
Similarity compared to other firms	0.23	0.07	0.08	0.02	0.02	0.17	**0.39****	0.03
Consistency between operations and external env.	0.24	0.09	-0.04	-0.13	-0.05	-0.08	-0.02	-0.15
Inconsistency between operations and external env.	**0.37****	0.12	-0.18	-0.09	-0.09	0.12	0.21	0.15
Consistency between strategy and external environment	-0.16	-0.01	0.04	0.10	0.10	-0.08	0.03	0.12
Inconsistency between strategy and external environment	-0.12	0.13	0.00	-0.06	0.11	-0.10	-0.11	0.05

* $p<0.05$; ** $p<0.01$.

Correlation table part 2.

culture beliefs identity beliefs	esp cons	esp inc	super	infer	simil	ope cons	ope inc	str cons	str inc
Consistency between nationalities/countries	0.09	0.18	0.07	-0.03	-0.01	-0.07	-0.17	-0.04	-0.05
Inconsistency between nationalities/countries	0.24	**0.29***	0.02	-0.05	-0.33	0.07	-0.03	-0.09	0.18
Consistency between industries/units	0.17	0.23	0.07	-0.11	0.12	0.04	0.09	0.12	-0.19
Inconsistency between industries/units	-0.14	-0.08	0.11	0.03	-0.16	0.07	0.23	**0.29***	0.03
Consistency between groups/professions	0.16	0.23	-0.04	0.03	-0.03	0.04	-0.01	-0.07	0.02
Inconsistency between groups/professions	0.00	0.10	0.16	0.22	-0.06	0.01	0.21	0.01	-0.01
Consistency between person and organization	0.25	0.22	-0.02	-0.01	-0.19	0.20	-0.03	-0.14	0.00
Inconsistency between person and organization	-0.12	-0.01	0.03	0.01	-0.11	-0.13	0.09	-0.08	0.11
Consistency beetween espoused and enacted values	-0.06	0.08	-0.01	0.03	-0.11	0.01	0.25	0.15	0.08
Inconsistency between espoused and enacted values	-0.10	0.30*	-0.10	0.20	-0.2	-0.22	0.07	-0.06	-0.09
Superiority compared to other firms	0.11	-0.02	0.12	0.17	0.08	0.19	0.07	0.03	-0.02
Inferiority compared to other firms	0.14	-0.09	-0.20	0.08	0.21	0.20	0.07	-0.06	0.04
Similarity compared to other firms	0.10	-0.03	-0.09	0.09	0.25	0.19	0.04	0.24	0.09
Consistency between operations and external env.	0.06	0.23	0.18	0.01	-0.06	-0.09	-0.14	-0.07	-0.10
Inconsistency between operations and external env.	0.07	0.14	0.11	0.03	-0.04	-0.11	0.15	0.01	-0.08
Consistency between strategy and external environment	-0.06	0.04	0.10	-0.01	-0.13	0.05	0.15	0.17	0.04
Inconsistency between strategy and external environment	-0.05	0.12	0.04	0.076	-0.1	-0.04	0.21	0.13	-0.10

* $p<0.05$; ** $p<0.01$.

Appendix 11. Comparisons of culture belief results.

Continent, division, personnel group, and unit type comparisons. Frequency of responses by category as percentage of each cluster. Employee and manager interviews, n=102.

Continents	Europe n=56	Americas n=23	Asia n=23	Chi-Square	p
Consistency between nationalities/c.	16	30	39	5.20	
Inconsistency between nationalities/c.	27	52	57	8.06	*
Consistency between industries/units	30	39	22	1.63	
Inconsistency between industries/units	38	43	35	0.39	
Consistency between groups/prof.	41	57	9	11.91	**
Inconsistency between groups/prof.	38	65	48	5.03	
Consistency between person and org.	20	17	26	0.59	
Inconsistency between person and org.	23	22	22	0.03	
Consistency between esp. and en.	2	9	0	3.59	
Inconsistency between esp. and en.	9	26	9	4.71	
Superiority compared to other firms	29	43	26	2.05	
Inferiority compared to other firms	9	22	22	3.27	
Similarity compared to other firms	16	13	4	2.00	
Consistency between op. and env.	84	65	43	13.13	**
Inconsistency between op. and env.	52	57	65	1.19	
Consistency between str. and env.	86	74	70	3.12	
Inconsistency between str. and env.	9	17	17	1.61	

Divisions	NMP n=51	NTC n=42	OTH n=9	Chi-Square	p
Consistency between nationalities/c.	24	24	33	0.41	
Inconsistency between nationalities/c.	33	50	22	3.84	
Consistency between industries/units	25	33	44	1.58	
Inconsistency between industries/units	27	50	44	5.07	
Consistency between groups/prof.	39	33	44	0.55	
Inconsistency between groups/prof.	43	55	22	3.48	
Consistency between person and org.	16	29	11	2.85	
Inconsistency between person and org.	24	26	0	2.94	
Consistency between esp. and en.	0	7	0	4.37	
Inconsistency between esp. and en.	12	17	0	1.92	
Superiority compared to other firms	27	33	44	1.14	
Inferiority compared to other firms	8	26	0	7.81	*
Similarity compared to other firms	12	14	11	0.15	
Consistency between op. and env.	57	81	100	10.45	**
Inconsistency between op. and env.	47	69	44	4.99	
Consistency between str. and env.	69	88	100	7.82	*
Inconsistency between str. and env.	8	19	11	2.60	

Personnel groups	Empl. n=53	Manag. n=49	Chi-Square	p
Consistency between nationalities/c.	19	31	1.90	
Inconsistency between nationalities/c.	42	37	0.24	
Consistency between industries/units	34	27	0.67	
Inconsistency between industries/units	45	31	2.32	
Consistency between groups/prof.	45	29	3.04	
Inconsistency between groups/prof.	53	39	2.02	
Consistency between person and org.	17	24	0.88	
Inconsistency between person and org.	25	20	0.25	
Consistency between esp. and en.	4	2	0.27	
Inconsistency between esp. and en.	15	10	0.55	
Superiority compared to other firms	26	37	1.26	
Inferiority compared to other firms	21	8	3.13	
Similarity compared to other firms	13	12	0.02	
Consistency between op. and env.	74	67	0.48	
Inconsistency between op. and env.	57	55	0.02	
Consistency between str. and env.	77	82	0.28	
Inconsistency between str. and env.	15	10	0.55	

Unit types	Prod. n=22	R&D n=44	General n=36	Chi-Square	p
Consistency between nationalities/c.	14	23	33	2.97	
Inconsistency between nationalities/c.	32	32	53	4.25	
Consistency between industries/units	18	36	31	2.27	
Inconsistency between industries/units	27	45	36	2.14	
Consistency between groups/prof.	55	43	19	8.28	*
Inconsistency between groups/prof.	45	43	50	0.37	
Consistency between person and org.	14	18	28	1.93	
Inconsistency between person and org.	23	18	28	1.03	
Consistency between esp. and en.	5	2	3	0.27	
Inconsistency between esp. and en.	14	7	19	2.83	
Superiority compared to other firms	59	89	56	12.10	**
Inferiority compared to other firms	45	57	61	1.37	
Similarity compared to other firms	73	89	72	3.99	
Consistency between op. and env.	5	11	19	2.83	
Inconsistency between op. and env.	27	36	28	0.89	
Consistency between str. and env.	14	11	19	1.05	
Inconsistency between str. and env.	5	25	3	10.39	**

Appendix 12. Comparisons of interpretation of values.

Continent, division, personnel group, and unit type comparisons. Frequency of responses by category as percentage of each cluster. Employee and manager interviews, n=102.

Continents	Europe n=56	Americas n=23	Asia n=23	Chi-Square	p
subcult: customer satisfaction	38	30	17	3.04	
subcult: respect for the individual	64	57	87	5.45	
subcult: achievement	54	48	57	0.37	
subcult: continuous learning	48	43	52	0.35	
uniqueness: customer satisfaction	4	13	0	4.62	
uniqueness: respect for the individual	7	0	17	4.85	
uniqueness: achievement	4	9	4	0.93	
uniqueness: continuous learning	11	17	0	4.01	
cons. with env: customer satisfaction	48	65	61	2.31	
cons. with env: respect for the individual	5	13	30	9.13	*
cons. with env: achievement	30	13	35	3.22	
cons. with env: continuous learning	32	17	30	1.78	
first value: customer satisfaction	38	35	26	0.94	
first value: respect for the individual	21	22	52	8.15	*
first value: achievement	16	9	22	1.48	
first value: continuous learning	14	22	4	2.94	

Divisions	NMP n=51	NTC n=42	OTH n=9	Chi-Square	p
subcult: customer satisfaction	24	31	78	10.36	**
subcult: respect for the individual	57	74	100	7.67	*
subcult: achievement	43	60	78	4.88	
subcult: continuous learning	45	48	67	1.42	
uniqueness: customer satisfaction	8	2	0	1.96	
uniqueness: respect for the individual	6	7	22	2.85	
uniqueness: achievement	2	7	11	2.12	
uniqueness: continuous learning	8	5	44	13.51	**
cons. with env: customer satisfaction	57	55	44	0.47	
cons. with env: respect for the individual	12	14	11	0.15	
cons. with env: achievement	24	24	67	7.55	*
cons. with env: continuous learning	22	38	22	3.25	
first value: customer satisfaction	37	31	33	0.41	
first value: respect for the individual	24	31	44	1.85	
first value: achievement	12	21	11	1.77	
first value: continuous learning	18	10	11	1.33	

Personnel groups	Empl. n=53	Manag. n=49	Chi-Square	p
subcult: customer satisfaction	40	22	3.49	
subcult: respect for the individual	79	55	6.78	**
subcult: achievement	68	37	9.94	**
subcult: continuous learning	58	37	4.82	*
uniqueness: customer satisfaction	4	6	0.3	
uniqueness: respect for the individual	2	14	5.42	*
uniqueness: achievement	6	4	0.14	
uniqueness: continuous learning	11	8	0.29	
cons. with env: customer satisfaction	68	41	7.56	**
cons. with env: respect for the individual	17	8	1.78	
cons. with env: achievement	38	16	5.86	*
cons. with env: continuous learning	32	24	0.72	
first value: customer satisfaction	38	31	0.57	
first value: respect for the individual	32	24	0.72	
first value: achievement	11	20	1.59	
first value: continuous learning	19	8	2.46	

Unit types	Prod. n=22	R&D n=44	General n=36	Chi-Square	p
subcult: customer satisfaction	32	39	22	2.46	
subcult: respect for the individual	59	61	81	4.23	
subcult: achievement	41	55	58	1.73	
subcult: continuous learning	36	52	50	1.56	
uniqueness: customer satisfaction	18	0	3	10.83	**
uniqueness: respect for the individual	0	9	11	2.47	
uniqueness: achievement	5	7	3	0.69	
uniqueness: continuous learning	0	14	11	3.16	
cons. with env: customer satisfaction	59	45	64	2.89	
cons. with env: respect for the individual	9	7	22	4.52	
cons. with env: achievement	9	34	31	4.82	
cons. with env: continuous learning	23	36	22	2.37	
first value: customer satisfaction	41	32	33	0.56	
first value: respect for the individual	14	23	44	7.53	*
first value: achievement	0	20	19	5.18	
first value: continuous learning	14	18	8	1.61	

Belief Clusters	Concerned team cl. n=14	Satisfied core cl. n=25	Unique critic cl. n=21	Focused cluster n=42	Chi-Square	p
subcult: customer satisfaction	29	32	33	31	0.10	
subcult: respect for the individual	57	64	86	64	4.17	
subcult: achievement	50	60	57	48	1.16	
subcult: continuous learning	64	40	48	48	2.11	
uniqueness: customer satisfaction	21	0	0	5	10.47	*
uniqueness: respect for the individual	0	12	10	7	1.88	
uniqueness: achievement	7	4	10	2	1.71	
uniqueness: continuous learning	14	8	5	12	1.21	
cons. with env: customer satisfaction	57	48	76	48	5.20	
cons. with env: respect for the ind.	7	8	24	12	3.21	
cons. with env: achievement	29	28	14	33	2.54	
cons. with env: continuous learning	21	40	29	24	2.40	
first value: customer satisfaction	36	32	38	33	0.22	
first value: respect for the individual	21	20	43	29	3.33	
first value: achievement	7	20	14	17	1.17	
first value: continuous learning	21	20	5	12	3.04	

Appendix 13. Comparisons of promotion practice results.

Continent, division, personnel group, and unit type comparisons. Frequency of responses by category as percentage of each cluster. Employee and manager interviews, n=102.

Continents	**Europe n=56**	**Americas n=23**	**Asia n=23**	**Chi-Square**	**p**
discussion	34	26	39	0.90	
induction	82	78	78	0.24	
internet	14	17	4	2.02	
magazines	14	9	0	3.80	
management communic.	66	48	48	3.45	
strategy process	25	43	39	3.17	
materials	75	70	52	3.96	
performance review	43	39	39	0.15	
recruitment, selection	18	61	22	15.48	***
special sessions	21	22	13	0.81	
survey	29	13	9	4.97	
toolkit and games	13	4	17	1.95	
training programs	43	26	48	2.63	

Divisions	**NMP n=51**	**NTC n=42**	**OTH n=9**	**Chi-Square**	**p**
discussion	27	33	67	5.29	
induction	69	90	100	9.38	**
internet	14	14	0	1.45	
magazines	6	14	11	1.86	
management communic.	59	55	67	0.47	
strategy process	59	2	22	33.99	***
materials	69	64	89	2.08	
performance review	25	55	67	10.80	**
recruitment, selection	41	17	11	8.26	*
special sessions	22	19	11	0.55	
survey	20	19	33	0.99	
toolkit and games	18	7	0	3.76	
training programs	31	52	33	4.42	

Personnel groups	Employees n=53	Managers n=49	Chi-Square	p
discussion	28	39	1.26	
induction	83	78	0.48	
internet	19	6	3.72	
magazines	6	14	2.14	
management communic.	43	73	9.44	**
strategy process	30	35	0.24	
materials	72	65	0.48	
performance review	38	45	0.54	
recruitment, selection	23	35	1.82	
special sessions	26	12	3.24	
survey	28	12	4.02	*
toolkit and games	11	12	0.02	
training programs	45	35	1.19	

Unit types	Production n=22	R&D n=44	General n=36	Chi-Square	p
discussion	9	43	36	7.86	*
induction	73	80	86	1.59	
internet	14	14	11	0.13	
magazines	9	11	8	0.22	
management communic.	59	64	50	1.53	
strategy process	36	25	39	1.95	
materials	73	70	64	0.62	
performance review	32	52	33	3.95	
recruitment, selection	27	30	28	0.05	
special sessions	18	23	17	0.50	
survey	23	23	17	0.52	
toolkit and games	9	11	14	0.32	
training programs	45	36	42	0.55	

Belief clusters	Concerned team cl. n=14	Satisfied core cl. n=25	Unique critic cl. n=21	Focused cluster n=42	Chi-Square	p
discussion	21	44	24	36	3.11	
induction	79	84	86	76	1.07	
internet	14	12	19	10	1.17	
magazines	0	16	0	14	5.79	
management communic.	57	56	57	60	0.09	
strategy process	36	20	38	36	2.33	
materials	79	64	57	74	2.68	
performance review	36	48	33	43	1.22	
recruitment, selection	43	32	19	26	2.58	
special sessions	43	20	19	12	6.33	
survey	7	24	19	24	2.00	
toolkit and games	21	8	19	7	3.50	
training programs	36	28	52	43	3.05	

Appendix 14. SWOT on the promotion of values at Nokia by other informants.

The content of values

Strengths • Sufficiently general to be kept over the years. • Nice ideals. Good priorities. • A good basis for discussion. • Functional, clear and real. • Based on real, strong, existing principles.	**Weaknesses** • Not sure if values have changed, as topics. • Respect for the individual is a problematic value, both from application and term viewpoint. • Visible conflicts between values sometimes, e.g. achievement and respect. • Applicability of the four values in different contexts, e.g. achievement in health care. • Different perceptions of the meanings and content of values, and inability to understand differences. • There are conflicts between these and personal values.
Opportunities • The importance of these values has remained and will remain high in the future. • Changing or giving more detail to the values - doing an intermediary analysis of where are we now. • Using the values to lower barriers between divisions. • Including a cultural element in understanding the values. • Finding new emphases in the content of values. • The values become more and more important when we become global.	**Threats** • A threat of becoming a liturgy, a saying without content. • The term values is disturbing. It may provoke rather than promote. Nokia way is a better way of saying this.

The process for promoting values

Strengths

- Good modesty in the early stages, not too much noise.
- Tight top management grip of the issue, and good attitude. Open and reachable management. More interest towards these than in many other companies.
- Committed people at all levels.
- Financial input to the process.
- Tool development is going on to support the values.
- Conscious efforts to support these.
- Processes and work support these.
- Backup from the Finnish culture.
- Not too far institutionalized - it is still strongly based on personal example and intuition.
- Not list-like but natural, free promotion.

Weaknesses

- Deficiencies in applying the values on an international field: understanding different cultures.
- Some arrogance during success: humility would be needed.
- Slight deficiencies in practical application: what does this mean in practice, in my work.
- The initial promotion has not reached everyone (the transparency set).
- The prevailing attitude: them towards me. Me-towards-them attitude is lacking.
- Certain problem units with application of values have been identified.
- Too little follow-up.
- No awareness of what kind of values do non-value related training programs promote.
- Insufficient material.
- Some promotion programs are themselves against the values.
- Unit management attitudes are sometimes poor.
- Insufficient support to middle management.
- No sufficiently simple tools to make people understand this.
- Hypocrisy related to values: some claim we do this when we only Want to do this.

Opportunities

- Increasing systematics and control in the promotion process.
- Making value-based management part of our management process systematically.
- Promoting sensitivity and listening to others, tolerance.
- Realizing how behavior may change in time but values remain: realizing the multifacetedness of values.
- Providing tools where cultures meet.
- Developing new materials.
- Analyzing training programs and the position of values in them.
- Including values in training trainers.
- Including values in quality management processes, self-evaluation, problem-solving processes, etc.
- Accomplishing a company wide movement in this: strong bottom-up action and dialogue.
- Questioning the existing values.
- Nokia values overcoming national values globally.
- Visibility of this and what it can accomplish.
- Existence of visible, value-marinated key persons in various units, and their impact. Personal influence at all areas.
- Avoiding Finland-other conflicts, making this a global way, not Finnish way.

Threats

- Incapability to react to business related problems according to values.
- Top-down approach may not work and material may not help.
- The value-ladenness of the promotion process - constant influence of your personal interpretation, may distort the message.
- Potential to categorize people: “we are better than those”, limiting the viewpoint due to values.
- Different terminologies for similar things across the organization, causes confusion.
- Danger of having “first and second level people”, when the global company begins to put beautiful head offices and stock option plans in place.

Outcomes of promoting values

Strengths	**Weaknesses**
• Integration to daily decision making, becoming internalized by people. • A new type of community sense has arisen during great change; basis in history but sufficiently future orientation. • From engineer driven to market driven operation. • Continuous increase in value-related behavior. • Integration to institutionalized systems. • Examples of big crises that have been solved tightly along the lines of values. • Less politics, more trust. • Integration of new units and people to Nokia way of operating. • Shared issues all around the world.	• Not all think this is relevant. • Resistance. • Lowered employee satisfaction results. • Poor cooperation between groups and units. • Poor balance in life: work vs. spare time. • Negatively charged value-perceptions. "Being late is the Nokia way/respect for the individual"
Opportunities	**Threats**
• Getting the divisions to cooperate better, minimizing double work and double personnel. • Fulfilling individuals' expectations in all the support systems. • Providing greater than life opportunities for people. • Committed people; looking at the organization as a resource for people. • Values, when understood and implemented, providing competitive advantage.	• Becoming tired with the turbulent business demands, burnout danger, cynicism, and problems with cooperation. • Becoming proud, incapability to stand success. • Losing the 1-5 year tenure generation - how to keep them satisfied. • The value-process turning against itself. • Burnout potential. • This going to the extreme, becoming too formalized. • The separation of a "yacht culture" within Nokia.