

## ORGANISATIONAL ACCULTURATION IN A EUROPEAN MNC

**Adam Smale**

Department of Management, University of Vaasa  
P.O. Box 700, 65101 Vaasa, Finland.  
Tel. +358 6324 8519, e-mail: adam.smale@uwasa.fi

**Vesa Suutari**

Department of Management, University of Vaasa  
P.O. Box 700, 65101 Vaasa, Finland.  
Tel. +358 6324 8247, e-mail: vesa.suutari@uwasa.fi

**Jan Selmer**

Department of Management and International Business, Aarhus School of Business  
Haslegaardsvej 10, DK-8210 Aarhus V, Denmark.  
Tel. +45 8948 6828, e-mail: selmer@asb.dk

### Track 4: Management, Organisation and Cultural Issues

#### **Abstract**

*Although the international management literature reports the widespread usage of cultural control by MNCs there is little empirical research on the design of such cultural control mechanisms, how they are implemented in foreign subsidiaries and their effectiveness in facilitating organisational acculturation. Using a mixed methodology, the present study set out to investigate (i) the extent to which VALUECORP, a large Finnish MNC, has facilitated organisational acculturation (i.e. changes in specified work values of subsidiary employees) via a programme of culture change, and (ii) the factors that explain the degree of organisational acculturation observed. The results indicate a marginal but positive shift in three of the seven target values identified by the MNC. The key factors that explain the degree of organisational acculturation, or lack of it, include insufficient reinforcement of values-based working, the confrontation of personal, organisational and national values, and the difficult transition from values to behaviours.*

**Keywords:** Organisational culture, corporate socialisation, multinational corporation

## ORGANISATIONAL ACCULTURATION IN A EUROPEAN MNC

### 1. Introduction

The proportion of foreign employees to total employees in multinational corporations (MNCs) has risen significantly in recent years. Recent statistics indicate that this ratio for the world's largest 100 MNCs currently stands at almost 50 percent and at 33 percent for the world's largest 50 MNCs from developing countries (World Investment Report, 2006: 31-2). In light of these developments, an emerging key challenge for MNCs therefore resides in their ability to manage this 'new global workforce' by leveraging its diversity whilst simultaneously ensuring an appropriate level of consistency (Rosenzweig, 1998).

In the international management literature, the consistency dimension of this challenge has served as the foundation for several studies into the types of control and coordination mechanisms MNCs use in their foreign subsidiaries, their antecedents and their effects (e.g. Ghoshal & Nohria, 1989; Harzing, 1999). Key patterns that have emerged from this stream of literature have been, firstly, the increase in the number of control mechanisms used in MNCs over time, and secondly, an increase in their degree of subtlety (Martinez & Jarillo, 1989). Indeed, in addition to the more bureaucratic and direct mechanisms of control, MNCs have been actively pursuing less obtrusive mechanisms such as cultural control (Baliga & Jaeger, 1984) or normative integration (Ghoshal & Nohria, 1989) with the aim of harmonising cultural differences between the parent and its foreign subsidiaries.

Such attempts by MNCs to use organisational culture as a mechanism of control and, concomitantly, to changing the work values of host-country employees is referred to as *organisational acculturation* (Selmer & de Leon, 1996; 2002). However, whilst

there is a sizeable literature that confirms the use of cultural control by MNCs and when it is most likely to be used (e.g. Schneider, 1988; Nohria & Ghoshal, 1994; Harzing & Sorge, 2003), there is comparatively little empirical research on the design of such cultural control mechanisms, how they are implemented in foreign subsidiaries, and their effectiveness in achieving organisational acculturation (Selmer & de Leon, 2002).

The present paper investigates the phenomenon of organisational acculturation by drawing on quantitative and qualitative empirical evidence collected from a single case study over two years. The aims of the study were, firstly, to investigate the extent to which VALUECORP<sup>1</sup>, a large Finnish MNC, has facilitated organisational acculturation (i.e. changes in specified work values of subsidiary employees) via a programme of culture change, and secondly, to provide explanations for the degree of organisational acculturation observed.

The paper seeks to contribute to the international management literature by providing a detailed account of how corporate cultural control is operationalised within an MNC setting. By investigating the extent of organisational acculturation and the factors that explain how much acculturation has taken place, the present study also addresses recent calls for research that critically reflects on the viability of this type of soft, informal mechanism of control (Welch & Welch, 2006).

The next section discusses the management of organisational culture and cultural control in MNCs, after which the phenomenon of organisational acculturation is introduced. The data sources and methods of collection in the single case study are presented, followed by the results of the quantitative and qualitative data analyses. The paper concludes with a discussion of the key findings, their implications and some potentially fruitful avenues for further research.

## **2. Corporate Culture in MNCs**

### **2.1. Corporate culture and values**

Definitions of organisational culture differ across a number of dimensions, but mostly agree on values constituting an important component of organisational culture. For instance, O'Reilly et al. (1991) and Chatman and Jehn (1994) define organisational culture as a set of values widely shared among organisational members. Brown and Brown (1994) refer to patterns of beliefs, values and learned ways of coping with experience that have developed during the course of an organisation's history, which are manifested in its material arrangements and in the behaviours of its members.

Other authors have defined organisational values as not just representing one of the components of an organisation's culture, but also as constituting a defining element around which other cultural elements evolve. In this respect, values are the sense of "*what ought to be, as distinct from what is*" (Schein, 1985: 15). Values have also been connected to organisational excellence (Peters & Waterman, 1982). The basic premise is that strong cultures, defined as a richly developed and deeply rooted system of values, improve organisational performance by shaping employees' behaviour and by energising them to increase effort, creativity and output levels over and above what they would do normally (Mintzberg & Quinn, 1991; Chatman & Cha, 2003). In an MNC setting, however, the ability of corporate culture to integrate nationally diverse perspectives (Adler & Jelinek, 1986) and facilitate cultural control (Welch & Welch, 2006) has been questioned, and is discussed next.

### **2.2. Cultural control in MNCs**

Recent research informs us that MNCs will typically draw upon a broad portfolio of integration mechanisms at varying degrees of intensity in order to achieve

the desired level of global integration and local responsiveness without sacrificing the firm's core competence (Bonache & Cervino, 1997; Kim, Park & Prescott, 2003). Over time, however, it has become apparent that in addition to the traditional, hierarchically-based means of exerting influence over foreign subsidiaries, MNCs have become more active in designing and implementing complementary mechanisms that draw upon, for example, organisational context (Prahalad & Doz, 1981), power relations (Ferner & Edwards, 1995), and socialisation and networks (Harzing, 1999).

In the international management literature the mechanism of corporate socialisation as a form of cultural control has received increasing research attention. Categorised as an indirect/implicit and personal/cultural form of control (see Harzing & Sorge 2003), corporate socialisation refers to the acquisition of appropriate role behaviours, the development of work skills and abilities, and an individual's adjustment to a new work group's norms and values (Feldman, 1981), whereby learning becomes a prerequisite for organisational membership. In the MNC context, the objective of corporate socialisation has come to mean the establishment of a shared set of values and beliefs amongst MNC subsidiaries (Nohria & Ghoshal, 1994).

In a large-scale study by Harzing and Sorge (2003) on the use of control mechanisms amongst 287 MNC subsidiaries, socialisation, as measured by the establishment of shared organisational values, represented the second most common means of control overall. Socialisation as a form of cultural control has also been shown to be used more in instances where there is high parent-subsiary and inter-unit interdependence (Ghoshal & Nohria, 1989; O'Donnell, 2000; Jöns, Froese & Pak, in press). Based on the premise that corporate socialisation facilitates the development of interpersonal ties (Van Maanen & Schein, 1979), the use of corporate socialisation

mechanisms has also been shown to positively affect the transfer of knowledge into (Gupta & Govindarajan, 2000) and out of (Björkman *et al.*, 2004) MNC subsidiaries. However, studies on corporate socialisation mechanisms have paid relatively little attention to whether such mechanisms result in socialisation defined as the adoption of an MNC's corporate values by foreign subsidiary employees – an issue to which we now turn.

### **2.3 Organisational acculturation**

In MNC's, parent efforts specifically directed towards the cultural control of its foreign subsidiaries has been referred to as the phenomenon of organisational acculturation (Selmer & de Leon, 2002). More precisely, organisational acculturation has been defined as the process whereby “*host-country nationals employed in foreign operations become acculturated to the parent organisational culture*” (2002: 1147). Underpinning the process of organisational acculturation is argued to lie the two related processes of acculturation and organisational socialisation (Selmer & de Leon, 1996). Acculturation refers to cultural change arising from encounters between two distinct cultures. To the extent that an MNC's parent organisational culture reflects the parent's national culture (e.g. Hofstede, 1999; Nelson, 2003), then host-country nationals through learning and experience will embark on a process of acculturation. Organisational socialisation, as discussed above, refers to the establishment of shared norms and values. Alternatively, organisational socialisation can be conceptualised as the transfer of organisational culture across borders – an approach to organisational control typical of the so-called Type Z organisation (Ouchi, 1981), which manages

overseas subsidiaries by establishing an organisational culture of shared values within them (Jaeger, 1983).

In essence, therefore, organisational acculturation refers both to a natural, implicit process of acculturation where foreign subsidiary encounters with the parent lead to the subsidiary becoming familiar with and internalising the parent's values, as well as the more deliberate, explicit attempts by the parent at socialising the subsidiary into the parent culture. Accordingly, one could argue that the successful deployment of socialisation mechanisms will lead to acculturation.

Few empirical studies address the extent to which organisational acculturation takes place in MNCs. Harzing (1999) shows that the use of expatriates has a positive affect on the establishment of shared values between headquarters and subsidiaries. In another set of studies, Selmer and de Leon (1993, 1996) demonstrate empirically how some Swedish work values in a Swedish MNC, via processes of acculturation, had been adopted by South-East Asian middle managers based in foreign subsidiaries. The studies also indicated, however, that acculturation occurred to differing extents between countries and between individual values.

In a more recent longitudinal study, Selmer and de Leon (2002) report how organisational acculturation might have occurred in some of the work values of Hong Kong managers working in Swedish-owned subsidiaries. They found that those values that originally exhibited larger differences between Swedish and Hong Kong managers, and those with greater salience to the Swedish managers were more likely to be subject to acculturation. In essence, those values that were more prominent in the parent culture were more likely to be adopted in the subsidiary, whereas those values attributed greater importance to host-country nationals were less likely to change.

The complexities of capturing and measuring cultural change notwithstanding, these somewhat inconclusive findings raise many questions regarding the viability of cultural control in MNCs (Welch & Welch, 2006). Indeed, we are left with a limited understanding of how cultural control mechanisms are operationalised in MNCs and how effective they are in achieving organisational acculturation.

### **3. Method**

#### **3.1. Culture change at VALUECORP**

VALUECORP operates in the industrial manufacturing sector with almost a 100-year history. After a period of significant organisational restructuring VALUECORP was divested from the VALUECORP Group in 2006. Today, VALUECORP employs over 1,500 people in 20 countries worldwide and generated sales of over €700 million in 2006 (VALUECORP, 2007).

The decision by VALUECORP to build a stronger corporate culture via a culture change programme entitled the ‘Values Expedition’ was already made when they were part of the VALUECORP Group. Activities began in earnest in 2002 as part of the restructuring that saw a fragmented MNC adopt a global matrix organisational structure. From VALUECORP’s perspective, however, there were three main drivers behind the creation of a strong values-based culture. The first was *identity* and related to the structural changes above. Once they became aware of VALUECORP Group’s intention to divest them, VALUECORP felt the need to define a separate and distinctive identity for when the divestiture took place. The second driver was *integration*. This referred to the perceived situation that having grown fairly rapidly via cross-border acquisitions over the past 10 years, VALUECORP had the appearance, both internally and



externally, of a decentralised network of independent units with their own sub-cultures rather than a globally integrated MNC. Thus, it was felt that more consistency and cohesion was needed and a strong corporate culture was one effective way of achieving this. Lastly, developing a strong corporate culture based on work values reflected a distinctive *philosophical* driver behind this approach to culture. By focusing on values, VALUECORP wanted to address the basis of work behaviours, more specifically how values can facilitate a shift in corporate culture from being more product- to more customer-oriented, including “*how values help us to build an emotionally intelligent environment*” (VALUECORP publication, 2007).

The ‘Values Expedition’ began in 2002 and was presented as an expedition both in the sense that the process of cultural change would be a long-term endeavour and that it required employees to search within themselves for the values they believed were important and what VALUECORP should stand for. At the time of writing the process had lasted over five years and consisted of two distinctive phases. These are summarised in Table 1.

- Insert Table 1 about here -

Phase 1, given the title here of ‘Values Identification and Awareness’, involved VALUECORP explaining the values-based approach to achieving consistency in behaviours and achieving excellence in life, both professionally and personally. A key aim of the first phase was to analyse VALUECORP’s present and target cultures and to identify the values that characterise the present ‘undesirable’ behaviours and those ideal values that VALUECORP and its employees should stand for.

A further aim of Phase 1 was to explain how to “bring values to life” in the workplace. This was partly facilitated through the ‘Values Program’ – a method

designed to show people how they can apply their values. This involved analyses of desirable and undesirable behaviours based on the identification of target values. Teams then developed a program to be implemented at the workplace, including individual plans to apply specified values and support each other. In Phase 1, managers took part in an additional training session where they were made aware of the managerial actions needed to maintain the momentum of the 'Values Expedition' within their units.

By the end of Phase 1 VALUECORP had received group-based feedback from every foreign subsidiary covering over 1,300 (approximately 75%) of their total workforce concerning the identification of present versus target values. After conducting some preliminary analysis of the seminar material, seven values were identified as being most commonly cited when participants described the target culture – Co-operation and Teamwork, Profitability and Success, Openness, Innovation, Customer Partnership, Communication, and Commitment.

Phase 2, entitled here 'Crystallisation and Communication of Values', started in 2006 once all the feedback from VALUECORP's subsidiaries had been collected. An international taskforce consisting of a cross-section of VALUECORP personnel was put together and systematically went about condensing the seven originally identified target cultural values into a smaller, easier to remember set of core values. This process lasted several weeks and culminated in the formation of four core values which was then communicated publicly as VALUECORP's four guiding Principles. The present study focuses on the processes and outcomes of Phase 1.

### **3.2. Data collection**

The unit of analysis in this single, in-depth case study is organisational acculturation in a Finnish MNC. The case study can be classified as embedded (Yin,

2003) since it concerns organisational acculturation into multiple foreign subsidiaries within one MNC. In this study, the rationale for conducting a single case study is that it represents a typical case. Here, the objective is to capture the circumstances and conditions in which a common phenomenon takes place (i.e. the use of cultural control mechanisms), which are assumed to be insightful for others in terms of lessons learned (Yin, 2003). The case study also possesses longitudinal characteristics in its part retrospective (2002-5) and part real-time (2006-7) study of the organisational acculturation process spanning over five years.

By applying data and methodological triangulation (Denzin, 1978), the study draws on quantitative and qualitative data from multiple data sources including foreign subsidiary employees and managers as well as key informants from the MNC parent. A summary of the data sources and data collection methods is provided in Table 2.

– Insert Table 2 about here –

The quantitative data was collected in 2006 through an online survey which employees in 5 foreign VALUECORP subsidiaries were invited to complete in an e-mail from the Vice President of HR. The five subsidiaries were chosen based on them having been included in the first wave of organisational acculturation efforts. Altogether 216 respondents from a potential 728 completed the survey giving a response rate of 30%. However, included in this figure were 76 unusable responses, mostly relating to the fact that respondents had not personally participated in the ‘Values Expedition’. Thus, the usable sample in the quantitative analysis was 140. Respondents came from one of five subsidiaries located in Germany (34%), Australia (30%), Sweden (16%), Canada (13%) and the US (7%). The respondents varied across different levels within the organisation, including employees (18%), senior employees (48%), and managers

(34%). 21% of respondents had worked for over 10 years within VALUECORP, 30% had worked between 5-10 years, while 49% had worked there for less than 5 years.

The first part of the questionnaire invited respondents to state their level of agreement regarding the impact of the 'Values Expedition' on their own personal values as well as those of the organisation (i.e. the perceived level of importance attached to specific values). This form of questioning was adopted, as opposed to the more customary before and after assessment of value change, since the respondents were already participating in the cultural change programme at the time of survey and since this provided a more direct measure of the programme's effectiveness. As described earlier, seven specific values had been identified by VALUECORP employees as part of the 'Values Expedition'. In the questionnaire each value was operationalised through four items based on the relevant literature and close discussion with VALUECORP. Example items for each value scale included "being a team player" (Co-operation & Teamwork), "emphasis on achievement" (Profitability & Success), "being open for feedback" (Openness), "development of new ideas" (Innovation), "importance of customer care" (Customer Partnership), "expressing views with others" (Communication), and "caring about the future of the organisation" (Commitment). A 7-point Likert scale ('strongly disagree' to 'strongly agree') was used in responses. The reliability of the scales was measured through co-efficient alphas which varied between 0.88 and 0.93 at the personal level, and 0.87 and 0.93 at the organisational level (see Table 3 for the scores of each individual value scale). The reliability of the scales was thus satisfactory. The background variables in the study included the respondent's length of employment, age and position, and the subsidiary location.

The second part of the questionnaire included qualitative, open-ended questions on the impacts of the cultural control efforts and their experiences of the acculturation process. The written responses were content analysed using the seven specified corporate values as coding anchors, i.e. all the comments which could be clearly connected under a certain value were placed under it. The comments which could not be clearly connected were located to an additional category for further analysis.

In addition to the questionnaire, qualitative data was collected via a semi-structured *group interview* among nine senior managers from seven foreign VALUECORP subsidiaries. The group interview lasted approximately 90 minutes and was used to facilitate participant interaction and to assist in identifying the levels of agreement and disagreement between the participants by weeding out false or extreme views (Morgan, 1996; Patton, 2002). Personal, semi-structured interviews were also conducted with the Vice President of HR (lasting 80 minutes) and an external consultant (60 minutes) who were mainly responsible for the design and delivery of the 'Values Expedition'. The interviews were recorded, *verbatim* transcribed and content analysed.

## **4. Results**

The results are reported in line with the two aims of the study, namely the extent to which VALUECORP's programme of culture change resulted in organisational acculturation, and factors that explain the degree of organisational acculturation observed.

### **4.1. Organisational acculturation at VALUECORP**

The results concerning the impacts of the 'Values Expedition' on employee work values are reported in reference to four sources of data; the quantitative survey

findings, the qualitative survey findings, the group interview, and the personal interviews. The findings from the quantitative data are reported first (see Table 3).

- Insert Table 3 about here -

Descriptive statistics were used to provide a basic account of value changes and paired-sample *t*-tests were conducted to establish whether responses relating to the individual and organisational levels were statistically significant. The results indicate that intended value changes did occur in the right direction, but were relatively small. The first observation is that respondents rated the perceived impact to be greater in shifting their own personal work values compared to those of their colleagues at the organisational level. The paired-sample *t*-tests reveal that differences between perceived personal and organisational impacts were statistically significant ( $p < 0.001$ ) across all values except 'Profitability & Success'. Seemingly, the impact on individuals had not translated into an equally sizeable impact on the organisation. Secondly, the impacts appeared to be greatest amongst more socially-oriented values, for example, Co-operation and Teamwork, Communication, and Openness. These were also the values where the gap between current and target values was the greatest, as identified in Phase 1. This could also have resulted from these values being built into the fabric of the 'Values Expedition' process itself, i.e. the open expression of values amongst different groups of employees in team-based exercises involving a key figure from headquarters, which may have allowed for greater acculturation as well as socialisation to take place.

In order to shed some light on these findings, MANOVAs were performed to test for the impact of the background variables. The results of the MANOVA analyses indicate that the only significant variables affecting the responses were the location of

the unit and the respondent's length of employment at VALUECORP. The results are reported in full in Appendices 1 and 2.

In terms of unit location, there appeared to be strong location effects on the perceived extent of change across all seven values. MANOVA results also revealed a significant multivariate effect (Wilks' Lambda = 0.641,  $p < 0.01$ ). More specifically, the German unit was much less positive about the cultural change process compared to respondents in the US. Indeed, the German respondents were even inclined to disagree that the new values were regarded as important by their fellow colleagues.

In reference to employee tenure, respondents that had been employed by VALUECORP for longer reported greater shifts in values both on a personal and organisation level. This was most significant, however, in the values of Openness, Profitability and Success, Customer Partnership, and Cooperation and Teamwork. The MANOVA results, however, revealed a non-significant multivariate effect. One explanation for this might be that cultural changes are more visible to those who have experienced what 'old' cultures were like and how far the organisation has come, for example, "*I've definitely seen a change in this silo effect that existed in the company 15 years ago*" (group interviewee).

- Insert Table 4 about here -

With regard to the *qualitative* analysis of responses to an open-ended question on the kinds of impacts the 'Values Expedition' had produced, even clearer differences emerged across the individual values (see Table 4). The most significant impacts were cited by the respondents as being connected to three out of the seven values – Cooperation and Teamwork, Communication, and Openness. Concerning the value of 'Co-Operation & Teamwork' it was commented, for example, that "*there has been a better*

*sense of community within our local office as well as a sense of belonging to the organisation as a whole.”* An example of the impacts on ‘Communication’ included: *“Employees are listening, respecting others and communicating with each other at a better level than before the ‘Values Expedition’.”* With regard to the value of ‘Openness’, respondents stated that *“there is now a better and more open dialogue between management and other personnel.”*

Comments concerning changes in other values were comparatively quite rare (0-7%). This finding is broadly in line with the quantitative survey findings. However, 17 percent of the respondents reported that they had not noticed any clear changes in values since the programme began. These critical views also partly reflect the quantitative findings that indicated that the process had not produced any major value changes across the seven values. These respondents commented, for example, on personal reasons for not placing much emphasis on the ‘Expedition’ which served to reflect how much importance they attached to efforts at culture change: *“I am too engaged in my daily business and work to deal with things like this.”* Other respondents were sceptical about the viability of fostering shared values through company initiatives: *“values are something you have or you do not have. A company is not able to educate people (about values) [...]. The propagation of values from above will not change anything.”*

Among the comments which could not be classified under any specified value (n=60), two main themes could be identified. The first theme (n=16) related to respondents’ increased general ‘awareness’ concerning the impact of values in working life – a key aim of Phase 1. For instance, one respondent stated that *“in general, the program opened the eyes of employees to a different, values-based way of thinking – by*



*putting emphasis on how we do things besides why.” Another commented, “people understand that our lives – actions, decisions, behaviour – are driven by values.”*

The second set of comments (n=11) concerned ‘integration’ in general. Here the respondents pointed out that this kind of cultural harmonisation process acts as an effective way to integrate a dispersed and decentralised organisation through a sense of belonging and shared culture. The participative, bottom-up process was especially viewed as assisting organisational integration, *“it has helped to foster a greater sense of unity and purpose within individual departments and as a company. It has also helped in creating an atmosphere of understanding and acceptance of individual differences.”*

The findings of the *group interview* were again similar to the findings from the survey. Impacts were cited as appearing in connection with the same three values: Co-operation and Teamwork (n=13), Communication (n=10) and Openness (n=9). Impacts concerning the other values were very seldom mentioned. In terms of Co-Operation and Teamwork the foreign subsidiary managers agreed, *“We have got a feeling of being a team more than before. The co-operative element has been introduced.”* With regard to the value of Communication, comments included, *“we now hold regular meetings involving formal communication and information exchange.”* Increased Openness was expressed in several ways, for example, *“it is now viewed that being approachable is something that is important for all.”* On the issue of ‘integration’, the ‘Values Expedition’ was perceived to have brought units together, but nevertheless the group interviewees collectively agreed that certain changes still needed to take place before anyone could talk of *“one VALUECORP.”*

The VP of HR and leader of the ‘Values Expedition’, whilst acknowledging the positive feedback from several respondents, was still dissatisfied with the degree of

managerial support in promoting values-based behaviours, “*we trained local managers to reinforce the process [...], how to lead people and what they should do themselves. That was the method to keep it alive, and managers, how should I say, almost totally, 100% failed to do it. There is no evidence that managers in those locations [...] really did what they were told to do.*” Indeed, it was already acknowledged during Phase 1 that the planned Phase 3, given the title here of ‘Turning Values into Behaviours’, would need to be much more substantial and more direct in its approach. This issue is addressed in more detail in explanations for the degree of organisational acculturation observed, to which we now turn.

## **4.2. Explanations for the degree of organisational acculturation**

The findings relating to explanations for the degree of organisational acculturation were based on several qualitative sources: open-ended survey questions, the group interview and the personal interviews with the VP of HR and the external consultant. Based on this data, three key explanations emerged – (i) insufficient reinforcement of values-based working, (ii) the confrontation of personal, organisational and national values and (iii) the difficult transition from values to behaviours.

### **4.2.1. Insufficient reinforcement of values-based working**

The first explanation of insufficient reinforcement of values-based working was cited widely by respondents both in open-ended survey questions (n=39) and in the group interview (n=9). Reinforcement here referred to either the lack of follow-up after the seminars by the ‘Values Expedition’ coordinators, or the lack of appropriate managerial action and behaviours within the units.

Comments relating to the lack of follow-up activities included, for example, “*the ‘Values Expedition’ was a very short course with no follow-up*” and “*the seminar is a good starter but the message needs to be communicated continuously.*” These feelings probably reflected the fact that the foreign units had been through one, intensive, two-day seminar during the four years since the process began. This view was supported in the group interview where senior managers agreed that whilst the seminars got people interested in applying values in their work, as time went by and as the everyday workload got heavier, many of them simply lacked the motivation, “*the biggest challenge is that there’s probably a little less enthusiasm every year that goes by.*” In this sense, the ‘Values Expedition’ was considered to be suffering from ‘corporate initiative syndrome’ where an initial interest and willingness to change had deteriorated over time.

The second explanation under the heading of insufficient reinforcement of values-based working was the need for consistency in managerial action over the longer term (n=14), especially the role of managers after the seminars. Respondents commented that managers should have been more active and consistent in promoting the values through their positions as role models, for example “*if management doesn’t promote the values then it is hard to expect the employees to promote them*” and “*the daily behaviour of management personnel is in contradiction with the target values.*” The same issue appeared during the group interview where the importance but lack of managers’ role modelling, support and inspiration was stressed as being a barrier to cultural change efforts (n=11). Even the presence of parent-country expatriates in some of the units did not appear to help in this regard.

On reflection after Phase 1 the VP of HR acknowledges the deficit in reinforcing activities, “*when a manager is influenced by this (values) philosophy from different perspectives in different ways [...], then they gradually change and can start being active. Two-day training is not enough to change a manager in this respect.*” Although it was considered that more could have been achieved since, in his opinion, “*it’s a very small action needed from each and everyone*”, attention has shifted to a more substantial Phase 3 and to the ways in which the message regarding the importance of values together with the promotion of the four specific values can be reinforced.

#### **4.2.2. The confrontation of personal, organisational and national values**

This set of explanations essentially refers to what is meant by ‘values’, where values derive from and the extent to which fostering shared corporate values was perceived by respondents to infringe upon existing personal, organisational or national values.

With regard to conflicts with *personal* values, the ‘Values Expedition’ helped sell the values-based approach by drawing upon examples of how everybody has values and practices them in their everyday lives. However, for some, this was a legitimate reason to question whether VALUECORP could or should attempt to influence the personal values of its employees, “*I guess everybody practices values anyway in their normal life, but having it put in front of you as a confrontational theme, I actually felt quite..., I felt very defensive about it*” (group interviewee). This feeling was particularly strong in the German unit, as commented by the VP of HR, “*they are more black and white in their thinking and they also view values in a very personal way, that values are their own property. No-one is allowed to come and discuss values with them [...]. They*

*don't understand that somebody could improve him- or herself in the area of values, because values are (embedded) in them."* The sceptical stance adopted by the German unit could help to explain their low ratings in the questionnaire regarding the impacts of the 'Values Expedition' as well as part of the significant unit location effects. The VP of HR also went on to explain that this particular reaction could have been due to painful experiences within that unit in the past where a similar values-based approach was applied by their previous owner, only a lot more aggressively.

In terms of confronting *organisational* values, recent cross-border acquisition activity and, more specifically, a lack of post-acquisition integration efforts meant that VALUECORP's promotion of shared values had to address unresolved cultural differences. Reflected in comments such as "*old structures and values are still around in daily work, more so than the new VALUECORP values*" (group interviewee), and "*there is one very strong company culture in the Canadian unit, which I guess is why they are still using their old (company) name and their own language*" (VP of HR), the cultural starting points of the foreign units were very different. The feelings surrounding the acquisitions were also viewed as influencing the organisational acculturation process. As the VP of HR recounts, "*[...] the German unit – the most difficult one to integrate. One of the difficulties was that VALUECORP didn't succeed in taking fast enough, strong enough action. So, there remains a kind of imbalance that the Germans feel they should take the lead.*" However, it was also pointed out that some acquisitions, for example that of the Swedish unit, resulted in the acquired company actively embracing the adoption of shared values in the search for a new identity, having felt like a "*neglected child*" from their previous owner.

On the subject of potential clashes with employees' *national* values, the VP of HR was explicit in stating that national values were "*not touched at all*" both by intention and design: by intention in the sense that the focus was on individuals and "*basic personal values such as respect, trust, integrity, honesty*" that were considered to be common or at least identifiable to every employee, and by design in the sense that the 'Values Expedition' had adopted a participative, bottom-up approach. Although the qualitative data did not reveal any clear challenges arising from diverse national cultures, the significance of unit location on the impacts of the process in the quantitative data arguably raises questions about the national 'neutrality' of basic personal values as a basis for building shared corporate values.

#### **4.2.3. The difficult transition from values to behaviours**

The third key explanation for the degree of organisational acculturation observed at VALUECORP again relates to the nature of 'values', but here refers to the dilemma of promoting shared values upon which desirable behaviours are based, whilst avoiding the strict prescription of behaviours themselves.

Although the lower than expected impacts of the 'Values Expedition' was suggested to be partly a reflection on insufficient follow-up activities, it was also attributed to the perceived difficulty in 'translating' the values that had been identified into appropriate, visible behaviours. Reflected in statements such as "*the seminar is one thing, but to continue values practising is another*" (group interviewee), certain respondents voiced concerns over how to move from values to behaviours despite the training they had received. This task was rendered all the more difficult when the values in question were perceived by some as being quite generic, "*the actual values that we*

*were talking about were real motherhood statements. I didn't think that there was anything particularly enlightening or new about them"* (group interviewee).

The resulting unmet expectations prompted VALUECORP to make Phase 3 'Translating Values into Behaviours' more substantial than originally planned. More specifically, Phase 3 has been planned to include the defining of behaviours with top management approval, leadership training in key units, managerial mentoring, and the integration of the four Principles into the performance management system and recruitment profiles. However, whilst this addresses the need for reinforcement and further guidance, the emphasis has arguably shifted towards a tighter definition of behaviours, albeit based on the values already identified collectively. As explained by the VP of HR, *"VALUECORP Principles are a collection of behaviours [...] derived from the values that have been crystallized from the 'Values Expedition'. My plan (for Phase 3) is to start making those Principles and behaviours alive in practice. [...] Now all they need is a bit more of a concrete description of what the desired behaviours and outcomes are."*

Thus, the challenge of creating a strong corporate culture around a shared set of values appeared to reside in, on the one hand, identifying the kinds of 'basic' or 'core' values that every VALUECORP employee can subscribe to whilst, on the other hand, making them distinct enough to gain employee buy-in and to allow employees to exhibit the desired values-based behaviours without significant instruction from headquarters. How far down the path of defining desirable behaviours VALUECORP will need to go before they are adopted in all of the units remains to be seen, but VALUECORP has nevertheless invested heavily in making the process as transparent as possible.

## 5. Discussion and conclusions

In this study we examined how an MNC has designed and implemented a values-based corporate culture, the extent to which this has resulted in organisational acculturation, and offered explanations for the degree of organisational acculturation observed. A discussion of the key findings and their implications are now presented.

### 5.1. Discussion of key findings

The results show that VALUECORP adopted a participative, ‘bottom-up’ approach to the identification of shared work values that invited contributions from employees in all the locations where VALUECORP was active. This approach was well received by participants and resulted in the identification of seven values that characterised VALUECORP’s target corporate culture. This was later followed by the consolidation of those values into four Principles and ‘top-down’ communication to VALUECORP’s stakeholders.

One interesting feature of these findings relates to the notion of organisational acculturation itself. Whilst the term has been used to denote host-country nationals acculturating to the *parent* organisational culture (Selmer & de Leon 1993, 1996), VALUECORP’s approach to creating a strong, values-based corporate culture could not be described in this way. Indeed, the ‘bottom-up’ approach to identifying commonly held values effectively dilutes the potential influence of national host and parent cultures that might otherwise inhibit the promotion of one corporate culture (Schneider, 1988). This raises the question of whether VALUECORP has in fact been fostering more of a ‘global’ corporate culture in the sense that it has no one clear set of national cultural roots. Theoretically, one could assert that such organisational cultures are going



to be subject less to country-of-origin effects (e.g. Hofstede, 1999), but instead to more, for example, industry culture effects (e.g. Chatman & Jehn, 1994). It is feasible, therefore, that VALUECORP's values may have been based on the shared beliefs of employees concerning the nature of work in VALUECORP's specific industry context. In practical terms, this 'global', values-based approach to corporate culture might help to avoid clashes in national cultural values. However, as the study's findings indicate, the approach could lead to some scepticism amongst a certain minority when core, personal values become the focus of attention. Although the espousal of shared corporate values is not particularly new, it is unclear how many MNCs go to the extent of adopting a 'bottom-up' approach and involving their global workforce in the definition of those values. Further research is needed on the popularity of such 'global' corporate cultures, their design, their implementation, and their effectiveness in facilitating organisational acculturation – only this time defined as host-country nationals acculturating to a 'global' corporate culture, not that of the parent. Large-scale surveys amongst a cross-section of MNCs from different national origins or industries would be a constructive starting point from which to reassess the strength of national cultural and industry effects on the values adopted by MNC employees.

In terms of impacts on work values there was a noticeable shift in three of the seven values. The remaining values also shifted but not significantly. In terms of impact size this is broadly representative of previous empirical findings in this area (e.g. Selmer & de Leon 2002). Two background variables were found to be significant when analysing these impacts: tenure and host unit location. The most positive views came from Anglo-Saxon countries whereas the German unit appeared to be the most critical. There are different possible explanations for this. From a national culture perspective, it

could be argued that this kind of participative approach aiming at open communication and co-operation would be more successful in those countries in which such values are already commonly shared. From that perspective, the German reaction could be explained by their comparatively higher power distance and lack of open communication, as has been reported for example by Finnish expatriates in Germany (e.g. Suutari & Brewster 1998).

Besides differences in national cultures a further possible explanation is the existence of subcultures. Indeed, when work values represent an outcome of shared organisational history and the collective experiences of its members (e.g. Brown & Brown, 1994), then fostering a set of shared values is likely to be a long-term, intensive process where significant organisational events such as corporate acquisitions are particularly influential. Depending on the type of acquisition, integration needs and the desire to preserve one's own culture may differ across cases (Nahavandi & Malekzadeh, 1988). Nevertheless, post-acquisition integration has been reported to be an extremely difficult and sensitive process (e.g. Söderberg & Vaara, 2003; Allred *et al.*, 2005) where national culture and the approach to cultural integration can play a major role in culture change (Jöns *et al.*, in press). This explanation was evident in the qualitative data where the German unit was described as more difficult to integrate due to conflicting views and negative experiences of 'forced' cultural change under their previous owner.

The combination of qualitative and quantitative data indicated that the impacts of the corporate culture programme were seen to be more extensive in the short term, but its influence decreased in the long term. The bottom-up approach thus appeared to be more successful in creating a shared understanding regarding the need for cultural change and the direction of that change (i.e. the collective identification of a target

culture). However, the approach was less successful in sustaining cultural change over time. Whilst this partly supports arguments questioning the viability of cultural control in MNCs (Welch & Welch, 2006), one has to be mindful of the changes that did occur, the recognised need for reinforcement and the possibility that these findings are less about the feasibility of corporate culture control *per se* but more about the challenges inherent in any large-scale change management exercise in an MNC.

## **5.2. Limitations**

When interpreting the findings of the present study, it is pertinent to note some of its limitations. Firstly, and typical to any single case study, whilst the results of the study may be interesting in terms of lessons learned and informing future research, their generalisability to other MNCs settings is limited. Secondly, the quantitative scales used to capture the impacts of the ‘Values Expedition’ are self-reported, perceptual measures that may have been subject to respondent bias and are used on a relatively small sample. Thirdly, one might raise the issue of maturity, i.e. the time elapsed since the beginning of the ‘Values Expedition’. One might argue either that significant organisational acculturation is not likely to occur within this time frame or that employees are not able to comment accurately on the impact of a corporate initiative over an extensive period of time. Although the study discusses a range of potential explanations for the shifts and non-shifts in work values, it was not possible to investigate external or internal events that may have influenced, positively or negatively, the work values of employees.

## **5.3. Implications**

Having followed VALUECORP’s progress in fostering a corporate culture around a set of shared values over five years, three key explanations for the degree of

organisational acculturation emerged that can also serve as implications or ‘lessons learned’ for other MNCs embarking on similar corporate culture initiatives.

The lack of reinforcement came out very clearly in the qualitative data. VALUECORP’S approach was to use managers as change agents and to train them for that purpose. However, this appeared to be insufficient. This implies a need for more large-scale interventions when aiming towards significant cultural changes in a global MNC setting. The global integration of corporate work values into, for example, recruitment profiles and performance management systems (as planned in VALUECORP’s Phase 3) is likely to assist in this regard. In future studies, it would be interesting to analyse the extent to which different reinforcement mechanisms are able to contribute towards shifts in work values. Whilst VALUECORP mostly used workshops and training within single units, additional benefits may have been realised through more co-operation and shared activities across borders – a method that participants commented they would have valued and a method that is more likely to facilitate acculturation as well as socialisation. Organisational acculturation could have included better use of cross-border teams or the rotation of personnel between units (see e.g. Nohria & Ghoshal, 1994; Gupta & Govindarajan, 2000). Although these activities are common in many MNCs, their primary function is often operational with less emphasis on their potential usefulness in facilitating organisational acculturation.

Corporate programmes of culture change implicitly have to confront existing values that cross national, organisational and personal boundaries. However, it is not self-evident which of these acts as the strongest influence on an individual’s work values. Furthermore, it is not clear whether attempts to foster a ‘global’ corporate culture can successfully manage to navigate across these boundaries. Further theoretical

development on the notion of work values and what they mean in the context of ‘global’, values-based corporate cultures is thus needed. Alternatively, further in-depth, qualitative investigation where employee views on corporate culture can be analysed against the assumptions of personal, organisational and national values could be a constructive approach.

The final implication concerns the balance between emphasising values versus behaviours. Whilst organisational culture represents how values that are invisible inform behaviours that are visible (Schein, 1985), the present study has shown that in the absence of values-based working there is a temptation for organisations to place more emphasis on defining desirable behaviours. Although these behaviours might stem from an agreed set of values, organisations still face the practical question of how much emphasis they are willing to place on values with the onus on managers and employees to exhibit the appropriate behaviours, or on defining desired behaviours that filter down from headquarters. Future research could focus on how MNCs are responding to this dilemma and compare that to the perceptions of subsidiary employees.

Collectively, the present study has highlighted a need for further research into the field of organisational acculturation, in particular MNC attempts to create a strong ‘global’ corporate culture around a shared set of values. In this way, it is hoped that other scholars can further our understanding of this complex and topical subject.

## **ACKNOWLEDGEMENTS**

The research on which this paper is based was funded by the Finnish Funding Agency for Technology and Innovation (TEKES). The authors would also like to thank Anne Hirvonen for her assistance in data collection.

## **NOTES**

---

<sup>1</sup> For confidentiality reasons a pseudonym is used and certain details concerning the organisation’s titles and activities have been altered.

## REFERENCES

- Adler, N.J. & M. Jelinek (1986). Is “organization culture” culture bound? *Human Resource Management*, 25/1, 73-90.
- Allred, B.B., K.B. Boal & W.K. Holstein (2005). Corporations as stepfamilies: A new metaphor for explaining the fate of merged and acquired companies, *Academy of Management Executive*, 19/3, 23-37.
- Baliga, B.R. & A.M. Jaeger (1984). Multinational corporations: control systems and delegation issues. *Journal of International Business Studies* 15/2, 25-40.
- Björkman, I., W. Barner-Rasmussen & L. Li (2004). Managing knowledge transfer in MNCs: the impact of headquarters control mechanisms. *Journal of International Business Studies*, 35/5, 443-455.
- Bonache, J. & J. Cerviño (1997). Global integration without expatriates. *Human Resource Management Journal* 7/3, 89-100.
- Brown, R. & M. Brown (1994). *Empowered! A Practical Guide to Leadership in the Liberated Organization*, London: Nicholas Brealey Publishing.
- Chatman, J. & S.E. Cha (2003). Leading by leveraging culture. *California Management Review*, 45/4, 20-34.
- Chatman, J. & K. Jehn (1994). Assessing the relationship between industry characteristics and organizational culture: How different can you be? *Academy of Management Journal*, 37, 522-553.
- Denzin, N.K. (1978). *The Research Act: Theoretical Introduction to Sociological Methods*. New York: McGraw-Hill.
- Feldman, D.C. (1981). The multiple socialisation of organisation members. *Academy of Management Review*, 6/2, 309-318.
- Ferner, A. & P.K. Edwards (1995). Power and the diffusion of organizational change within multinationals. *European Journal of Industrial Relations*, 1/2, 229-257.
- Ghoshal, S. & N. Nohria (1989). Internal differentiation within multinational corporations. *Strategic Management Journal* 10/4, 323-337.
- Gupta, A.K. & V. Govindarajan (2000). Knowledge flows within multinational corporations. *Strategic Management Journal*, 21/4, 473-496.
- Harzing, A-W. (1999). *Managing the Multinationals: An International Study of Control Mechanisms*. Cheltenham: Edward Elgar.
- Harzing, A-W. & A. Sorge (2003). The relative impact of country of origin and universal contingencies on internationalization strategies and corporate control in multinational enterprises: worldwide and European perspectives. *Organization Studies* 24/2, 187-214.
- Hofstede, G. (1999). Problems Remain, But Theories Will Change: The Universal and the Specific in 21st-Century Global Management. *Organizational Dynamics*, Summer: 34-44.
- Jaeger, A.M. (1983). The Transfer of Organizational Culture Overseas: An Approach to Control in the Multinational Corporation. *Journal of International Business Studies*, 15, 91-114.
- Jöns, I., F.J. Froese & Y.S. Pak (in press). Cultural changes during the integration process of acquisitions: A comparative study between German and German-Korean acquisitions. *International Journal of Intercultural Relations*.

- Kim, K., J.-H. Park & J.E. Prescott (2003). The global integration of business functions: a study of multinational businesses in integrated global industries. *Journal of International Business Studies* 34/4, 327–344.
- Martinez, J.I. & J.C. Jarillo (1989). The evolution of research on coordination mechanisms in multinational corporations. *Journal of International Business Studies* 20/3, 489–514.
- Mintzberg, H. & J. Quinn (1991). *The Strategy Process: Concepts, Contexts, Cases* (2<sup>nd</sup> edition), USA: Prentice-Hall Inc.
- Morgan, D.L. (1996). Focus groups. *Annual Review of Sociology* 22, 129–152.
- Nahavandi, A. & A.R. Malekzadeh (1988). Acculturation in mergers and acquisitions. *Academy of Management Review*, 13/1, 79-90.
- Nelson, R.E. (2003). Do organizational cultures replicate national cultures? Isomorphism, rejection and reciprocal opposition in the corporate values of three countries. *Organization Studies*, 24/7, 1115-1151.
- Nohria, N. & S. Ghoshal (1994). Differentiated fit and shared values: alternatives for managing headquarters-subsidary relations. *Strategic Management Journal* 15/6, 491–502.
- O'Donnell, S.W. (2000). Managing foreign subsidiaries: agents of headquarters, or an independent network. *Strategic Management Journal* 21/5, 525–548.
- O'Reilly, C., J. Chatman & D. Caldwell (1991). People and organizational culture: a profile comparison approach to assessing person-organization fit. *Academy of Management Journal*, 34, 487-516.
- Ouchi, W. (1981). *Theory Z: How American Business Can Meet the Japanese Challenge*. Reading, MA: Addison-Wesley.
- Patton, M.Q. (2002). *Qualitative Research and Evaluation Methods*, 3rd edition. Thousand Oaks, CA: Sage.
- Peters, T. & R. Waterman (1982). *In Search of Excellence*, USA: Warner Books Inc.
- Prahalad, C.K. & Y.L. Doz (1981). An approach to strategic control in MNCs. *Sloan Management Review* 22/4, 5–13.
- Rosenzweig, P. (1998). Managing the new global workforce: fostering diversity, forging consistency. *European Management Journal* 16/6, 644–652.
- Schein, E. (1985). *Organizational Culture and Leadership*, San Francisco: CA Jossey-Bass.
- Schneider, S.C. (1988). National vs. corporate culture: Implications for human resource management, *Human Resource Management*, 27/2, 231–46.
- Selmer, J. & C.T. de Leon (1993). Organizational Acculturation in Foreign Subsidiaries, *The International Executive*, 35/4, 321–38.
- Selmer, J. & C.T. de Leon (1996). Parent cultural control through organizational acculturation: Local managers learning new work values in foreign subsidiaries, *Journal of Organizational Behavior*, 17, 557–72.
- Selmer, J. & C.T. de Leon (2002). Parent cultural control of foreign subsidiaries through organizational acculturation: a longitudinal study, *International Journal of Human Resource Management*, 13/8, 1147–1165.
- Søderberg, A.-M. & Vaara, E. (2003). *Merging Across Borders: People, Cultures and Politics* (eds.), Copenhagen Business School Press.
- Suutari, V. & C. Brewster (1998). International Assignments across European Borders: Is it easy for Expatriates? In Brewster, C. & H. Harris (eds.) *International HRM: Contemporary Issues in Europe*. Routledge.

- Van Maanen, J. & E.H. Schein (1979). Toward a theory of organizational socialization. In B.M. Staw (ed.) *Research in Organizational Behaviour*, Vol. 1, JAI Press: Greenwich, CT, pp.209–264.
- Welch, D.E. & L.S. Welch (2006). Commitment for hire? The viability of corporate culture as a MNC control mechanism. *International Business Review*, 15/1, 14-28.
- World Investment Report (2006). *FDI from Developing and Transition Economies: Implications for Development*. New York & Geneva: UNCTAD.
- Yin, R.K. (2003). *Case Study Research: Design and Methods*, 3<sup>rd</sup> edition. Thousand Oaks, CA: Sage.



**Table 1.** Data sources and methods of collection

Source	Method
9 VALUECORP senior managers from 7 foreign subsidiaries (Australia, Brazil, Chile, Germany, Mexico, Sweden, US)	Semi-structured group interview in November 2005
140 VALUECORP employees from 5 foreign subsidiaries (Australia, Canada, Germany, Sweden, US)	Questionnaire in early 2006 (quantitative and qualitative components)
Vice President of HR (& 'Values Expedition' leader)	Semi-structured personal interview in December 2006
External Consultant	Semi-structured personal interview in June 2007
VALUECORP documentation: <ul style="list-style-type: none"> <li>▪ Internal 'Values Expedition' presentations</li> <li>▪ Employee feedback on 'Values Expedition'</li> <li>▪ 'Values Expedition' seminar structures and themes</li> <li>▪ Past employee &amp; management surveys on organisational climate</li> <li>▪ Company intranet &amp; internet material</li> </ul>	Documentary review and analysis

**Table 2.** Summary of the organisational acculturation programme at VALUECORP

	<b><i>Phase 1:</i></b> <b>Values Identification &amp; Awareness</b>	<b><i>Phase 2:</i></b> <b>Crystallisation &amp; Communication of Values</b>
<i>Aim</i>	To identify the ideal values that VALUECORP should stand for and how to apply values in working life.	To reduce and simplify the values identified in Phase 1 into a core set of basic values applicable to VALUECORP employees globally.
<i>Method</i>	2-day seminars at home-country & foreign subsidiary locations, involving group exercises & corporate presentations; Seminar included a half to 1-day managerial training session on how to support the application of values.	Consultant, VP for HR and international taskforce (20 VALUECORP personnel) analyse and interpret the values identified in a series of workshops.
<i>Duration</i>	2002 – 2006	2006 – 2007
<i>Desired Outcome</i>	Present and target cultures and the values that characterise them are identified; VALUECORP personnel begin to apply the target culture values and values-based thinking in their everyday work.	Values identified in Phase 1 are translated into core values and form VALUECORP's guiding Principles (to be made public). In turn, the Principles serve as the foundation for VALUECORP's brand values.
<i>Actual Outcome</i>	Present and target cultures identified. Target culture comprises 7 values; Acknowledgement that Phase 3 ('Translating Values into Behaviours') has to be more substantial than planned.	Analysis results in 4 core values, which are translated into VALUECORP's 4 Principles. In conjunction with an overarching 'Brand Commitment', the Principles are communicated to all VALUECORP stakeholders.

**Table 3.** Perceived impacts of the programme on work values

N = 140	Mean scores (std. deviation) <sup>1</sup>		df	t
	Personal level	Organisational level		
<i>Co-operation &amp; Teamwork</i> (P=.93, O=.90) <sup>2</sup>	4.83 (1.28)	4.34 (1.18)	138	6.083***
<i>Profitability &amp; Success</i> (P=.92, O=.91)	4.59 (1.22)	4.50 (1.19)	134	1.552
<i>Openness</i> (P=.92, O=.91)	4.80 (1.28)	4.37 (1.12)	135	4.879***
<i>Innovation</i> (P=.92, O=.92)	4.58 (1.23)	4.31 (1.14)	136	3.772***
<i>Customer Partnership</i> (P=.94, O=.93)	4.73 (1.24)	4.52 (1.16)	135	3.308***
<i>Communication</i> (P=.93, O=.90)	4.81 (1.26)	4.31 (1.16)	137	5.624***
<i>Commitment</i> (P=.88, O=.87)	4.63 (1.25)	4.30 (1.14)	137	4.823***

<sup>1</sup> The 'Values Expedition' has increased the importance attached to the following issues (1 = strongly disagree... 7 = strongly agree).

<sup>2</sup> Scale reliability scores (Cronbach alpha) for Personal level (P) and Organisational level (O)

\*\*\*P<0.001, \*\*P<0.01, \*P<0.05.

**Table 4.** Qualitative data regarding the programme's impact on work values

Value	Questionnaire responses (N = 101)	Group interview (N = 9)
	No. citations	No. citations
<i>Co-operation &amp; Teamwork</i>	29	13
<i>Communication</i>	23	10
<i>Openness</i>	17	9
<i>Profitability &amp; Success</i>	7	1
<i>Customer Partnership</i>	5	3
<i>Commitment</i>	2	0
<i>Innovation</i>	0	1
<i>No change</i>	17	0

**Appendix 1.** Subsidiary location effect on the perceived impact of the programme

Value		N	Mean scores (s.d.)	
			Personal	Organisational
<i>Co-operation &amp; Teamwork</i>	Canada	19	5.04 (1.11)	4.34 (1.07)
	US	9	5.78 (0.81)	5.39 (0.72)
	Sweden	23	4.82 (1.05)	4.28 (1.13)
	Germany	45	4.25 (1.57)	3.76 (1.35)
	Australia	43	5.15 (0.97)	4.76 (0.82)
	<i>Univariate F value</i>	<i>139</i>	<i>4.837***</i>	<i>6.760***</i>
<i>Profitability &amp; Success</i>	Canada	19	4.72 (1.08)	4.54 (1.09)
	US	9	5.94 (1.05)	5.75 (1.02)
	Sweden	24	4.43 (1.15)	4.43 (1.10)
	Germany	45	3.98 (1.18)	3.94 (1.20)
	Australia	42	4.98 (1.04)	4.84 (1.00)
	<i>Univariate F value</i>	<i>139</i>	<i>8.157***</i>	<i>6.838***</i>
<i>Openness</i>	Canada	19	4.99 (1.03)	4.32 (0.98)
	US	9	5.92 (0.87)	5.31 (1.00)
	Sweden	23	4.57 (1.22)	4.28 (1.02)
	Germany	45	4.27 (1.40)	3.81 (1.16)
	Australia	42	5.15 (1.09)	4.85 (0.87)
	<i>Univariate F value</i>	<i>138</i>	<i>5.331***</i>	<i>7.712***</i>
<i>Innovation</i>	Canada	19	4.76 (1.02)	4.12 (0.93)
	US	9	5.89 (0.83)	5.81 (0.86)
	Sweden	24	4.36 (1.18)	4.17 (1.03)
	Germany	45	4.14 (1.37)	3.90 (1.22)
	Australia	43	4.82 (1.02)	4.59 (0.92)
	<i>Univariate F value</i>	<i>140</i>	<i>5.250***</i>	<i>7.263***</i>
<i>Customer Partnership</i>	Canada	17	5.09 (1.03)	4.76 (0.84)
	US	8	5.63 (0.69)	5.88 (0.83)
	Sweden	24	4.58 (1.00)	4.32 (0.96)
	Germany	45	4.20 (1.39)	3.91 (1.21)
	Australia	43	5.05 (1.12)	4.93 (0.98)
	<i>Univariate F value</i>	<i>137</i>	<i>4.735***</i>	<i>9.460***</i>
<i>Communication</i>	Canada	18	5.03 (0.98)	4.28 (0.93)
	US	9	5.75 (0.87)	5.19 (0.78)
	Sweden	24	4.76 (1.18)	4.35 (1.10)
	Germany	45	4.24 (1.49)	3.74 (1.31)
	Australia	43	5.13 (0.96)	4.71 (0.90)
	<i>Univariate F value</i>	<i>139</i>	<i>4.825***</i>	<i>6.063***</i>
<i>Commitment</i>	Canada	19	4.61 (1.10)	4.14 (1.08)
	US	9	5.72 (0.90)	5.58 (0.70)
	Sweden	24	4.77 (1.04)	4.46 (1.13)
	Germany	45	4.00 (1.45)	3.63 (1.15)
	Australia	43	4.98 (0.93)	4.74 (0.76)
	<i>Univariate F value</i>	<i>140</i>	<i>6.362***</i>	<i>10.969***</i>

**Appendix 2.** Effect of tenure on the perceived impact of the programme

Value		N	Mean scores (s.d.)	
			Personal	Organisational
<i>Co-operation &amp; Teamwork</i>	< 5 years	67	4.55 (1.32)	4.11 (1.19)
	5-10 years	41	4.94 (1.26)	4.40 (1.21)
	> 10 years	30	5.25 (1.08)	4.78 (1.04)
	<i>Univariate F value</i>	138	2.611*	2.606
<i>Profitability &amp; Success</i>	< 5 years	67	4.35 (1.20)	4.27 (1.17)
	5-10 years	39	4.54 (1.23)	4.51 (1.20)
	> 10 years	29	5.16 (1.12)	5.01 (1.07)
	<i>Univariate F value</i>	135	3.703*	3.290*
<i>Openness</i>	< 5 years	65	4.48 (1.27)	4.13 (1.07)
	5-10 years	41	4.87 (1.29)	4.40 (1.14)
	> 10 years	30	5.38 (1.07)	4.88 (1.05)
	<i>Univariate F value</i>	136	4.381**	3.273*
<i>Innovation</i>	< 5 years	65	4.32 (1.28)	4.15 (1.22)
	5-10 years	41	4.65 (1.19)	4.34 (1.01)
	> 10 years	30	5.04 (1.02)	4.55 (1.10)
	<i>Univariate F value</i>	136	3.032*	1.630
<i>Customer Partnership</i>	< 5 years	67	4.45 (1.18)	4.23 (1.18)
	5-10 years	40	4.97 (1.25)	4.64 (1.07)
	> 10 years	29	5.08 (1.20)	4.91 (1.11)
	<i>Univariate F value</i>	136	3.264*	3.132*
<i>Communication</i>	< 5 years	67	4.56 (1.31)	4.16 (1.18)
	5-10 years	41	4.93 (1.12)	4.30 (1.14)
	> 10 years	30	5.21 (1.23)	4.69 (1.08)
	<i>Univariate F value</i>	138	2.568	1.649
<i>Commitment</i>	< 5 years	66	4.46 (1.27)	4.20 (1.15)
	5-10 years	41	4.61 (1.21)	4.30 (1.08)
	> 10 years	30	4.95 (1.22)	4.49 (1.20)
	<i>Univariate F value</i>	137	1.293	0.995