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SCHOOL OF BUSINESS, ECONOMICS AND LAW

Implementing corporate culture in a foreign subsidiary located in Italy

The significance of strategies and differences in national cultural on the implementation process

Department of Business Administration

International Business

Bachelor thesis

Spring 2015

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ACKNOWLEDGEMENTS

ABSTRACT

Title: Implementing corporate culture in a foreign subsidiary located in Italy – The significance of strategies and differences in national cultural on the implementation process

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Background and Problem: In today's society, globalization in combination with a higher level of interconnections between people from different origins generates cultural diversity. Consequently, Multinational Corporations (MNCs) get increasingly more exposed to cultural variances and, at the same time, the way codes of business conduct and business policies are shaping corporate culture is changing drastically. Concurrently, the main challenge facing MNCs is in what way national culture affects the corporate culture and what kind of strategies need to be employed to successfully implement corporate culture in a foreign subsidiary.

Purpose: The purpose is to contribute with increased understanding of the implementation process of corporate culture and provide a deeper insight in the strategies an MNC located in one particular country has employed to implement its corporate culture in a subsidiary located in another particular country. Furthermore, the aim is to compare potential differences in national cultural between Italy and Sweden, as well as examining in what ways the differences might affect the implementation process of corporate culture.

Method: The empirical material was collected through qualitative interviews with ten employees, half of them positioned in Italy and the other half in Sweden. Thereafter, the data were analyzed and compared with the chosen theoretical framework in order to find similarities and differences.

Results and conclusion: The study found several strategies and procedures that MNCs can use in order to implement corporate culture in foreign subsidiaries. The study shows that the business policy for corporate culture in the studied MNC is global, but the implementation process is local and therefore polycentric. Moreover, it appears that the benchmark for implementation of the corporate culture is similar regardless of nation, however, because of translation interpretation and implementation might be executed differently between subsidiaries. In addition, the study implies that differences in national culture have affected the implementation process, as well as the existing corporate culture in the studied subsidiaries. Yet, an appropriate implementation of a global business policy can diminish the influences on corporate culture caused by differences in national culture.

Abbreviations

CEO - Chief Executive Officer

CFO - Chief Financial Officer

CHR - Corporate Human Resources

CLI - Communicative Leadership Index

ESI - Employment Satisfaction Index

GLOBE - Global Leadership and Organizational Behavior Effectiveness

HR - Human Relations

HRM - Human Relations Management

MNC -Multinational Corporation

PBP - Personal Business Plan

TVW - The Volvo Way

VFS - Volvo Financial Services

VGAS - Volvo Group Attitude Survey

Key words

Corporate culture, National culture, Implementation, Strategies, Business policy, MNC

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1. Introduction

The introduction describes the background of the topic discussed, in order to introduce the reader to the subject field. It then continues with a problem discussion, which leads to the purpose of the study and the research question. The section is followed by an outline of how the study was conducted and ends with a description of the thesis structure.

1.1 Background

In today's society, globalization, in combination with a higher level of interconnections between people from different origins, generates cultural diversity. Cultural diversity is defined as the representation of people, in one social system, with particularly different group affiliations of cultural significance (Cox 1994). The rise of Multinational Corporations (MNCs) around the world (Honglin Zhang 2009; Lall & Chen 1983; Olsson, Jones, Geoffrey, Schröter Harm 1993) has contributed to a higher level of exchange of capital, labor, goods and services between countries, however, cultural differences remain and challenge globalized communication and transfer (Haghgirian 2011).

The concept of culture originally comes from social anthropology and there are different classifications of culture such as national culture and corporate culture (Hofstede 1980). Kotter and Heskett (1992) explain how different levels of corporate culture tend to influence each other. For instance, shared values are likely to have an impact on the behavior of employees, such as the general commitment to customers, which could be reflected in how rapidly employees respond to customer complaints. Consequently, corporate culture is strongly related to business conduct, business policies and responsible corporate behavior.

Stakeholders, together with the companies themselves, have recognized the importance of reliable business conduct and the importance of operations that are aligned with shared norms, values and principles (Waddock, Bodwell & Graves 2002). In order to meet the responsibilities, 52.5 percent of the two hundred largest companies in the world have developed a business code (Kaptein 2004). Kaptein and Wempe (2002) claim that the business code is a strategy document, which outlines corporate responsibilities in relation to stakeholders, as well as the expectations on mutual behavior of employees. Moreover, the business code explains the purpose of the company, as well as its norms and values and, thus, the corporate culture (Kaptein 2004).

1.2 Problem discussion

In step with the process of globalization, MNCs get increasingly more exposed to challenges related to cultural variances (House 2004; Schein 2010) and, at the same time, the way codes of business conduct and business policies are shaping corporate culture is changing drastically (LRN 2006). Concurrently, the main challenge facing MNCs is in what way national culture affects the corporate culture and what kind of strategies need to be instituted in order to successfully implement the corporations' corporate cultures (Gerhart 2008).

Hofstede (1983) states that companies are dependent on culture in relation to management practices and that effective organizations have adapted their foreign management to local cultures. Furthermore, the analysis made of the Global Leadership and Organizational Behavior Effectiveness (GLOBE) research (House, Hanges, Javidan, Dorfman & Gupta 2004) emphasizes the central role of the national culture, stating that organizations mirror the countries where they are founded. Together with other studies (Johns 2006; Scheffknecht 2011), Hofstede (1983) and the authors of the GLOBE studies (2004) indicate that national culture is critically important to the management of an enterprise in a foreign environment and should be adapted to by all MNCs when doing business outside the home country.

In addition, Ralston, Holt, Terpstra & Kai-Cheng (1997) discuss whether organizations should focus on adapting to the national culture and values of the host country or standardize the corporate culture by not allowing for local variances. The study highlights the benefits of a company that focuses on understanding and harmonizing the different cultural values, rather than trying to force-fit their employees into a uniformed culture. Moreover, several studies have been constructed considering corporate culture, such as efforts aiming on defining the concept of culture (see Case 1996; Pettigrew 1979; Ray 1986; Sathe 1983), studies examining the relationship between corporate culture and organizational performance (see Kim Jean Lee & Yu 2004), the effects of corporate culture on organizational efficiency (see Aktaş, Çiçek & Kıyak 2011) and the advancement of corporate culture during mergers and acquisitions (see Weber & Yedidia Tarba 2012). However, none of these studies, or other previous studies that we have encountered, appear to address the challenges related to the implementation process of corporate culture in a subsidiary located in a foreign country. Therefore, this study emphasizes the significance of developing exploratory research on the implementation processes of corporate culture from an MNC headquartered in one nation with subsidiaries in another nation (in this study a subsidiary in Italy), as well as stressing potential differences in national culture that might challenge the procedure.

1.3 Purpose of the study

The purpose of this thesis is to contribute with increased understanding of the implementation process of corporate culture and, in addition, provide a deeper insight in the strategies an MNC located in one particular country has employed in order to implement its corporate culture in a subsidiary located in another particular country. Furthermore, the intention is to compare potential differences in national cultural between Italy and Sweden, as well as examining in what ways the differences might affect the implementation process of corporate culture.

1.4 Research question

The problem discussion and the purpose of the study lead to the following research question:

How does a Multinational Corporation implement its corporate culture in a subsidiary located in Italy?

1. *What strategies have the company used in order to implement its corporate culture?*
2. *In what way have differences in national cultural affected the implementation process?*

1.5 How the study was conducted

In order to obtain an accurate and deep understanding of how an MNC implements its corporate culture, the thesis is based on a case study of Volvo Group's implementation of its corporate culture in Italy. We have chosen to delimit the study by examining one MNC including two of its distinctive subsidiaries, one located in Italy and one in Sweden, to allow for a comparison of the implementation procedures in the different nations. The delimitations of the study are explained in detail in chapter 2.8. The main theoretical framework will constitute of Hofstede's cultural dimensions (2010) and GLOBE (2004), as well as strategies for implementing corporate culture and managing cultural diversity (Cardel Gertsen & Søderberg 2012; Evans & Lorange 1989; Farndale, Scullion & Sparrow 2010; Jaeger 1986; Pascale & Athos; Ray 1986). Even though Hofstede's framework has been subject to a lot of criticism (McSweeney 2002; Williamson 2002), the study is the most widely cited work on culture in existence (Bond 2002). Most of Hofstede's dimensions integrate with the GLOBE research, however, some dimensions differ from each other, which in turn is likely to contribute to a broader study and additional material to the analytic section. The strategies for implementing corporate culture and managing cultural diversity will be used as complementary theories with the intention of gaining deep insight and a complete understanding of how an MNC implements its corporate culture in a foreign subsidiary.

With the ambition of answering the research question, a comparison between the main theories of this study and their interoperability with the empirical material will be provided in the analytic chapter. The theoretical framework provides evidence for potential differences in national cultural between Sweden and Italy and, consequently, it is likely that Volvo Group has been forced to employ strategies in order to cope with cultural diversity.

1.6 Thesis structure

In order to fulfill the purpose of the study and to meet requirements concerning standards on academic writing, the report consists of six chapters; introduction, methodology, theoretical framework, empirical material, analysis and conclusion. The structural framework of the thesis is as follows:

1. Introduction: In the first chapter, the reader is introduced to the background of the study. Additionally, the subject is problematized and the research question, as well as the purpose of the study, is presented.

2. Methodology: In the methodology section, explanations and justifications of the choice of methods are outlined. Furthermore, the chapter contributes with a description of the practices for collecting, processing and analyzing empirical material.

3. Theoretical framework: The chapter provides a description of previous research and literature of the topic discussed. Relevant and applicable theories will be presented, including a description of corporate and national culture, Hofstede's cultural dimension, GLOBE and strategies established in order to implement corporate culture and to handle cultural diversity.

4. Empirical material: In this chapter all the empirical material is found. The material derives from findings collected through qualitative interviews, held with the intention of fulfilling the purpose of the thesis and answering the research question.

5. Analysis: In the analysis the theoretical background is compared to the empirical material in order to find patterns, similarities, differences and potential contributions to existing research.

6. Conclusion: In the last chapter of the thesis, an intention to interlace the research question, the purpose of the study and the analysis is presented. The conclusion provides a summary of the thesis in terms of a descriptive outcome, including main findings, theoretical contributions, managerial implications and suggestions for future research.

2. Methodology

The methodology will include description and justification of the methods used in the study. The chapter outlines the research approach and process, the reasons for conducting a case study and a review of the methods used for sampling the selected case and the respondents. Furthermore, the proceeding and execution of the data collection procedure and the method for empirical material analysis are described. The last part covers the quality of the study, delimitations and limitations.

2.1 Research approach

Existing literature (De Brentani & Kleinschmidt 2004), together with the large scope of studies regarding corporate culture, indicates that the topic of this thesis can be considered as complex and difficult to assess. According to Lewis and Ritchie (2003), when studying a complex field of science, for which statistics and calculations are not sufficient or applicable, it is preferable to use a qualitative research method in order to facilitate comprehension and explanation of the issue. Hence, the qualitative method was considered the best applicable approach when investigating the complex process of an MNC's implementation of its corporate culture in Italy. Moreover, according to Eriksson and Kovalainen (2008), it is often needed to adapt the research along the process in order to fulfill the purpose of the study. Therefore, the research was kept flexible and adaptable to deviances and the research question and purpose of the study constantly directed the process. Dubois and Gadde (2002) present a similar argument and state that researchers, by alternating between the different types of research activities rather than execute their research in a linear process, will be able to get a wider understanding of the subject. According to this method, named an abductive approach, the preliminary theoretical framework directs the search for empirical data. However, the empirical data are likely to identify limitations of the theoretical framework and, therefore, the theoretical framework might need to be expanded or changed (Dubois & Gadde 2002). An abductive approach was employed in this study, in order to maintain a flexible research approach and to achieve an enhanced understanding of the topic. During the working process, our collection of empirical data was steered by the theoretical framework and when additional theoretical material was found necessary, this was searched for and added to the existing framework. In turn, the expanded framework resulted in a wider theoretical foundation for the study and more comprehensive material for the analysis.

2.2. Research process

Considering that we already had an interest and a pre-understanding of corporate culture, this was chosen as main topic for the thesis (see phase one in figure). Thereafter, Volvo Group

was chosen as company for the case study and the HR department for Volvo Financial Services (VFS) was contacted in order to ensure that the company permitted the study. Moreover, an HR employee sent interview requests to potential respondents (see phase two in figure). Subsequently, the search and collection of theoretical material started, focusing on extending our understanding of national and corporate culture, as well as strategies for implementing corporate culture. Concurrently, we chose suitable research methods for the study, which resulted in a methodology section (see phase three in figure). The empirical data were collected by interviewing employees at Volvo and gathering written material from secondary sources (see phase four in figure). The data were later on processed and compiled into a synthesis of the main findings of the research and theories were added in order to supplement the existing theoretical framework (see phase five in figure). By assessing patterns in the empirical material and compare them to the theoretical framework, an analysis was composed (see phase six in figure). Finally, the last part of the process consisted of drawing conclusions, identifying contributions to existing theories and managerial implications and suggesting matters for further research (see phase seven in figure).

Figure 1 Research process

1. Pre-understanding of culture and choice of research area
2. Choice of Volvo for case study and initial contact with HR at Volvo
3. Creation of theoretical framework and methodology
4. Execution of interviews and information gathering
5. Compilation of empirical material and new theories added
6. Analysis of empirical material and theoretical framework
7. Conclusions and suggestions for future research

Source: Authors' own illustration

2.3 Case study

The principal research question centers in gaining insight in how an MNC implements its corporate culture in a subsidiary located in Italy. Thus, a case study was chosen in order to achieve a deep and comprehensive understanding of the topic discussed. This was executed by acquiring rich empirical material from the studied MNC, which in combination with theoretical literature is able to support theorizing (Welch, Piekkari, Plakoyiannaki & Paavilainen-Mäntymäki 2011).

According to Siggelkow (2007), the goal of every author is to write an academic work that readers and reviewers find persuasive. Studies based on case studies have been widely criticized, for instance of having a biased sample and, in addition, when studying a particular organization, it is vital to be careful with the inferences (Siggelkow 2007). However, one of the three important uses for case research, in order to make a conceptual contribution, is illustration (Siggelkow 2007). This study intends to illustrate and gain deeper insight concerning the implementation procedures for corporate culture in two specific subsidiaries within an MNC, as well as matching theory and empirical material to gain a profound understanding of the topic discussed (cf. Dubois & Gadde 2002). Sampling was carefully carried out and conclusions were prudentially drawn, in order to make this study persuasive and elude general criticism. A case study was employed since it acknowledges in-depth, multifarious discoveries of complex topics (Crowe, Cresswell, Robertson, Huby, Avery & Sheikh 2011). Moreover, it allows the reader to see the world, and not just the literature, in a new way (Siggelkow 2007), which is aligned with the purpose of this thesis. Consequently, a case study's contribution will be of interest to a larger amount of readers, not only those who understand the references to prior theory (Yin 2014).

Merriam (1998) emphasizes that a single case study must be empirically descriptive, particularistic and heuristic. The study is descriptive, as it describes in what ways an MNC implements its corporate culture in specific subsidiaries, as well as describes theories related to national and corporate culture and to strategies for implementation of corporate culture. Moreover, the study is particularistic as it focuses on the implementation processes of corporate culture of a specific MNC. Lastly, the study is heuristic as it through its structure and formation strives to provide the reader with an understanding of the implementation processes of corporate culture, through a depiction of the theoretical framework, an empirical description and an analysis, in which the relevant theories are related to the case study.

2.4 Sampling
2.4.1 Case
Considering that we wanted to examine the implementation procedures of corporate culture in an MNC, we wished for an MNC as case company for our study. We chose Volvo Group as company for our study, as the corporation is considered an MNC, but also because we had accessibility to the company through personal contacts. Thus, the choice of case company was primarily purposeful, but also partly convenient. Moreover, we chose the Italian subsidiary as foreign part of the case, because of good accessibility to possible respondents and because of

its location in southeastern Europe. In addition, we desired respondents from a Swedish subsidiary to enable comparison between the two nations. Consequently, the choice of subsidiaries was partly purposeful and partly convenient.

2.4.2 Respondents

Blumberg, Cooper and Schindler (2008) state that the quality of a sample depends on how well it represents the characteristics of a population and, in turn, the representativity depends on accuracy and precision. Accuracy is the degree to which the sample lacks bias and precision measures how precise the sample describes the population. These two criteria were considered carefully when we chose the sample of respondents for this thesis, with the ambition of sampling in the best possible way. In order to execute a comprehensive and less biased study, a wide range of employees were chosen, for instance both managers and specialized employees. With the purpose of getting the sample as precise as possible, we focused some data gathering within the HR department. However, various employees at Volvo Group within different hierarchical positions, functions and nations were also interviewed, so as to get access to comparable information from several perspectives.

When planning for our data collection, two requirements for the nature of the respondents were set. Firstly, we wanted half of them to be Italian and the other half to be Swedish. Moreover, one HR employee of each nationality was preferred, as equally much information from the two HR perspectives was desired. Consequently, purposeful sampling was primarily employed when choosing respondents for the study. However, as the HR employee and our initial contact at Volvo provided us with contact information to other possible respondents, the 'snowball effect' was also employed (Atkinson, 2001). In total, we interviewed three Swedish employees, three Italian employees, one inpatriate from Italy, one expatriate from Sweden and one employee at each subsidiary's HR department. The origins, positions, functions and approximate employment time of the respondents are further described in table 1, in Appendix. Lastly, Charlie Nordblom, former Vice President Strategic Internal Communication and responsible for the update of TVW between 2007-2009, was interviewed in order to gain an enhanced understanding of the origin and development of TVW.

2.5 Data collection
2.5.1 Primary

When collecting empirical material mainly primary sources, in the form of interviews, were used. The data were gathered in April 2015 at Volvo Group in Sweden and in Italy, with the intention of achieving an increased understanding of the implementation process of corporate

culture in the two subsidiaries. The collaboration with Volvo started by an initial phone meeting with one of the employees at the HR department in the Swedish subsidiary. The employee agreed to assist in gaining access to employees, to facilitate the first contact with possible respondents and to provide relevant data concerning the topic.

2.5.1.1 Interviews
In total, ten interviews were conducted between 9 and 28 April 2015 with employees at VFS in Gothenburg and employees at various departments in a subsidiary in Bergamo, northern Italy. Besides, an interview with Charlie Nordblom was held on 28 April 2015. When selecting layout and content of the interviews, the research question and the purpose of the study were simultaneously matched in order to assure the interviews would provide relevant information for the study. Moreover, a non-academic vocabulary was used as a means to ensure that the respondents understood the questions properly. For instance, we asked the respondents about risk-taking instead of the cultural dimension Uncertainty Avoidance, as those who are not familiar with the academic terms easier comprehend it. The interviews were semi-structurally conducted with open questions, which allowed for an unrestricted and conversational communication, in accordance with the endorsement of Bryman and Bell (2011). Bryman and Bell (2011) state that a semi-structured interview is applicable when the researcher wants the respondent to be able to respond freely, so that the interviewer can ask follow-up questions in return. In this thesis, all interviews were conducted one-to-one or via Skype, in either Swedish or English and lasted about one hour each. Consideration was devoted to the risks of misinterpretation caused by translation faults or lost communication due to distance. In cases when the respondents gave their approval, the interviews were recorded in order to avoid loss of information. Notes were taken continuously during the interviews, with the intention of facilitating follow-up on questions, as well as enabling a just interpretation when analyzing the material. The interview questions are attached in Appendix.

2.5.2 Secondary
In addition to the primary data from the interviews, secondary sources were used in the research process. By searching Volvo's intranet Violin, to which we had access via one of the respondents, material regarding Volvo's policy for corporate culture 'The Volvo Way' (TVW) could be found. The material included files such as booklets, posters and videos about TVW etcetera, see Appendix. In addition, information from the company website was used to contribute with objective facts and we also downloaded the latest version of TVW booklet. The content of TVW was compared to the theoretical framework, analyzed and categorized

into the cultural dimensions of Hofstede (2010) and GLOBE (House et al. 2004), in chapter 5.1. The published PDF version of TVW booklet can be found in Appendix.

2.6 Method for analysis of empirical material
As described previously, an abductive approach (Shenton 2004) supported the construction of our theoretical framework throughout the research process. However, when composing our analysis, we commenced from the basis of our abductively composed theoretical framework and then searched for patterns and deviations in relation to our empirical data in order to create our final analysis. Thus, a method similar to a deductive approach was employed in the final part of the research process, in order to get an enhanced understanding for the relationship between the theoretical framework and the empirical data. Moreover, a simplified discourse analysis of TVW and the cultural dimensions of the theoretical framework was executed, in order to verify the stance of the global business policy in relation to the national cultures of Sweden and Italy, see chapter 5.2.

2.7 Quality of the Study
The traditional concepts of validity and reliability of a study are often harder to measure in qualitative research than in quantitative, due to the complex and subjective nature of the method (Shenton 2004). In order to ensure the trustworthiness of our study, four criteria were taken into consideration; credibility, transferability, dependability and confirmability.

2.7.1 Credibility
Shenton (2004) states that the requirements for credibility of a study should be met, which implies to ensure that the investigated topic was measured or tested in the study and that the final findings of the study correspond to reality. We ensured that a correct research method was employed, by thoroughly consider what approach and research techniques should be used for the topic of our study. Furthermore, we used several kinds of sources and a wide range of respondents to triangulate the findings, with the intention of ensuring a truthful representation of reality and thereby establish credibility of the study.

2.7.2 Transferability
Shenton (2004) also emphasizes the importance of transferability, which is described as the possibility to apply a study's result to other studies. Researchers should ensure that adequate information about the context of the study is provided so that such a proper application is possible (Shenton 2004). By providing a presentation of the respondents, background of Volvo Group and TVW and the employed research method, this study offers the reader a clear description of the underlying conditions for the research. Moreover, since previously

established theories have been used for comparison with the results of this case study, we consider it 'analytic generalizing', which means that this thesis can be used for other studies (Yin 2004). Accordingly, this adds more transferability to our study.

2.7.3 Dependability
The third criterion mentioned by Shenton (2004) is called dependability and is explained as the degree to which other researchers will find similar results if repeating the study in the same context, using the same methods and interviewing the same respondents. In order to meet these requirements, we made sure that a detailed clarification of plans and execution of strategies, a description of the data collection and an evaluation of the research process's shortcomings were provided in the methodology chapter in our study. Moreover, field notes, recordings and transcriptions, as well as information collected from the company intranet, were retained in order to be available for other researchers' use.

2.7.4 Confirmability
Shenton (2004) explains that researchers must as far as possible ensure that a study's results derive from opinions and experience of the respondents and not from the views or characteristics of the researchers themselves. Therefore, we continuously reminded ourselves of probable personal influence on the research process, in order to pay attention to the issue and evade the occurrence of it. Moreover, with intention to demonstrate why decisions were made and how our own choice of research approach and acknowledgment of the study's limitations, have been declared in the methodology chapter.

2.8 Delimitations
This thesis has a number of delimitations since several restrictions and priorities were taken into account during the research process. Firstly, due to time limitation and availability of participants, the number of respondents had to be lower than preferred, however, the careful choice of respondents might have balanced negative consequences. The study is therefore likely to be representative, as interviewing a wide range of employees collected a broad scope of empirical material and, in addition, we ascertained no leading or biased questions in the interviews. Furthermore, we could not visit the Italian subsidiary, which might have affected the amount and validity of empirical material, as well as the results of the study. Although the initial plan was to travel to Italy and interview the employees face-to-face, lack of time and financial resources prevented the realization of the visit. However, as a supplement to face-to-face interviews, regular phone calls and an Internet-based program for phone calls, namely

Skype, was employed, which in turn provided satisfying possibilities for collecting relevant empirical material.

2.9 Limitations
One of the most critical, but also ineluctable, limitations of this thesis is the lack of the researchers' objectiveness. Cultural background, experience and personal opinions only constitute a fraction of the factors that might influence a person's perspective (Sreejesh, Mohapatra & Anusree 2014). Therefore, when conducting interviews, interpreting statements of respondents and analyzing material, origins, professions and other factors, might affect the viewpoints and analyses (Sreejesh et al. 2014). In order to handle these issues, we used the 'triangulation technique', in which several sources of data are used for validating each other's significance and meaning (Harvard University 2008). In addition, the 'reflection process' was employed, which includes constant reflection on the subjectivity throughout the entire writing process (Harvard University 2008). Moreover, there are several factors, such as gender and age, that can result in biased answers of the respondents (Sreejesh et al. 2014). This issue was handled by choosing a comprehensive and diverse sample of employees to interview, which resulted in a broad insight in the topic discussed. Furthermore, the respondents were encouraged to describe fact-based phenomena and give relevant concrete examples, in order to not only express personal opinions and thereby avoid too subjective influences.

3. Theoretical framework
The theoretical framework covers relevant theories from previous studies related to the topic discussed. The chapter begins with a brief presentation of the concept culture, a description of corporate culture and national culture including choice of definitions. Furthermore, theories related to strategies for implementing corporate culture and to handle cultural diversity are examined. The chapter ends with a section describing the distinctive cultural dimensions, in which Hofstede and the GLOBE research are explored and compared to each other and the differences in national culture between Sweden and Italy are outlined.

3.1 Introduction to culture
Both corporate culture and national culture can be found within the umbrella of research of culture. More than 60 years ago, Kroeber and Kluckhohn (1991) had already recognized over 160 definitions of culture. As of today, it is acknowledged that there is no universally accepted definition, as the concept has been interpreted and illustrated in many different ways. The cultural adaptationist school in anthropology claims that the foundation of culture is directly recognizable, as it constitutes of patterns of behavior, speech and use of material objects (Sathe 1983). On the other hand, the ideational school believes culture is what is shared in the minds of the members in a community (Sathe 1983). Namenwirth and Weber

(1987) describe culture as an arrangement of ideas that provides a design for living, whereas Clark (1990, p. 66) labels culture as "*...a distinctive enduring pattern of behavior and/or personality characteristics*."

3.1.1 Description of corporate culture

Likewise, regarding corporate culture, it is recognized that there is no collectively established definition. Sathe (1983, p. 6) defines corporate culture as *"...the set of important understandings, often unstated, that members of a community share in common",* whereas Pettigrew (1979) asserts that in organizations, culture may be described as a combination of beliefs, ideologies, languages, rituals and myths. Denison (1984) claims that most researchers agree that corporate culture relates to the set of values, beliefs and behavior patterns that design the identity of an organization. Furthermore, culture appears to be emotional features within employees that contrast the usual work processes of corporations, which tend to be more rationalistic and based on quantitative analysis, planning and formal rules (Ray 1986).

Case (1996) explains that corporate culture recognizes what a corporation regards as important and what it regards as unimportant, and is expressed as *"...the value, attitude that permeates a business*" (Case 1996, p. 42). Moreover, Case (1996) states that corporate culture is a unique competitive advantage as it may influence on how employees work together and, additionally, it spreads the corporation's core values to its customers and employees. Case's definition of corporate culture is comprehensive as it incorporates all the other definitions mentioned above. The definition appears to be in alignment with all the other definitions as it centers in the abstract and intangible parts of an organization such as emotions, attitudes and work behaviors. Additionally, the definition is relatively easy to comprehend and apply in several situations. Therefore, Case's explanation of corporate culture will hereafter be thought of when referring to corporate culture in this thesis.

3.1.2 Description of national culture

As with corporate culture, there are many different descriptions of national culture. National cultural is defined as the values, beliefs and assumptions learned in early childhood that differentiates one association of people from another (Beck & Moore 1985). The definition is congruent with Jaeger's description of national culture as a set of mutual theories of behavior or mental programs that are shared (Jaeger 1986).

It appears that national culture is rooted profoundly in people's daily life and is fairly resistant to change (Newman & Nollen 1996). According to Newman and Nollen (1996) national

culture is critical and influences employees' understanding of work and their approaches towards it. Additionally, because of national culture, employees expect and prefer a certain way of acting and one set of specific outcomes is superior to the others. However, it should be emphasized that cultural boundaries between nations are becoming increasingly ambiguous, as a result of economic integration between several countries and, moreover, there may be significant cultural differences within countries (Fukuyama 1995). Consequently, one may argue that national culture should not be paralleled with the geographical borders of a nation, nor assume that particular cultural norms and values are accepted by all members, groups and subgroups of a population (Doney, Cannon & Mullen 1998). Alternatively, national culture could be described as characteristics of a great number of people with similar background, education and life experiences (Doney, Cannon & Mullen 1998).

Hofstede (1980) defines culture as the collective programming of the human mind that distinguishes the members of one human group from those of another. Culture is therefore a system of collectively held values. Since Hofstede is widely cited by academics and researchers all over the world and his cultural dimensions constitute a fundamental element of this study, the definition above, will hereafter be thought of when referring to the concept of national culture. Additionally, the definition appears to incorporate and conform with the other definitions mentioned above.

3.2 Strategies to implement corporate culture and to handle cultural diversity
Culture of top management is not automatically a universal one shared by all members on all organizational levels (Ray 1986). Therefore, top management's communication and directing of culture is crucial, as it provides guidelines to the employees and encourages a system of shared values and beliefs that permeate all parts of the organization (Ray 1986). Nevertheless, the consequences of corporate culture should not be left in the state of contingent. An appropriate implementation is likely to result in internalization of desired values, norms and outcomes (Ray 1986). Moreover, corporate culture can be used as a managerial policy, possibly very effective in fostering loyalty, eagerness, attentiveness and even commitment to the company among employees (Ray 1986). If management succeeds in implementing a specific corporate culture, the members of the organizations will identify more completely with the firm and perceive their own benefits as consistent with it (Pascale & Athos 1986).

In order to properly implement a desired corporate culture and cope with cultural diversity researchers have identified two strategies; the global approach and the polycentric approach

(Evans & Lorange 1989). The global approach implicates that the business's own definite corporate culture directs and HRM is relatively centralized and standardized. The procedures and guidelines of the subsidiaries are similar and universal. On the contrary, the polycentric approach is characterized by decentralized HRM responsibility to the individual subsidiaries. Normally headquarters provide general guidelines and, thereafter, each subsidiary is permitted to interpret HRM and make adjustments to fit it to the local culture (Evans & Lorange 1989).

Jaeger (1983) emphasizes that MNCs are able to control subsidiaries located in foreign countries by transferring corporate culture. The cultural control is an alternative organizational ideal type relying on corporate culture for control instead of the traditional bureaucratic mechanisms. In order to accomplish control through corporate culture the MNC is required to employ a number of strategies that establish and maintain the corporate culture in the subsidiaries (Jaeger 1983). The strategies include usage of several expatriates, a highlighting on the home language, as well as a broad employee socialization and training program. Moreover, socialization and training are essential as a corporate member is required not only to learn explicit statements and regulations, but also required to understand and become part of a sophisticated and complex control system that involves a broad scope of fundamental values (Jaeger 1983).

Furthermore, there are several strategies for implementing corporate culture in subsidiaries located in foreign countries, for instance through the company website and intranet, magazines and booklets, as well as through expatriate managers who act as 'ambassadors' of the corporate culture (Cardel Gertsen & Søderberg 2012). Cardel Gertsen and Søderberg (2012) suggest that MNCs employ some level of standardization when trying to implement its corporate culture in international subsidiaries, however, translation is necessary. Moreover, it is critical to stress that values and processes from headquarters may be interpreted in different ways depending on the local subsidiaries. Therefore, one way of discovering the appropriate balance between global integration and local adaptation is by drawing more on inpatriates' knowledge, experiences and evaluations (Cardel Gertsen & Søderberg 2012). Inpatriates are defined as host country nationals relocated from international subsidiaries to the home country of the company for a certain period of time (Harvey, Speier & Novicevic 1999). Inpatriates are able to work as a means of learning in an MNC that is globalizing, as they may contribute to an increased exchange of knowledge between subsidiaries and headquarters, as well as assisting in the translation of corporate culture. Moreover, the inpatriates will learn how work is carried out at the headquarters and will, therefore, be able to use their

experiences in order to strengthen the implementation of the corporate culture in the subsidiaries. In addition, the inpatriates will be able to act as boundary spanners in the MNCs (Cardel Gertsen & Søderberg 2012).

Farndale, Scullion and Sparrow (2010) discuss the function of Corporate Human Resource (CHR) roles and particularly two out of these four roles can be strongly related to the implementation process of corporate culture. *The guardian of culture* tasks include ensuring a culture permeated by mobility and flexibility, integrating values and procedures in organizational strategies and actions to encourage global mobility of individuals, as well as attempting to streamline differences in attitudes between business divisions and geographic regions (Sparrow, Farndale & Scullion 2013). On the other hand, *The manager of receptivity* tasks include encouraging receiving units to manage diversity, careers, integration and work-life balance, as well as enhancing the mobility of units to share their talent in order to benefit the corporation as a whole (Sparrow, Farndale & Scullion 2013). These two CHR roles are strongly related to corporate culture and are therefore likely to be employed as strategies for the implementation of corporate culture.

3.3 Cultural dimensions: Hofstede and GLOBE
When investigating whether national culture influences the implementation of corporate culture, some cornerstones are needed in order to distinguish the most important aspects in the complex concept of culture. Hofstede (2010) and the authors of GLOBE (2004) have divided the wide range of corporate and national culture into several dimensions, which were utilized in the research.

Hofstede (2010) identifies six distinctive cultural dimensions in order to compare national cultures around the world. By classifying different cultural values and norms to a set of dimensions, Hofstede aims to facilitate cultural comparison. In Hofstede's framework greater national differences result in larger variances between the countries' cultural dimensions (Schweiger & Goulet 2001). In 2004, another research related to corporate culture was published. GLOBE was an attempt to continue the work of classifying countries' corporate cultures and to give a comprehensive complement to previous research (House 2004). The GLOBE study has supported Hofstede's work in many ways. However, due to the problems raised by critics to Hofstede's model, the study added more reliable information in terms of measurement and generalizability (McFarlin & Sweeney 2014). Out of nine cultural dimensions in the GLOBE study, six either intersect with Hofstede's dimensions or are

amendments of those, and three new dimensions have been created (House et al. 2004). Below, the five Hofstede dimensions and the nine GLOBE dimensions are presented in nine combining categories, each followed by a comparison between Sweden and Italy.

3.3.1 Power Distance

<u>Hofstede</u>

In countries that score high on the Power Distance index, a hierarchical structure and unequally distributed power are generally accepted among the members of the society (McFarlin & Sweeney 2014). Sweden scores low on this dimension, which indicates that the Swedish society is characterized by equal rights and accessible managers (The Hofstede Centre n.d. [A]). Italy scores medium on the dimension, which suggests that the country employs more hierarchal structures. Therefore, Italians preference for equality and decentralization of power and decision-making is weaker, even though people in northern Italy, especially the younger population, favor teamwork (The Hofstede Centre n.d. [B]).

<u>GLOBE</u>

In the GLOBE research Power Distance is described similarly: *" ...the degree to which members of an organization or society expect and agree that power should be stratified and concentrated at higher levels of an organization or government"* (House et al. 2004, pp. 11-13). The degree of hierarchy in Sweden is low and, therefore, Sweden scores low on the index, whereas Italy scores higher (Holmberg & Åkerblom 2008). Therefore, Italy has less equal distribution of power in society. As a consequence, organizations in Italy tend to have a more hierarchical decision-making process (Javidan, Dorfman, De Luque & House 2006).

3.3.2 Uncertainty Avoidance

<u>Hofstede</u>

Uncertainty Avoidance relates to the extent to which people feel endangered by uncertain or unfamiliar situations (McFarlin & Sweeney 2014). Sweden scores low on this dimension and, accordingly, Swedish people have low preference for avoiding uncertainty, indicating that practice is more important than principles and divergence from the norm is usually accepted (The Hofstede Centre n.d. [A]). Furthermore, schedules are adjustable and innovation is not considered as frightening (The Hofstede Centre n.d. [A]). In contrast, Italy scores high on the index, which indicates that Italians are likely to feel threatened by uncertain situations (The Hofstede Centre n.d. [B]). Likewise, formality in the society constitutes an essential factor and in work situations everything is usually planned in detail (The Hofstede Centre n.d. [B]).

GLOBE

In the GLOBE study, the dimension of Uncertainty Avoidance is, like Power Distance, very similar to Hofstede (2010) and is defined as *" ...the extent to which members of an organization or society strive to avoid uncertainty by relying on established social norms, rituals and bureaucratic practices"* (House et al. 2004, pp 11-13). According to GLOBE and in contradiction to Hofstede, Sweden scores high on this dimension. Thus, this means that Swedes tend to seek orderliness, structure and formal procedures in order to cover their daily lives (Javidan et al. 2006). In contrast, Italians appear to be more risk-taking, since Italy scores low on this dimension (House et al. 2004).

3.3.3 Masculinity/Gender Egalitarianism

Hofstede - Masculinity

In a masculine society the dominant values are success, money and recognition, whereas in a feminine society caring for others, quality of life and cooperation are emphasized (McFarlin & Sweeney 2014). Sweden scores very low on this dimension and is thus considered a feminine society (The Hofstede Centre n.d. [A]). Accordingly, managers aim for consensus, conflicts are resolved by compromise and incentives such as free time and flexible work hours and place are preferential (The Hofstede Centre n.d. [A]). On the contrary, Italy is a masculine society characterized by high job stress and success orientation (McFarlin & Sweeney 2014). Competition among colleagues can be very strong, since it is crucial for Italians to make a successful career (The Hofstede Centre n.d. [B]).

GLOBE - Gender Egalitarianism

Gender Egalitarianism can be compared to Hofstede's Masculinity, even though the dimensions are not identical. It is defined as *" ...the degree to which an organization or a society minimizes gender role differences while promoting gender equality"* (House et al. 2004, pp 11-13). In organizations operating in gender equal societies, tolerance for diversity of ideas and individuals is encouraged. Sweden scores fairly higher than most countries participating in the GLOBE study, meanwhile Italy scores lower (House et al. 2004).

3.3.4 Individualism/Collectivism I & II

Hofstede - Individualism

This dimension relates to the degree to which individuals are integrated into a group. It is a measurement for the tendency of people to look after themselves and their direct family only,

which is the case in an individualistic society or, as in collectivist societies, people belong to groups and look after each other in exchange for loyalty (McFarlin & Sweeney 2014). Sweden scores high on the dimension and is therefore considered an individualistic society. Likewise, Italy is considered individualistic, as it scores marginally higher than Sweden, resulting in a notably 'me' centered society, in which personal success is reflected as the way to attain happiness (The Hofstede Centre n.d. [B]).

GLOBE - Collectivism I & II

In the GLOBE study Collectivism is divided into two different dimensions: Institutional and In-group Collectivism. Institutional Collectivism (Collectivism I) is defined as *" ...the degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective actions"* (House et al. 2004, pp 11-13). Sweden ranks highest of all countries in the GLOBE study on this dimension, which means the Swedes emphasize group performance, coherence and collectivistic rewards (Javidan et al. 2006). The Italian society scores relatively low on the dimension (House et al. 2004). In-group Collectivism (Collectivism II) is the second dimension of collectivism and defined as *"...the degree to which individuals express pride, loyalty and cohesiveness in their organizations or families"* (2004, pp 11-13). Societies with high in-group collectivism tend to take high pride in families and the organizations that employ them (Javidan et al. 2006). Sweden ranks very low on the In-group Collectivism dimension, due to its citizens' individualistic approach to life. In contrast, Italy scores high on this dimension, since family and networks make a significant part of life (House et al. 2004).

3.3.5 Long-term/Future Orientation

Hofstede - Long-term Orientation

The dimension describes the connections between the past, in relation to the challenges of the present and the future, and how society prioritizes the existential objectives. Societies that score low on this dimension tend to preserve traditions and norms. In contrast, countries with a long-term orientation take a more pragmatic approach, in which efforts in modern education are considered as methods that encourage preparation for the future (McFarlin & Sweeney 2014). Sweden scores intermediate and, consequently, appears not to have a heavy inclination towards any of the two directions (The Hofstede Centre n.d. [A]). However, Italy scores high on the dimension, which represents a pragmatic focus (The Hofstede Centre n.d. [B]).

GLOBE - Future Orientation

Comparably to Hofstede's Long-term Orientation dimension, Future Orientation is the equivalent of GLOBE. It is defined as " *...the degree to which individuals in organizations or societies engage in future oriented behaviors such as planning, investing in the future and delaying individual or collective gratification*" (House et al. 2004, pp 11-13). On this dimension, Sweden scores high, which means that Swedes do long-term and detailed planning and do not take ill-considered decisions (Javidan et al. 2006). Italy is among the least future oriented countries in the GLOBE study, which indicates that Italians make less systematic and more opportunistic actions (House et al. 2004).

3.3.6 Hofstede - Indulgence

Indulgence is a dimension only used by Hofstede and it describes the level, to which people try to control their longings and impulses, depending on the way they were raised as children (The Hofstede Centre n.d. [A] & [B]). Sweden scores high on this dimension and is thus considered an indulgent society, in which people have relatively weak control and demonstrate an eagerness to realize their longings and impulses. People reveal a tendency towards optimism and consider leisure time as valuable (The Hofstede Centre n.d. [A]). On the other hand, Italy is considered a restrained society and, therefore, people reveal a tendency towards cynicism and pessimism as actions are restrained by social norms. Besides, leisure time is not considered as very important (The Hofstede Centre n.d. [B]).

3.3.7 GLOBE - Assertiveness

Assertiveness was invented by the authors of GLOBE and is one of the dimensions that are mostly or completely distinguished from Hofstede's model. However, Assertiveness reminds us of some parts of Hofstede's Masculinity. It is defined as " *...the degree to which individuals in organizations or societies are assertive, confrontational and aggressive in social relationships*" (House et al. 2004, pp 11-13). Countries with high assertiveness tend to have confident citizens with ambitious attitudes and a taste for competition, while less assertive countries emphasize loyalty and cohesion (Javidan et al. 2006). The timid Swedes make sure not to brag or seem too self-confident and, therefore, Sweden scores low on this dimension (Holmberg & Åkerblom 2008). Italy scores a little bit higher than Sweden, with more focus on competition and self-confidence (House et al. 2004).

3.3.8 GLOBE - Performance Orientation

Performance Orientation is also recently invented and is defined as " *...the degree to which an organization or a society encourages and rewards group members for performance*

improvement and excellence" (House et al. 2004, pp 11-13). A country that scores high on this dimension tends to stress practice and improvement instead of family and leisure time (Javidan et al. 2006). The Swedish society does not emphasize or reward performance to any large extent and, therefore, scores low on this dimension (Holmberg & Åkerblom 2008). Italy is in the same position as Sweden, only with minimal distinctions (House et al. 2004).

3.3.9 GLOBE - Humane Orientation
Finally, the Humane Orientation dimension is another contribution by GLOBE. It is defined as *" ...the degree to which individuals in organizations or societies encourage and reward individuals for being fair, altruistic, friendly, generous, caring and kind to others"* (House et al. 2004, pp 11-13). Sweden ranks in the middle of the surveyed countries and is therefore seen as modestly friendly, generous and caring (Holmberg & Åkerblom 2008). The score of Italy is marginally lower than the one of Sweden (House et al. 2004).

4. Empirical material
In this chapter all the empirical material is found including the findings from the interviews and other sources. Firstly, a presentation of the studied MNC is provided, along with a presentation of The Volvo Way. Thereafter, strategies related to TVW are outlined, as well as the respondents' view on it and the corporate culture at the MNC. Finally, the responses from the interviews are sorted into the cultural dimensions of this thesis.

4.1 Presentation of The Volvo Group
The Volvo Group is among the world's foremost manufacturers of trucks, buses, engines and construction equipment and is present in more than 190 markets, with production in 19 of these (Volvo Group Global 2014 [A]). Due to its immense scope of operations, the corporation is also a large employer with about 115 000 workers. The headquarters and parts of the production are located in Sweden and, consequently, almost a quarter of the total amount of workers are employed within the country, whereas remaining employees can be found in other parts of the world. The MNC has during the last decade increased its operational size and for instance acquired several foreign brands, such as American Mack and French Renault (Volvo Group Global 2014 [B]).

4.2 Presentation of The Volvo Way
The Volvo Way is a description of Volvo Group's core values and the corporation's ambitions for the future. The Volvo Way communicates the corporate culture, as well as corporate behaviors and shared values that contribute to success and increased growth (Volvo Group Global 2014 [C]). According to the company intranet, TVW is a critical, global business policy that affects everyone working at a Volvo Group company and is vital to

Volvo Group's strategic direction and concerted efforts. On the MNC's website TVW is described as *" ...the lively dialogue between leaders, within teams, and among colleagues around the world."* (Volvo Group Global 2014 [C]).

In practice, TVW PDF document is possible to download from the MNC's website. The document is a set of broad guidelines that include a review of the Volvo Group's key values such as energy, passion and respect for the individual, customer focus, clear objectives, continuous improvements and the three corporate values; quality, safety and environmental care. In the preface it is expressed that TVW is considered as a good introduction of the company, particularly for new employees. Experienced employees, who have been working for the company for a particular period of time, are expected to be familiar with the document and know how to use it and how to behave in alignment with the corporate culture. In the preface of the document, the employees are encouraged to read and reflect on the material, in order to discover practical ways of application in the daily work (Volvo Group Global 2009).

The first edition of TVW was published in 1999, in 2004 the document was updated for the first time and three years later, Charlie Nordblom (Vice President Strategic Internal Communication) was assigned to revise TVW again. The purpose was to redefine and sharpen the shared values and principles across the new Volvo Group to create a global and cohesive culture. Charlie Nordblom and his team interviewed more than 500 employees and managers in key positions at Volvo Group companies in Belgium, Brazil, France, India, Japan, China, Poland, Russia, Sweden and the US. The first draft was submitted to the Chief Executive Officer (CEO) and senior managers in June 2009, followed by personal feedback interviews with all members of the senior management team to capture lessons learned from the financial crisis and national cultural perspectives. It was formally established and unanimously approved by Volvo Group's executive committee in late August 2009. Two months later, the new version of TVW was distributed in a pdf-format to all 7000 managers in all locations and companies within Volvo Group. In the enclosing letter, former CEO Leif Johansson urged all managers to carefully study the new Volvo Way. In January 2010, TVW was officially launched internally and externally. Translated into 12 languages, the booklet was distributed worldwide to all employees in January 2010.

4.3 Implementation of The Volvo Way
4.3.1 New employment introduction
In both Sweden and Italy new employees are introduced to TVW when first hired. TVW is part of the introduction program, aiming to introduce new employees to the company,

however the program is structured marginally different between the countries. The hiring manager introduces the new employee to TVW by giving him/her the booklet and, in addition, the employee and the manager are required to dedicate some time in order to familiarize the employee with the core values. Nevertheless, the HR department is also involved in the implementation process of TVW. The findings from the interviews revealed that the involvement of the HR departments appeared to vary between the two countries. In Sweden, the HR employee described herself as an ambassador for TVW, assisting the managers in the implementation process. For instance, assist the managers in finding appropriate implementation materials or help the managers with ideas for a workshop. She also mentioned that she had participated in a training session, in which TVW was an essential part of the training. The concept was to 'train the trainers', in other words she was responsible to carry her knowledge forward to the managers, who in turn were responsible to spread the message to their employees. Yet, in Italy the HR director described himself, together with the HR business partner and all the managers, as responsible for the implementation of TVW, and he claimed that he had been involved in several initiatives concerning TVW. He also explained that it is the hiring manager that is responsible for introducing a new employee to TVW, but with the supervision of the HR department, and that the HR department in turn assists the managers to implement TVW as the department provides tools for implementation such as e-learning and materials for workshops.

4.3.2 Shared strategies to implement The Volvo Way

There are various tools within the company developed in order to facilitate the implementation of TVW. Firstly, the company website and intranet provide a lot of material as employees with a particular authority, for instance the secretary, are able to order TVW as a printed booklet in 12 languages, 'The Volvo Way Stories' DVD and posters, everything for free except for distribution cost and any customs or additional handling fees. All employees are able to download TVW as a PDF version, which also is available in 12 languages. 'The Volvo Way Stories' is a set of short documentary films from employees around the world who are sharing their personal experiences of TVW and its values. The stories are organized by topic, such as teamwork and diversity, and are supposed to be inspiring, generate reflections and discussions and be used in team meetings and during kick-offs. In addition, on the company intranet there are tools for workshops such as examples on how to run dialogues with your team on TVW. Presentations and speakers' notes in 11 languages have been uploaded in order to facilitate managers' dialogue in the team about TVW.

On managers' template on the company intranet there are additional presentations and tools aiming to increase the participation and engagement of co-workers, as well as online training sessions and webcasts on TVW. Furthermore, there is a workbook for managers available in six languages, which is developed in order to assists managers to understand and reflect over the most important changes of TVW made in the new edition of the booklet. There are online interviews about employee engagement, in-depth presentation of how TVW enables and empowers employees, as well as executive summaries of external research reports, guides for building engagement in teams and relevant support material, everything available on the intranet. Managers are encouraged to contact their local internal communicator if they need additional guidance or support on how to enhance communicative leadership, which plays an essential role of TVW. Moreover, selected leaders and local Volvo Way champions may request a half or full day training session in different topics such as communication. The company also offers training sessions for the HR department.

A supplementary tool related to TVW is the Personal Business Plan (PBP). The PBP works as support for dialogues with the manager to assure that the employee get the feedback needed to succeed in reaching expected goals. To define business goals and support development, every employee has an annual PBP (Volvo Group Global 2014 [D]). Moreover, every year since 1999, with the exception of 2010, the Volvo Group has conducted the Volvo Group Attitude Survey (VGAS) among its employees. The survey measures how content employees are with their work, the managers, the work situation and their achievements, among other things, in an Employment Satisfaction Index (ESI). In addition, managers' communication is measured through the Communicative Leadership Index (CLI) (Hanssen 2011). Although VGAS only takes place once a year, it is a yearlong process as managers are responsible for analyzing the outcomes of their team results, together with the team, as well as deciding on how to further improve employment engagement. Several questions in the survey are related to TVW and the corporate culture of the company, for instance there is a question whether there is a perception that Volvo is actively working towards improvements in diversity (Volvo Group 2011).

At last, a strategy related to the implementation of corporate culture is the choice of standardized offices worldwide. Regardless of location the offices are in the same colors; cornflower blue and grey. Furniture is made of oak and the coffee machine looks almost the same everywhere in the world. This is considered as a way of anchoring the corporate culture as uniformed and mutual on a global level.

In Italy the employees are asked to share the content of TVW on a regular basis by doing workshops and seminars. However, the main focus of the HR department is to assure that the core values of the corporate culture in Volvo permeate all the daily work activities. The value 'respect for the individual' includes making sure that the office is a comfortable workplace, that employees are provided with free fruit and that resources are dedicated to work on the well being of employees. For instance, the company promotes health and well being by offering gym services to employees and seminars on health and alimentation. Moreover, there have been specific efforts and incentives concerning TVW. During 2007-2008 the HR department made an evaluation about TVW and the company's core values to find out how well implemented the corporate culture was. In addition, the employees have recorded a set of podcasts and video clips in which topics related to TVW are discussed. Likewise, there have been specific efforts and incentives, aiming for strengthening the corporate values and certain parts of TVW in Sweden. Generally, the issues have been discovered through VGAS and have resulted in a workshop related to a specific topic, such as diversity.

4.3.3 Follow-up of The Volvo Way
When the latest version of TVW was released in 2009 it was sent to all managers in all locations and all companies within the Volvo Group. Thereafter, the managers had the responsibility to share and implement the corporate culture in his/her working group. All managers were regularly asked to report the extent and quality of implementation, sharing and discussing the values with all employees. The very few managers who repeatedly failed to report progress got one final and personal reminder, directly from the CEO.

Furthermore, management control questionnaires are organized every year with the intention of guaranteeing a proper implementation of the corporate culture, among other important aspects. The questionnaire is about 50-60 questions and approximately five-six questions are related to TVW. In these questionnaires managers are controlled whether and in what ways they are pursuing the principles of the corporate policies. If deviations are found concerning for instance ethical behavior, an internal audit of the department is carried out. In addition, the Internal Audit department is responsible for controlling every unit within the Volvo Group with a certain periodicity. However, the responsibility does not only include controlling that the corporate culture is implemented, but also other corporate issues and policies.

4.3.4 The implementation approach
Generally speaking, the implementation procedure of TVW is global and does not differ significantly between Sweden and Italy. The respondents from HR in Sweden and Italy

claimed that the HR practices and procedures are said to be the same, however, the main focus and the issues to be discussed might differ between the countries. They explained that the approach is a common and global, however, it allows for the countries to work on different tasks within the context of TVW. One HR employee explained that in different countries diversity may imply a focus on different issues, for example diversity in genders in Italy, whereas diversity in nationalities in Sweden. Both HR employees claimed that they did not have to modify TVW in any particular manner when implementing the corporate culture.

4.4 The respondents' view on The Volvo Way
4.4.1 Meaning and significance of The Volvo Way
All respondents were familiarized with TVW and had either read the booklet or the PDF version. Several respondents emphasized the importance of being introduced to TVW when first hired, as well as the significance of the introduction program. The respondents expressed different opinions on their views and personal meaning of TVW, phrases such as *"...a good guide of how we should work and basically the way we are working"*, *"...a background that you always need to carry with you"* and *"...a way of living in the company"* were mentioned. However, all of the respondents expressed a positive association with TVW and that they believed TVW assists the managers to direct actions and guides the employees to work in a specific manner.

All respondents believed TVW was in alignment with the values of their workplace. None of the respondents from Italy hesitated when answering this question, meanwhile two of four Swedish employees working in Sweden expressed that TVW was in alignment with the values of their workplace to between 85-95 percent. This is believed to be a result of specific work positions within particular departments such as accounting that normally has to deal with strict deadlines, which in turn may be unavoidable in an MNC.

4.4.2 The implementation procedure
All respondents in both Sweden and Italy had either noticed that managers had intended to implement TVW or had themselves participated in different implementation procedures. The majority of the respondents mentioned that more attention was paid to TVW when the latest edition was rolled out. Half of the respondents mentioned they had participated in workshops related to TVW and three respondents said they believed the PBP was related to TVW, as it is a tool for promoting employees to develop and to help manage and structure the discussion between managers and the employees around business and personal development targets. Four respondents also mentioned that VGAS can be related to TVW, as issues that arise from

the result of the survey might relate to corporate culture. This enables managers to work on particular concerns and, therefore, improve the employee satisfaction. In regards to the answers mentioned above, no particular differences between Sweden and Italy were found.

In addition, other similarities in the answers of the respondents' perception of the implementation procedure included the standardization of the design of offices, as two Swedes and one Italian mentioned that the standardization assist in entrenching the corporate culture. In addition, one Swedish expatriate in Italy and one Swedish employee stated that they had done e-learnings in relation to TVW, aspiring to repeat the key values of the corporate culture and assuring a fulfilled implementation. Moreover, one Swedish and one Italian manager mentioned that they were actively working on diversity by recruiting people from different backgrounds and with different genders.

Findings from the interviews expose that the design and usefulness of the specific efforts and incentives related to TVW have differed between the countries. For instance, half of the interviewed Italians declared that the development of video clips related to TVW had assisted in anchoring the values of the corporate culture. Similar video clips have not been composed in Sweden. In addition, the Italian inpatriate mentioned that there was once per year an online training on TVW in Italy, which she had never experienced in Sweden, however, she had experienced specific activities related to diversity in Sweden. Another interesting finding is that half of the Italian employees emphasized that the provision of free fruit, water and coffee in the office are indirect strategies of implementing the corporate culture, as similar offers are unusual in Italy and thereby shows that the company respects and appreciates its employees. None of the Swedish respondents mentioned this. In general, the Italian employees pointed out more activities related to TVW, than the Swedish employees did. Consequently, there appear to be similarities, as well as differences, in employee perception of the implementation procedure between the countries.

4.4.3 Influence on daily work
All respondents agreed that the corporate values and TVW influence their daily activities to some extent, however, a number of specific differences among the employees were found. Firstly, the different positions and functions of the respondents had certain impact on the answers. Those who worked with HR related questions could easy point out in what way TVW affected their everyday work in comparison to other employees, who found it more difficult. However, differences between the nationalities regarding topics related to TVW

were also found. While Swedish managers and the Swedish HR employee described the presence of TVW in the introduction program for new employees, in follow-ups such as VGAS and in conflict management, the Italian HR director explained how the Italian economic crisis affected the company and how TWV guided them to treat employees with respect also during layoffs. Moreover, most of the Italians emphasized the importance of TVW in their work, both when doing business and when building relationships among employees and towards the customers. The Italians could easily describe situations when TVW affect their work, for instance to work with customer focus and pushing for diversity and non-discrimination during recruitments. Several of them declared no such strong culture can be found in other firms in Italy and therefore the influences of corporate culture on the daily work are noticeable. In contrast, the majority of the Swedish employees claimed that TVW values are simply something they have in mind as a constant reminder of what Volvo stands for and that the content of TVW is more common sense than a guide to them.

4.5 The respondents' view on the corporate culture at Volvo
4.5.1 Description of the corporate culture and its core values
In order to achieve an understanding of how the corporate culture at Volvo is perceived by the employees, the respondents were asked to describe it. All respondents, regardless function, position and nationality, equally emphasized the importance of respect for diversity and for the individual at the company, and described it as one of the core values in the corporate culture. The expatriate added that Swedes sometimes even stress this value a bit excessively, by always putting respect for the individual at first in everything they do. However, in general, the respondents appreciated the culture of respect and several Italians found it to be a reason why people choose to stay at Volvo in Italy for a long time, often until the retirement. Other recurring words used when describing the corporate culture of Volvo were energy, passion, transparency and indulgence. Transparency was highly valued by several Italians and the expatriate operating in Italy, where transparency, according to one of the Italian respondents, does not exist in the national culture in the same way as within the Volvo Group.

4.5.2 Origin of the corporate culture
The majority of the respondents claimed that they could tell from where the company has it origins by looking at the corporate culture of the MNC. All Swedish employees, except for one but including the Swedish Italian-located expatriate, found Volvo's corporate culture being influenced by Swedish culture. Aspects such as respect for people, motivation of employees and co-workers, zero-tolerance for corruption, proper order, the connection to Volvo Cars' Sweden-inspired commercials and the use of Swedish expressions by non-

Swedes are examples mentioned by the employees. All Italian respondents, except for the Italian Sweden-located inpatriate, were convinced that the corporate culture at Volvo is strongly connected to Sweden and the Swedish values. The majority claimed that the core values; quality, safety and environmental care, as well as the emphasis of diversity and the flat hierarchy, are typically Swedish values and phenomena.

4.5.3 National cultural influence on corporate culture

All respondents agreed that the corporate culture at their workplace is affected by the national culture of the country to some extent. The majority of the Swedish employees were certain about the influence of Swedish values and especially the flat organizational structure. Two Swedish employees, as well as the expatriate and the Italian inpatriate, stressed the significant impact of the indulgent national culture of Sweden, in which all individuals are accepted and respected irrespective of gender, skin color or background. The Italian employees appeared to be convinced that the fusion of the Italian national culture and the corporate culture of Volvo was not particularly challenging and that TVW was well welcomed by the Italian employees. However, the majority of the Italians brought up some aspects they thought could have influenced the corporate culture at Volvo. Several of them described Italians as talkative and noisy and perceived this as the main Italian cultural aspect that influences the corporate culture. Moreover, the high level of creativity, laidback South-European diurnal rhythm and enjoyment of life were examples of aspects believed to have influenced the corporate culture in the Italian subsidiary.

When asking the Swedish respondents whether they thought TVW was implemented differently in distinctive countries, the answers were less consistent. Half of the Swedish employees thought that the implementation process is affected by differences in national culture, while the other half, including the Swedish Italy-located expatriate, believed it is not. She argued that there might be different levels of emphasis on the implementation of TVW in different countries, but apart from that she could not see any differences in the implementation process. Moreover, the Italian inpatriate in Sweden believed that the implementation of corporate culture does not differ between the countries. Among the Italian employees, the majority also thought that the implementation procedures of TVW differ between countries. For instance, several Italian employees believed that the lack of emphasis of diversity in Italy might have affected the process.

4.6 Dimensions of the corporate culture

In order to compare the empirical material to the theories of culture, Hofstede (2010) and GLOBE (2004), the respondents were asked some more detailed questions regarding the corporate culture at Volvo. The responses could later be sorted into the 12 cultural dimensions, here organized in same nine categories as in the theoretical framework. Considering that many of them intersect and intertwine, some topics will be mentioned under several headlines.

4.6.1 Power Distance

In Sweden, most employees were convinced that Volvo has a flat organizational structure with decentralized decision-making procedures. The majority of the Swedish employees, described the Swedish corporate culture as more allowing for questioning and communication between managers and subordinates, than foreign cultures. The Swedish Italy-located expatriate claimed a long period of time was required to convince her subordinates to start giving her feedback. Moreover, almost all Swedes described their work to be in accordance with the principle of freedom over responsibility, but within the framework of specific rules. None of them could recall any particular differences in interaction between employees due to hierarchical positions. The Italian inpatriate in Sweden also stated that the Swedish hierarchy is flat and that everyone has the possibility to arise problems or any issues. In comparison, she described the hierarchy at the office in Italy as taller, with more managerial levels, more respect for people in higher positions and less ability to influence managers' decisions. However, she considered the level of independence in work in the Italian subsidiary to be equally high as in Sweden.

Regarding the hierarchical structure in Italy, the respondents had less homogenous answers. Half of the Italian employees considered the structure to be flat, especially when compared to other Italian firms and to Volvo in France. The other half described the hierarchy as relatively tall, compared to Sweden, and claimed that the hierarchical structure had increased since they started to work closer to the French part of Volvo. However, all Italian respondents in Italy agreed that the hierarchical structure does not affect the social norms among the employees and they found the attitudes towards each other to be equal.

4.6.2 Uncertainty avoidance

The majority of the Swedish employees described risk-taking at their workplace as highly regulated and believed that risks and unexpected events are phenomena that the company seeks to eliminate. The Swedish Italy-located expatriate claimed that Swedes become a bit

tied up when something unfamiliar or unexpected cannot fit their template, compared to the Italians who are more flexible and used to improvise. However, a Swedish respondent considered the Swedish employees as indulgent towards making mistakes, used to questioning decisions and to work for change and improvement, hence, flexible regarding the creation of new ideas and innovation. Nevertheless, the overall opinion of the Swedish employees was that regulations and risk-avoidance inhibit creativity and flexibility in their workplace.

The Italian employees, however, described their working environment as creative and flexible. Several of them were of the opinion that Italians react faster and more creative to unforeseen events than Swedes do. One of them described it as follows: *"In Italy we are really good at managing emergencies, but we are not good at managing 90 % of the normal routines. In Sweden, you have a perfect organization for 90 % of the normal routines, but I felt that this system was a little bit more rigid than the Italian system."*

4.6.3 Masculinity/Gender Egalitarianism

In order to compare the subsidiaries' cultures to Hofstede's dimension Masculinity, we chose to ask the respondents about the level of competition and cooperation at their workplace and the importance of leisure time. Additionally, so as to estimate the degree to which the corporate culture at Volvo emphasizes gender equality and the relation to GLOBE's dimension Gender Egalitarianism, the respondents were asked to share their thoughts on that matter as well. All Swedish employees agreed that the level of competition is generally low and described their working environment as cooperative and friendly. The majority of the Swedish respondents claimed that there have been none or little competition during their employment time at Volvo, although some added that the level is fairly increasing, due to restructuring of the organization. Both the Swedish expatriate and the Italian inpatriate described the Swedish corporate culture as noncompetitive, additionally; the inpatriate claimed that lack of competition in Sweden is a problem and a weakness of the organization. Moreover, the inpatriate described Swedes as extremely helpful and cooperative, but only as long as there are structures and opportunities for it. In alignment with this statement, all Swedish employees described Swedes as helpful and cooperative, but some claimed that they seldom support other teams than their own ones. They explained the reason for this is the significant difference between the fields of work, which makes it almost to do other employees' work. Regarding leisure time, all employees, regardless nationality or location, believed the general approach of the employer and the corporate culture is positive. All Swedish employees mentioned that the company encourages them to make the most out of their leisure time, by for example subsidize actively health-care. The employees expressed

contentment for the existing flextime, the possibilities to work at home and concept of freedom over responsibility for their work tasks. Moreover, two Swedish employees, of whom one is the Italy-located expatriate, described the Swedish corporate culture to be very different from foreign ones, including Italy, as Swedes are used to a more generous approach to leisure time by the companies than many other nationalities. Concerning gender equality, the Swedish employees expressed similar opinions. Everyone, including the Swedish Italy-located inpatriate, described the gender distribution as poor, especially among the higher positions, but none of them could point out any clear differences in attitude towards men and women on a daily basis. In addition, it was claimed that many female employees have higher positions within HR, law and accounting, but not in other departments.

Regarding the Italian subsidiary and cooperation, all employees described themselves as very cooperative. The majority described the teamwork as strong, regardless the generally individualistic and less cooperative approach that, according to the respondents, can be found in other constellations in Italy. The Italian Sweden-located inpatriate also described the working environment at Volvo in Italy as cooperative, regardless functions or hierarchical positions. Furthermore, all employees agreed that the corporate culture is competitive, but in a good way and to a moderate extent. Most of them were of the opinion that they rarely compete about positions, but instead they aim for development and improvement. The Italian employees also believe that Volvo emphasizes employees' leisure time. Several employees described an organizational change executed eight years ago, during which the company encouraged for a more generous attitude towards leisure time and less recognition of overtime work. Some respondents also mentioned drives for better physical activity, stop-smoking programs and more coffee breaks as examples of what the company does in order to encourage employees to enjoy leisure time. However, according to the Italian inpatriate, the Italians tend to work late in the evenings, do not leave work earlier on Fridays, do often work on Saturdays, and do not emphasize vacation in the same way as Swedes do. The Italian employees claimed that corporate culture of the subsidiary emphasizes leisure time, especially in relation to remaining Italy, but when compared to Scandinavian colleagues, the Swedes appear to have other requirements and the company appears to emphasize leisure time differently. Regarding gender equality, all Italian employees believed that equality is on a good level, at least when compared to other traditionally male environments and the Italian culture in general. The employees stated that the corporate culture at Volvo respects and works towards equality far more than the rest of Italy, proved by gained awards for raising the issue of diversity. When

comparing the corporate cultures, the Italian inpatriate claimed that Swedish culture is more open for and encouraging of female managers and the Italian HR director found Sweden better than Italy in most aspects and on both sides of gender equality: "*I have a lot of colleagues in Sweden that are in paternity leave, in Sweden that is normal. But here in Italy none of the men takes paternity leave, even though the company allows for it.*"

4.6.4 Individualism/Collectivism I & II

As mentioned in previous sections, the Italian employees were all certain that teamwork is very strong, despite the existence of the individualistic national culture as one employee pointed out. The Italian Sweden-located inpatriate explained that cooperation between functions and cross sharing of information is very common in Italy, but rare in Sweden since coordination of the employees is too formal and structured. However, the importance of gender equality and diversity was believed to be more emphasized in Sweden than in Italy. The inpatriate claimed that Italians do not see all people as equal with same opportunities in the same way Swedes do, "*...Swedes are more respectful for all individuals and tend to see the importance of equality.*" Nevertheless, all the Italian employees emphasized a high level of loyalty towards the Volvo brand and their working group. Some employees exemplified this by emphasizing the positive results in the VGAS survey and employees' strong dedication to work. The Swedish employees also stated that there is a high level of loyalty at Volvo. Some of them expressed that working in the town where the company was founded, Gothenburg, makes them even prouder of being a Volvo employee and express a high levels of loyalty towards the brand.

4.6.5 Long-term/Future Orientation

All employees claimed they always think about the future when working and emphasized the importance of doing so. However, answers to the questions regarding this aspect were depending on employees' function and nationality. For instance, the director for retail development in Italy explained that his department plans for five years ahead, while process management in Sweden, although following a certain long-term strategy, also focus on immediate solutions. In Sweden, some employees believed that they are directed by regulations or work tasks and reports, into a more short-term perspective than preferred. The Italians also believed that the time orientation was shorter than preferred, yet, they explained that the reason was worsened business environment, as a consequence of the financial and political crisis. However, neither the Italian inpatriate nor the Swedish expatriate could see any differences between Sweden and Italy.

4.6.6 Indulgence

The findings from the interviews did not result in as clear answers regarding Indulgence*, as for the other cultural dimensions. However, there are some aspects that have brought about more insight in this matter. Firstly, there was an optimistic and positive mentality among all respondents regardless of nationality, along with an emphasis of the core values 'Energy, Passion and Respect for the individual', which suggest an inclination towards high indulgence. Moreover, as affirmed in previous sections, leisure time and quality of life appear to be further encouraged in Sweden than in Italy, which in turn makes the Swedish corporate culture more indulgent that the Italian one. The only fact that points in the opposite direction is a statement from the Swedish expatriate located in Italy who claimed that Italians are more playful and have a more positive outlook for life: *"… a little less promises and more enjoyment of life."* Consequently, the dispersed answers from the empirical materials did not result in a lot of useful information, however, one may argue from the existing findings that there is a marginally stronger tendency for a higher level of indulgence in the Swedish subsidiary than in the Italian one.

4.6.7 Assertiveness

Both Italian and Swedish respondents described all employees as loyal towards the working group and especially towards the brand. However, as described in 'Masculinity/Gender Egalitarianism', the Italians claimed to have a moderate level of competition at Volvo, while the majority of the Swedes did not notice any competition. Moreover, the Italian inpatriate located in Sweden expressed in 'Individualism/Collectivism I & II' that Italians in general are not as convinced as Swedes that everyone have the same possibilities, while in the Swedish subsidiary equality is strongly emphasized. These aspects imply that the Italian subsidiary is slightly more assertive.

4.6.8 Performance Orientation

As mentioned in 'Masculinity/Gender Egalitarianism', all employees believed that Volvo's attitude towards leisure time is positive and flexible. Several employees in both Sweden and Italy had experienced that Volvo emphasize the importance of work-life balance and encourage employees to embrace free time. However, there appeared to be more intense focus on this matter in Sweden than in Italy. According to several of the respondents, all employees go through the PBP once per year with managers and discuss personal objectives and achievements. However, as mentioned in previous sections, the level of competition was described as moderate in Italy and low in Sweden and the hunt for acknowledge and getting higher positions appeared to be unusual in both countries. Yet, competition was declared to at least exist in Italy and the employees considered it healthy for the company. An Italian

employee described that *"...development is emphasized in terms of continuous improvements and becoming more autonomous."*

4.6.9 Humane Orientation
Overall, the Swedish and Italian employees were of similar opinions regarding the emphasis on kindness and fairness at their workplace. All employees described their environment as friendly and helpful and claimed that Volvo encourages teamwork and leisure time, as described in 'Masculinity/ Gender Egalitarianism'. Although Italian employees described a more competitive environment in Italy, they claimed good cooperation among employees, perhaps even better than Sweden, given the more informal and undirected way of cooperation. However, the Swedish corporate culture also emphasizes gender equality more and was described as particularly respectful for the individual.

5. Analysis
This chapter provides an analysis of the empirical material in relation to the theoretical framework. Firstly, The Volvo Way is examined in relation to the cultural dimensions of Hofstede and GLOBE and in relation to national culture, followed by an analysis of the cultural dimensions and the findings from the empirical material. Thereafter, strategies to implement corporate culture and to handle cultural diversity are compared to the results from the empirical findings. The analysis will give a basis to the conclusion.

5.1 The Volvo Way in relation to the cultural dimensions
There are many different factors that reveal how the values of TVW and the cultural dimensions mentioned in previous sections are related to each other. Initially, it is likely that TVW would score low on the Power Distance Index as many of the headings in the document, as well as large parts of the text mass can be related to low power distance. For instance, in the section 'Building our culture' (The Volvo Way 2009, p. 23) it is outlined that culture *" ...is about involvement, open dialogue and feedback. It is about diversity, teamwork and leadership."* Low power distance is also related to respect for individual, as TVW expresses that employees are empowered to assume responsibility for themselves and their situation, as well as trusting each other to take initiatives and to execute decisions. Moreover, one may find statements such as *"We are empowered"* (The Volvo Way 2009, p. 28) and *"Leaders are responsible for involving employees in the decision-making process"* (The Volvo Way 2009, p. 38), both indicating an ambition for a decentralized organization, less hierarchy and a low tolerance for unequally distributed power.

One may argue that TVW would score relatively low on the Uncertainty Avoidance Index, as the company welcomes innovation. It is mentioned that Volvo Group develops leaders *"...to drive mastery in execution and change"* (The Volvo Way 2009, p. 13) and, in addition, one heading is 'Driving innovation', in which Volvo (The Volvo Way 2009, p. 20) outlines that *"The openness to change and constructive dialogue across the businesses are other enabling factors."* Therefore, we suggest that TVW scores moderately low on this dimension since most of the features are related to a corporate culture of low uncertainty avoidance.

It is most likely that TVW is reflecting a feminine society as values such as 'Utilize common strengths', 'Respect for the individual' and 'Company spirit' are emphasized throughout the policy, which in turn are in agreement with typical feminine values. Additionally, in the section concerning leadership it is declared that *"Leaders promote health and keeping a balance between work and personal life"* (The Volvo Way 2009, p. 39), demonstrating that quality of life is critical in the MNC's corporate culture. Concerning Gender Egalitarianism one may argue that TVW would probably score high, as the company has dedicated an entire section to 'Diversity', in which differences between employees are considered advantages for the company. However, differences between gender roles are not explicitly outlined in TVW and, therefore, it is difficult to draw any conclusion regarding this aspect.

The relation between individualism and collectivism of TVW is not very clear, as the business policy appears to have tendencies from both dimensions. It appears that TVW attempts to emphasize a collectivistic society, as it stresses teamwork and it is outlined that *"As a member of one team or several teams, we have responsibilities extending beyond the formal role or job descriptions"* (The Volvo Way 2009, p. 36). This would indicate that people belong to groups and look after each other, instead of only looking after themselves and their direct family, or as in this case; their closest working group. However, in TVW there is a lot of focus on the individual and personal performance, which could be representing an inclination towards individualism. For instance, in the preface of TVW it is exposed that *"... every individual has the capability and the determination to improve our business operations, and the desire to develop professionally."* Therefore, it is difficult to evaluate TVW in relation to this dimension, as the corporate culture can be related to both individualism and collectivism depending on which particular part of TVW is examined.

The content of TVW demonstrates that the corporate culture would most likely score relatively high on Institutional Collectivism in the GLOBE research. As mentioned above,

teamwork is emphasized in TVW, as well as involvement and engagement of all employees. Additionally, one of the key values of TVW is respect for the individual and diversity is also emphasized. These values represent an MNC in which everyone has the same possibilities and rights, which is in agreement with high institutional collectivism. Likewise, TVW would most likely score high on the In-group Collectivism dimension as many parts of the policy are related to high levels of pride, loyalty and cohesiveness in the organization. As mentioned earlier, there is one heading named 'Company spirit', in which a discussion is held regarding in what ways every individual contributes to the company spirit by working together with others towards business goals. Hence, this reveals a desire for a high level of cohesiveness in the organization. In another heading named 'Involvement and engagement', it is stated that employee engagement results in a strong sense of commitment to meet agreed objectives and goals. In turn, high employment engagement is most likely to correlate with high levels of pride and loyalty, therefore indicating high in-group collectivism.

TVW appears to take a pragmatic approach and is lead by a Long-term Orientation. 'Continuous improvements' is one of the headings in the document, followed by *"All employees are focused on continuous improvement"* (The Volvo Way 2009, p. 16). However, one may argue that the company preserves some traditions since it is outlined in TVW that continuous improvements require a systematic and persistent approach. Yet, TVW has one section named 'Always moving forward' and another section named 'Driving change'. These two sections indicate a focus on the longer term and a preparedness to adapt traditions easily when circumstances are changed, also indicating a long-term orientation: *" ...we are determined to change faster than any of our competitors"* (The Volvo Way p. 40). Therefore, we consider that TVW is lead by a long-term orientation. The statements mentioned above, in combination with the chapter on 'Clear objectives' suggest that TVW would most likely score relatively high on the Future Orientation in the GLOBE research as well.

There are few parts of TVW that can be related to Hofstede's Indulgence dimension, however, these reveal that it is most likely that TVW has an inclination towards indulgence. As previously mentioned, one section of TVW mentions that leaders are required to promote a balance between work and personal time. Hence, it is clear that leisure time is considered as valuable, which is one factor indicating a high indulgence score. Additionally, TVW appears to carry a positive inclination, as advantages of the corporate culture are highlighted in the document, as well as words and values that most people would probably associated with optimism, such as 'energy, passion and respect for the individual'.

The Volvo Way would probably score relatively low on Assertiveness in GLOBE, as the policy emphasizes teamwork, utilization of common strengths and a company spirit, *"...which means always acting in the best interest of the Volvo Group"* (The Volvo Way 2009, p. 28). Moreover, it is stated that *"...we also care about our work, team and colleagues around the world"* (The Volvo Way 2009, p. 29). Accordingly, TVW appears to takes a more humble approach, focusing on harmony and loyalty in relationships.

As mentioned above, TVW appears to emphasize the importance of leisure time, which is in agreement with a low score on Performance Orientation of GLOBE. Nevertheless, it is clear that performance improvements are vital in the corporation as there is one section named 'Continuous improvements', another named 'Winning the confidence of the world' and a third named 'Always moving forward.' Improvements are also mentioned in other sections such as 'Open dialogue' and 'Feedback' and, in addition, not to focus on improvements would be devastating in an MNC. Therefore, we wish to suggest that TVW would probably score intermediate on Performance Orientation.

Lastly, it appears that TVW is aligned with a high score on the Humane Orientation dimension of GLOBE, as it emphasizes teamwork, a utilization of common strengths, employee involvement and engagement, open dialogues and feedback. Several statements in the document could further strengthen this suggestion, for instance: *"We recognize each individual's contribution and celebrate the achievements of our colleagues"* (The Volvo Way 2009, p. 27) and (The Volvo Way 2009, p. 29) *"We also care about our work, team and colleagues around the world."*

5.2 The Volvo Way in relation to national culture
When comparing the values of TVW with the national cultures of Sweden and Italy, we found that the cultural dimensions of TVW were most similar to the Swedish culture. One may argue that TVW is in agreement with most of the Swedish national values, as TVW would probably score low on Power Distance and Assertiveness, moderately low on Uncertainty Avoidance, high on Institutional Collectivism, Gender Egalitarianism and moderately high on Humane Orientation, which is exactly what Sweden does. Additionally, TVW and Sweden reflect feminine values and both are cultures of high Indulgence. Despite that TVW contradicts a few of the cultural dimensions of Sweden, the majority of them are aligned as presented above. Some similarities were found between TVW and the national culture of

Italy, however, we noticed that the global business policy is much more similar to Swedish culture. This appears to have affected the implementation process of TVW in numerous ways. Initially, one may argue that TVW has been successfully implemented in both Sweden and Italy, as all respondents, regardless of nationality, believe TVW is in alignment with the values of their workplace. However, the Swedes appeared to be a bit more critical as two of them mentioned that TVW values have not been completely implemented. Possibly, this could be explained by the finding that TVW shares numerous cultural aspects with the Swedish national culture and, therefore, Italians might detect the implementation process stronger than Swedes do, since the gap between the TVW values and the Italian national culture might be larger. It is likely that the Swedish employees are blind to their own culture and are, therefore, not able to neither acknowledge that it has been fully implemented nor identify specific implementation strategies. The finding that the Italian employees, in comparison with the Swedish employees, were able to point out more activities related to TVW further strengthens this argument. Moreover, the Italian employees described the influence of TVW on daily work activities more explicitly than the Swedish employees, thus representing that there are fewer differences between TVW and Swedish culture in comparison with TVW and the Italian culture. Additionally, the majority of the respondents claimed they could tell from where Volvo has its origins. All the Italian employees were convinced that Volvo's corporate culture is strongly connected to the Swedish national culture and all Swedish employees, except for one, found Volvo's corporate culture being influenced by the Swedish national culture including its values, norms and practices. Although the overall attitude towards the corporate culture at Volvo was very positive, the Italian employees in particular emphasized their enthusiasm. Consequently, this suggests that Italians appear to distinguish and honor Volvo's corporate culture. Perhaps, this could be explained by the perception of TVW as unique in various manners in Italy, comparing to other corporate cultures of Italian companies, as revealed from the interviews.

We wish to suggest that the corporate culture of Volvo is particularly influenced by the Swedish national culture and it appears that TVW and the Swedish national culture share numerous cultural features. However, it is vital to emphasize that this might not be the intention of the management of Volvo Group. The empirical findings demonstrate that the management desired to implement a global and cohesive corporate culture influenced by several national cultures and opinions. Possibly, management looked-for implementing some

purposely selected corporate values, which in turn occurred to be similar to Swedish national values, rather than implementing a typical Swedish corporate culture.

5.3 Analysis of the cultural dimensions

The empirical material was compared to previous studies of national and corporate culture by Hofstede and the GLOBE researchers, in order to determine whether the findings from this research differ from the theories and analyze if any deviations derive from the implementation of TVW. Although the results varied, some correlations and differences were possible to distinguish, which are shown in following dimensions.

5.3.1 Power Distance

The findings from this research regarding power distance were found to be relatively well aligned with previous studies. While Hofstede and GLOBE state that Sweden has a flat hierarchical structure and emphasize equal rights, the Swedish respondents also described the hierarchical structure as flat and allowing for questioning and communication.

In general, the results from the interviews with the Italian respondents were more difficult to relate to Hofstede and GLOBE. According to Hofstede and GLOBE, Italy ranks middle high, and northern Italy is specifically described as a less formal and hierarchical society, with an increasing level of teamwork. Some of the Italian respondents claimed the hierarchy to be flat, especially when compared to other Italian firms. However, other Italian employees described the hierarchy as tall, comparing to that of Sweden and to the former organizational structure that was set in place when their office worked closer with Sweden than with France, which is the case of today. Therefore, it is possible to assume that the corporate culture of the Italian subsidiary should be placed in the middle of the scale, as both Hofstede and GLOBE imply.

Furthermore, since the corporate culture is perceived as less hierarchical than in Italian firms in general, there are reasons to believe that the culture at Volvo in Italy was shaped by the implementation of TVW and its accompanied values that suggest a flat hierarchical structure. However, since the corporate culture in the Italian subsidiary still can be considered as more hierarchical than the one in Sweden, one can argue that this nationally cultural feature might have complicated the implementation process of TVW values concerning power distance.

5.3.2 Uncertainty Avoidance

In terms of uncertainty avoidance, the respondents described Sweden and Italy very differently. Most of the Swedish employees believed that the corporate culture at their workplace is characterized by strict regulations and risk avoiding, and one of them described

themselves as becoming a bit paralyzed whenever facing new or unexpected problems. The majority of the Swedish respondents stated that the strict regulations do not open for new ideas or creativity and they appeared to perceive the environment as strict and non-flexible. Therefore, there are reasons to believe that the culture in the Swedish subsidiary would rank high on the dimension of Uncertainty Avoidance, in alignment with the GLOBE study, but contradicting Hofstede.

The results of this study indicate a different situation in Italy. The Italians can be considered as less uncertainty avoiding than Swedes, since the Italian respondents described themselves and the culture at their workplace as flexible, fast reactive and creative to unexpected event. Therefore, one might claim that GLOBE is in agreement with the findings from this study, whereas they contradict Hofstede. In addition, it is most likely that the implementation of Volvo's corporate culture has affected the values in the Italian subsidiary, since the corporate culture of Volvo and TVW seek to encourage for continuous innovation and change. Moreover, since several of the Italian employees stated that creativity and flexibility are typical characteristics of Italians in general, the Italian national culture might have facilitated the implementation of TVW within this context.

5.3.3 Masculinity/Gender Egalitarianism
The majority of the Swedish respondents expressed a coherent perception of low levels of competition and, in addition, stated that the company has an indulgent approach regarding leisure time. This is in agreement with Hofstede and consequently one could assume that the corporate culture at Volvo in Sweden could is very feminine.

A pattern was also found when compiling the answers regarding masculinity in Italy. The Italian employees agreed that there is a moderate level of competition and the leisure time appears to be emphasized by the company, but not as much as in Sweden. These findings are well aligned with Hofstede and therefore confirm that the Italian corporate culture is more masculine than the Swedish one. Concerning that TVW reflects a more feminine approach, one can envisage that these masculine values might have contributed to a more complicated and difficult implementation process. Nevertheless, the Italians also considered their working environment as very cooperative, which is contradicting Hofstede's description of a masculine society. Several respondents described this as a special feature of Volvo's corporate culture and generally uncommon in Italy. In combination with the fact that TVW

encourages teamwork, this suggests that the feminine part of TVW has been partially implemented in the Italian subsidiary.

Concerning gender equality, the results showed that the situation in the Swedish subsidiary is relatively similar to the one in Italy. In both Sweden and Italy it appear to be no difference in the way men and women are treated and the gender distribution appears to be relatively even among subordinate employees. Yet, in both offices men mainly possess the higher positions, with exception for some departments such as HR. However, the main difference is that the Swedish employees perceived gender equality as worse than what is desired, meanwhile the Italians believed equality at their workplace is not as good as in Sweden, yet better than in other companies in Italy. Consequently, one can argue that the findings are partly aligned with GLOBE, since the Swedish subsidiary appear to be as equal regarding gender as described in the theory, but the Italian subsidiary would rank higher than suggested by GLOBE. We believe that the emphasis of equality in the Italian subsidiary is a result of the implementation of TVW and, according to our findings, there was even more focus on this issue during the implementation process, in order to counter less equal values in the national culture.

5.3.4 Individualism/Collectivism I & II
The level of loyalty is perceived to be very high among the employees in both Italy and Sweden. Moreover, as mentioned in previous sections, both the Italian and the Swedish employees stress cooperation. These findings imply that both corporate cultures have tendencies towards collectivism and rank low on Hofstede's Individualism. However, some aspects show that Sweden would rank even lower than Italy. Although Italians appear to cooperate in an undirected and informal way, unlike the Swedes, the Swedish corporate culture was described as less hierarchical and competitive. Concerning that both corporate cultures appear to be less individualistic than the national cultures in Hofstede's study, one can imagine that the collectivistic values of TVW have been implemented. Regarding GLOBE's dimensions Collectivism I & II, it could be argued that the two subsidiaries differ significantly. The Swedish employees appeared to emphasize the value and ability of everyone, take decisions by consensus and treat each other equally regardless of hierarchical position and, thus, the corporate culture in the Swedish subsidiary can most likely be described as institutionally collectivistic. Therefore, we would rank the corporate culture in the Swedish subsidiary high on Collectivism I, which is in alignment with GLOBE. Since we perceive the Swedish employees as cooperative and helpful, albeit not as much as the Italians, we would rank the Swedes in the middle of the In-group Collectivism scale, which in turn is

higher than suggested by GLOBE. However, at Volvo in Italy, the culture appears to encourage cooperation among employees and people put great effort in helping each other, which is in alignment with GLOBE as Italy ranks high on In-group Collectivism. On the other hand, we claim that the corporate culture in Italy should be ranked lower than Sweden on Institutional Collectivism, due to a taller hierarchical structure and a less equal environment. However, it is possible to assume that the Italian subsidiary would not score as low as GLOBE suggests, since the subsidiary has lower hierarchical structures and a more equal environment than Italian companies have in general, as revealed from the interviews.

The deviations between theory and empirical material are probably a result of TVW, since we consider the global business policy encourages a culture that is both institutionally and in-group collectivistic. Concerning that Volvo's corporate culture is more encouraging for cooperation than the national cultures in both countries are, and gender equality and diversity is stronger emphasized in the Italian subsidiary than in Italy in general, there are reasons to believe that TVW values have been realized. Moreover, one can argue that the peculiarities of the two corporate cultures that still exist in the subsidiaries imply that the implementation of TVW might have been facilitated by the collectivistic features, but also complicated by the individualistic ones.

5.3.5 Long-term/Future Orientation

Regarding Long-term and Future Orientation, the answers of the Italian and the Swedish employees were very similar. In both countries the respondents claimed they have the future in mind while working, although several employees perceived their working environment as less long-term oriented than preferred. However, the Swedish and the Italian respondents explained the possible reasons for this shorter-term approach, differently. The time orientation in Sweden was described as directed by regulations, tasks and deadlines for reports, whereas the Italians stated that the worsened business environment, due to the financial crisis, affects the time frame. Therefore, one might assume that differences in national culture not always are deep-seated or traditional, but can be affected by external circumstances.

According to Hofstede, Italy scores high on the Long-term dimension, meanwhile Sweden scores intermediate. On the contrary, the GLOBE study ranks Sweden high and Italy low and, therefore, Hofstede's study is closer to the results of our findings. Concerning that no differences between the corporate cultures were found, we cannot conclude if there were any complications in the implementation process. However, we believe that TVW might have

created a longer-term mindset for the employees. Moreover, it can be argued that the implementation of TVW has made the emphasis of long-term orientation more similar between the two subsidiaries.

5.3.6 Indulgence

As mentioned in the empirical material, it was difficult to measure and distinguish any clear characteristics or differences regarding the subsidiaries' degrees of indulgence. However, some tendencies were found. Optimistic mentalities, together with emphasis on the positive core values 'Energy, Passion and Respect for the individual', all suggest a tendency of indulgence in both countries. Although one respondent described a more positive outlook for life at Volvo in Italy, findings of greater emphasis on leisure time and quality of life in Sweden suggests a stronger tendency towards indulgence at Volvo in Sweden than Volvo in Italy, which is in alignment with Hofstede's study. Nevertheless, it is essential to highlight that the Italian employees appeared to have a positive attitude and, in addition, leisure time appeared to be more emphasized at Volvo than in remaining Italy. Thus, it is most likely that TVW values have influenced the corporate culture at Volvo in Italy and diminished the differences that national cultures caused before the common values of TVW were embraced. However, since differences still exist, we believe that this might have resulted in a more complicated implementation process.

5.3.7 Assertiveness

One could argue that the corporate culture of Volvo in Italy is assertive, while the Swedish one is not. The employees at Volvo in Italy appear to be more competitive than the Swedish employees, as they do not accentuate equality between genders as much as Swedes and they are not convinced that everyone has the same possibilities in life, which corresponds to the findings of GLOBE. Swedes are ranked low and Italians high on the Assertiveness scale, which is underpinned by this study. These findings suggest that differences in national culture have affected the implementation of Volvo's corporate culture, since there are differences between the subsidiaries in terms of assertiveness. However, the Italians were also described as helpful, playful, cooperative and loyal employees, thus contradicting GLOBE. Therefore, there are reasons to believe that TVW was implemented and, as a result, the environment at Volvo in Italy has become less assertive than the rest of Italy, since the global business policy emphasizes cooperation and teamwork.

5.3.8 Performance Orientation

In this study it was found that leisure time is encouraged in both countries, yet, this is emphasized to a larger extent in the Swedish subsidiary. All employees at Volvo have a personal plan for objectives and achievements and the respondents claimed that they are encouraged to develop continuously, which is also emphasized in the TVW. However, the environment at Volvo in Italy is marginally more competitive and besides more encouraging for improvements. To conclude, one could say that the cultures in the two subsidiaries are neither performance orientated nor the opposite, but somewhere in between. In addition, the Italian office appears to be marginally more performance oriented than the Swedish one. In comparison with GLOBE, which ranks both Sweden and Italy low on the scale, we would suggest a higher score. These deviations are likely to be a result of the implementation of TVW, as we believe TVW would score intermediate on the dimension. However, it is likely that differences between national cultures and the outline and content of TVW might have complicated the implementation process of it.

5.3.9 Humane Orientation

Generally, the interviews with employees gave the impression that both the Swedish and the Italian working environments at Volvo are friendly and helpful and encourage for teamwork and to make the most out of leisure time. The Swedish employees were described as less competitive and more caring for equality and diversity, however, the Italian corporate culture was perceived as more cooperative. Therefore, we believe that the corporate culture at the subsidiary in Sweden is more humane oriented than suggested by GLOBE. The corporate culture in Italy would most likely score marginally lower than Sweden, but still high in comparison with the theory. We argue that the corporate cultures in the subsidiaries have been affected by TVW, since TVW values reflect a humane approach, which appears to be the case in the two studied subsidiaries. Furthermore, one can argue that the less humane oriented culture in Italy might have complicated the implementation of TVW.

5.4 Strategies to implement corporate culture and to handle cultural diversity

Volvo Group is a global corporation that operates worldwide and, consequently, it is evident that cultural diversity exists in the markets to be target, as well as in the organization itself. The content of TVW, in combination with how the document was updated through interviews with hundreds of managers and employees in different markets, reveal that the company most likely has intended to implement a global corporate culture, shared across business units and locations. The method for distributing TVW is also equal worldwide as the update of TVW was dispersed to all managers in all locations and companies and, thereafter, launched

internally on the company intranet. Thus, all employees are encouraged to follow procedures and guidelines that are similar and universal, which is in alignment with the global approach of handling cultural diversity (Evans & Lorange 1989).

Moreover, there are several common strategies for implementing corporate culture shared across business units and locations, for instance all employees are introduced to TVW when first hired. Furthermore, Volvo Group has used other strategies through the company website and intranet, as well as the published TVW booklet and PDF version, in order to implement its corporate culture in international subsidiaries. This is in agreement with previous research, which has found that these strategies can be employed for implementation purposes (Cardel Gertsen & Søderberg 2012). Nevertheless, findings from the interviews show that a polycentric approach might have been employed as some implementation strategies, as well as specific efforts and initiatives related to TVW, differ between Sweden and Italy. In addition, several respondents emphasized that TVW is a broad set of guidelines that allows countries to work on different tasks within the context of TVW. Therefore, it is most likely that TVW could be interpreted and, therefore, implemented differently. Likewise, in Volvo Group, the HRM responsibility for implementation is decentralized to the individual subsidiaries, which is in agreement with the polycentric approach.

The findings from this study can be strongly aligned with previous research by Cardel Gertsen and Søderberg (2012). Cardel Gertsen and Søderberg (2012) suggest that MNCs employ some level of standardization when trying to implement corporate culture in international subsidiaries, however, translation is necessary. Moreover, Cardel Gertsen and Søderberg (2012) stress that values and processes from headquarters may be interpreted in different ways depending on the local subsidiaries. As mentioned earlier, numerous respondents in this study highlighted that the width of TVW allows for differences in interpretation and also different choices of focus on particular corporate issues, which can be related to Cardel Gertsen and Søderberg (2012). In addition, the results from this study shows that Volvo Group has employed some levels of standardization, for example through shared implementation strategies such as the PBP and VGAS, as well as the choice of standardized offices worldwide, which can also be related to previous research. Therefore, we consider that the policy and the foundation of Volvo's corporate culture are global, but the implementation process is local and, therefore, polycentric. In this case, translation could imply that implementation is executed locally.

Cardel Gertsen and Søderberg (2012) propose that one way of discovering the appropriate balance between global integration and local adaptation is by drawing more on inpatriates' knowledge, experiences and evaluations. The findings from this study reveal that the studied MNC uses inpatriates, as well as expatriates. However, no findings expose that the usage of those was employed in order to discover the appropriate balance between global integration and local adaptation. Nevertheless, this study shows that other strategies such as material on the company intranet in several languages and workshops on different topics might be used in order to translate and implement corporate culture in international subsidiaries, which in turn diminish the influences of national cultural differences on corporate culture. In this study, the interviewed inpatriate and the interviewed expatriate continuously compared the corporate cultures in the two different countries, the differences in national culture and the differences in the implementation processes of corporate culture in the subsidiaries. These findings denote that inpatriates and expatriates possess large amounts of knowledge and experiences. Thus, we believe inpatriates and expatriates could be considered as facilitators for translating and implementing corporate culture, but also other beneficial strategies can be used. Nonetheless, the results should be considered with some skepticism since it is no generalization but simply an indication from the MNC participating in this thesis.

As outlined in the theoretical framework, MNCs are able to control subsidiaries in foreign countries by transferring corporate culture (Jaeger 1983). In order to accomplish this, the organizations tend to use several expatriates, stress the home language of the corporation and engage in broad employee socialization and training programs. The results of this study shows that Volvo Group has employed these strategies, however, it is not clear for what purposes the company has employed them. It is likely that the company employed the strategies in order to successfully implement its corporate culture in all units and locations, yet, it is questionable whether the MNC's aim is to accomplish control through corporate culture, since there are few empirical verifications in relation to this. The only finding that could be associated with control through corporate culture is tendency of the Italians to point out more activities related to TVW. Possibly these answers could be the result of a more explicit implementation procedure with clear strategies, efforts and incentives from the HR department and the managers in Italy. Yet, one may argue that an explicit implementation procedure is due to a dedicated HR department and managers that show great interests in TVW, and not because of a desire to accomplish control, as mentioned by Jaeger (1983). In an interview, one HR employee mentioned that concerning the implementation of TVW, a lot of responsibility lays

on the individual manager. Thus, the dedication might depend on several crucial factors such as time, which strengthen the above argument and also indicates that the implementation process is polycentric. Yet, it is important to point out that although Volvo Group is of Swedish origins, the MNC does not stress Swedish as corporate language, but instead English as the company aims to promote itself as an MNC with a global and shared corporate culture. Therefore, we believe that Volvo Group employs mentioned strategies in order to implement a global business policy regarding corporate culture across nations and business units.

Through the respondents' answers, and the outline and content of TVW, it appears evident that Volvo Group highlights specific cultural values, such as respect for the individual, diversity and cooperation. For instance, several employees described TVW similarly as a guide on how to work, and stated that what is described in TVW is basically the way the employees work, indicating that TVW directs employees in their actions and influence them on a daily basis. In addition, all respondents equally emphasized the importance of respect for the individual and of respects for diversity, and described respect as one of the core values in the corporate culture at their workplace. Moreover, as mentioned previously, TVW guides the managers to treat employees with respect also during layoffs and to push for diversity. In addition, all employees, regardless of nation, described themselves as cooperative, even though different levels of cooperativeness were found in the two subsidiaries. These values; respect, diversity and cooperation are mentioned several times in TVW booklet. Thus, according to the empirical findings of this study, the emphasize of specific cultural values appears to encourage the employees to think, act and behave in a similar manner and thereby the shared business policy (in this case TVW), appears to be used as a tool for informal communication across the units. It is to be assumed that TVW directs the way the employees work by pushing for cultural values such as respect, diversity and cooperation and attempts to ensure that these values are embraced in all locations and all business units. One may argue that TVW facilitates the communication as specific communication and discussion tools, such as the PBP, can be related to TVW. Although, the interpretation and the implementation of some cultural values such as cooperation appear to be applied to different extents in the distinctive subsidiaries, TVW is likely to have diminished influence of differences in national cultures and thereby unified the employees, as demonstrated in chapter 5.3.

Another interesting finding in this study is that in both countries the responsibility of the implementation of TVW lies with all the managers and the HR department. These findings could be related to previous studies regarding the function of CHR roles' responsibility and

influence on the implementation of corporate culture (Farndale, Scullion & Sparrow 2010). Yet, the two specific roles mentioned in previous studies; 'guardian of culture' and 'manager of receptivity are difficult to align with the division of responsibilities for the implementation of corporate culture in the Volvo Group, since the responsibilities of implementation vary between the countries. Additionally, it appears that the division of tasks in relation to implementation of TVW is not as explicitly outlined as in the CHR roles. However, it is questionable whether a resembled division would benefit Volvo and facilitate the implementation process, as little comparable research exist concerning the topic. Therefore, we claim that Volvo's division of responsibilities reminds of suggestions from previous researchers, however, the MNC's division is not identical with the studied CHR roles.

Moreover, literature states that an appropriate implementation of corporate culture is likely to result in internationalization of desired values, norms and outcomes (Ray 1986). This is in agreement with the findings of this study, as the crucial values and norms of TVW appear to permeate the entire Italian subsidiary, as well as the Swedish subsidiary and, therefore, it is likely that the implementation has been accurately done. Additionally the majority of the Italians, as well as the Swedish employees, expressed a strong loyalty to Volvo as an employer and many expressed that they shared several values of the corporate culture with their own personal values. These findings are in alignment with studies claiming that that corporate culture can be used as a managerial policy very effectively in fostering loyalty (Ray 1986). Besides, if management succeeds in implementing a specific corporate culture, the members of the organization will identify more completely with the firm (Pascale & Athos 1986), which is underpinned by this study.

6. Conclusion
This section provides conclusions that answer the research question for this study. The main findings will be presented, followed by theoretical contribution to existing literature and the managerial implications of the study. Lastly, suggestions for future research will be provided.

6.1 Main findings
This study demonstrates that an MNC implements its corporate culture in a subsidiary located in Italy by using several strategies and procedures. By first introducing new employees to the business policy via introduction programs and then provide concrete material as well as employee surveys and workshops, the corporate culture can be successfully spread and implemented in a foreign subsidiary. The findings of the study show that expatriates and

inpatriates possess large amounts of knowledge and experience regarding impact of national cultural differences on corporate culture, and could therefore be used as facilitators for translation and implementation of the corporate culture. Moreover, knowledge of expatriates and inpatriates, as well as other strategies for implementing corporate culture, can be used in order to successfully implement a global business policy regarding corporate culture across nations and business units. The global business policy will in turn highlight specific values, norms and practices and therefore encourage employees to think, act and behave similarly. Thus, the policy can be used as a tool for informal communication across scattered units and will diminish the influence of differences in national culture and thereby unify the employees.

Additionally, the study shows that the business policy of the studied MNC for corporate culture is global, but the implementation process is local and, therefore, polycentric. It appears that the global business policy for implementation of the corporate culture is similar regardless of nation, however, because of translation and interpretation, implementation might be executed differently between subsidiaries. The study illustrates that a broad corporate culture allows for countries to work on different tasks within the context of the corporate culture. Furthermore, it demonstrates how the responsibility for implementation is decentralized to the individual subsidiaries, which is shown to agree with the polycentric approach. In turn, the division of responsibilities reminds of suggestions from previous researchers, however, the MNC's division is not identical with the studied CHR roles. Nevertheless, the results of the study indicate that the crucial values of the global business policy permeate both subsidiaries and that the employees express strong loyalty towards the MNC. Moreover, the employees express that they share several corporate values with their personal values, which is aligned with existing studies of an appropriate implementation.

Furthermore, the study implies that differences in national culture have affected the implementation process, as well as the existing corporate culture in the two studied subsidiaries. Cultural peculiarities related to the majority of the dimensions mentioned in this study have, according to our findings, complicated the implementation of the global business policy, as there still are deviations from the studied MNC's desired corporate culture. For instance, taller hierarchical structure required more emphasis on implementing the corporate values regarding two-way communication and decentralization of decision making, and lack of emphasis on diversity resulted in more focus on this matter during the implementation process. In contrast, features linked to Uncertainty Avoidance and In-group Collectivism have likely facilitated the implementation process of corporate culture in the studied subsidiary,

due to values in national culture that are aligned with the corporate culture. Another finding was the fact that external circumstances affect the corporate cultures, as exemplified by the financial crisis' influence on the long-term and future orientation in the Italian subsidiary. In summary, cultural particularities have aggravated, facilitated and directed the process in several ways. However, their impact has finally diminished as the values of the global business policy have been embraced. The global business policy describing the desired corporate culture has affected the individual subsidiaries and reduced the disparities within national cultural dimensions by encouraging for a common corporate culture. Consequently, it can be concluded that national cultural differences affect corporate culture, yet a global business policy, if properly implemented, can reduce the influence of the differences.

The analysis demonstrates that the global business policy and the existing corporate culture can be particularly influenced by, and share numerous cultural features with, a specific national culture. In this study, the policy and the corporate culture have been especially influenced by the Swedish national culture. The examination shows that the outcome of the policy and the shared cultural values might be different comparing to the intention and desire of management. Moreover, employees belonging to the national culture that share various features with the corporate culture of the MNC, will notice less disagreement between the corporate culture and the national culture of their country. As a result, these employees will not be able to identify specific implementation strategies to the same extent as employees of other national cultures do and, according to our study, employees of other national culture will in turn distinguish and honor the corporate culture of the MNC.

To sum up, the purpose of this study was to contribute with increased understanding of the implementation process of corporate culture and provide a deeper insight in the strategies an MNC located in one particular country has employed to implement its corporate culture in a subsidiary located in another particular country. Furthermore, the purpose was to compare potential differences in national culture between Italy and Sweden, as well as examining in what ways the differences might affect the implementation process of corporate culture. Our findings have contributed with further insight and an increased understanding of how implementation of corporate culture is executed and how differences in national culture affect the implementation process. Prior to this study, we acknowledged a lack of similar studies regarding the topic discussed. Nonetheless, our study has, apart from above mentioned distinctions, revealed to be aligned with the few present studies, denoting that future research will probably show comparable results.

6.2 Theoretical contributions

Evans and Lorange (1989) argue that there exist two different approaches for managing cultural diversity in organizations; the global approach and the polycentric approach. However, the result of our findings indicate that the studied MNC has used a combination of these two approaches and therefore enlarges one additional aspect to existing theories of this topic. Moreover, theories regarding national and corporate culture have been complemented by the findings of this study. The results of our research in cultural characteristics were not completely aligned with the studies of GLOBE (House et al. 2004) and Hofstede (2010) and one can therefore suggest that results derived from researches in this area will vary, depending on nature and origins of the companies studied. The deviations should be considered as supplementary findings to existing theories. Furthermore, Jaeger (1983) proposes that MNCs are able to control subsidiaries located in foreign countries by transferring corporate culture. However, we argue that the transfer of corporate culture not only imposes managerial control, but also benefits an MNC's informal communication and behaviors across business units, by implementing a global business policy regarding corporate culture. Another theoretical contribution from this study relates to Farndale, Scullion and Sparrow's study (2010) about CHR roles. Considering that these kinds of roles do not appear to have been strictly employed in the implementation of the corporate culture in the studied MNC, one can discuss their importance in such processes. This enhances the aspects of the mentioned theory, since Farndale, Scullion and Sparrow (2010) do not announce any exceptions for the use of these roles and the roles of the MNC in this thesis diverge from the roles of the theory. Finally, the study made by Cardel Gertsen and Søderberg (2012) promote the usage of inpatriates when an MNC desires an appropriate balance between global integration and local adaption. As mentioned previously, this could not be found as an intentional strategy of the studied MNC, however, other strategies such as material on the company intranet in several languages and workshops on different topics were employed to translate and implement corporate culture in subsidiaries. Besides, we found that inpatriates and expatriates could be considered as facilitators for translating and implementing corporate culture. Thus, we suggest inpatriates, expatriates, as well as other kinds of strategies can be used to translate and implement corporate culture in international subsidiaries.

6.3 Managerial implications

This study is of value for managers of MNCs as it contributes with increased understanding of the implementation process of corporate culture and demonstrates the influence of differences

in national cultural on the implementation process. The study demonstrates how an MNC can benefit from using specific strategies and procedures for implementing its corporate culture, such as exploiting the knowledge and experience of its expatriates and inpatriates. Furthermore, the study suggests that a global business policy for corporate culture, but a local polycentric implementation process, is beneficial for MNCs seeking to implement corporate culture in foreign subsidiaries. Besides, it demonstrates that if management succeeds in implementing a specific corporate culture, the members of the organizations will identify more completely with the firm.

An important managerial implication from the study is that strategies such as usage of several expatriates and inpatriates can be used to successfully implement a global business policy regarding corporate culture across nations and business units, which in turn can be used as a tool for informal communication across scattered units and diminish the influence of differences in national culture. The corporate culture will unify the employees and facilitate communication. In addition, managers should be aware that the global business policy and the existing corporate culture could be particularly influenced by a specific national culture. The employees belonging to that national culture will, therefore, observe less disagreement between the corporate culture and the national culture of their country. These employees will not be able to identify specific implementation strategies to the same extent as employees of other national cultures do and employees of other national culture will in turn distinguish and honor the corporate culture of the MNC.

Another implication derived from the results of our study is that the nature of the implementation of corporate culture depends to large extent on the managers who are responsible for it. It is therefore crucial to encourage, direct and give the managers time to engage in the implementation process. Finally, an important managerial implication is that a proper implementation of a global business policy diminishes the influence of differences in national cultures and is therefore suggested to be used in order to reduce issues and obstacles that derive from these influences.

6.4 Suggestions for future research
During the working process of this thesis, some particular issues have been found that need to be further investigated. The first one concerns MNCs' distribution of responsibility for the implementation of corporate culture. As mentioned previously, we could not find any in detail described CHR roles or tasks for the implementation of corporate culture in the studied MNC.

Therefore, we suggest that the responsibilities during implementation of corporate culture can be further explored. Moreover, since the theory of having specific CHR roles mentioned by Farndale, Scullion & Sparrow (2010), could not be applied on the MNC studied, we propose that further research is needed to extend and modify the theory and make it applicable in various cases. Furthermore, additional research can be done regarding whether such specific roles benefit the implementation process of corporate culture in MNCs. Another significant aspect that needs to be highlighted is that the findings of this study are closely related to nature of the studied MNC and, thus, the conclusions of this thesis should be considered as an indication from the MNC participating in the thesis. Consequently, similar case studies within the same area, but in distinctive contexts, could be done in order to achieve a broader empirical base, verify the results of this study and enhance the understanding of the subject.

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8. Appendix

This section includes a table of the respondents of the study, both from the face-to-face interviews and the Skype-interviews. Furthermore, the interview questions are presented, as well as a list of published and unpublished sources. Finally, the latest version of TVW is attached.

8.1 Description of the respondents

Origin	Position	Function	Employment time at Volvo
Sweden	HR Business Partner	Human Resources	10 years
Sweden	Process Manager	Process & IT	15 years
Sweden	Director Capital Strategies	Finance & Accounting	19 years
Sweden	Process Expert	Process & IT	11 years
Sweden	CFO	Sales	13 years
Italy	HR Director	Human Resources	8 years
Italy	Commercial Truck Director	Sales	25 years
Italy	Retail Development Director	Retail Development	12 years
Italy	Commercial After-Sales Director	Sales & Services	13 years
Italy	Business Control Manager	Finance & Accounting	7 years

Table 1. Source: Authors' own illustration

8.2 Interview questions: Employees

1. What is your role at Volvo? Can you please tell us a little bit about your background at the company?

2. Do you know what The Volvo Way is? Have you read The Volvo Way? Why/why not?

3. How were you introduced to The Volvo Way? When? By whom?

4. What does The Volvo Way mean to you? What do you think it means to your managers

5. Does The Volvo Way affect your daily work? If yes - in what ways? (Give examples)

6. Have you noticed that your managers have intended to implement The Volvo Way? If yes - what strategies have they employed? If no - how do you think managers intend to implement the corporate culture?

7. How would you describe the corporate culture and its key values at Volvo?

8. Is the Volvo Way in alignment with the values at your workplace?

9. Do you believe the national culture in Italy affect the corporate culture at Volvo?

10. Do you think differences in national culture have affected implementation of The Volvo Way? Do you believe Volvo has been implemented corporate culture in different ways depending on country?

11. When looking at the corporate culture at Volvo - can you tell in what country the company has its origins? If yes - in what ways and why? If no - why not?

12. How do you perceive the hierarchical structure at Volvo? Do you perceive the organizational structure as flat and decentralized or tall and centralized? Does the hierarchical structure differ significantly between the countries? How do you perceive the hierarchical structure when having a coffee break?

13. How would you describe your possibilities to make your own decisions and work independently? Are you allowed to work by the conditions of freedom over responsibility at Volvo or are you directed by a strict working schedule and rigid management practises?

14. How would you describe risk-taking at Volvo? How flexible are you/your colleagues/your company when managing unexpected events? Do the planning procedures at Volvo allow for new ideas and innovation or are they it strictly detailed?

15. How do you plan for future decisions at Volvo?

16. How do you perceive your working environment in terms of competitiveness? How do you perceive cooperation?

17. For how many hours per week do you work? Are you required to be at the office between any particular hours? Do Volvo and your managers emphasize the importance of leisure time?

18. How do you perceive equality between genders at Volvo?

19. How do you perceive loyalty towards the working group at Volvo? How would you describe the degree of cohesiveness?

20. How would you describe an ideal corporate culture? Is Volvo close to that?

8.3 Interview questions: Expatriates

1. What is your role at Volvo? Can you please tell us a little bit about your background at the company?

2. Do you know what The Volvo Way is? Have you read The Volvo Way? Why/why not?

3. How were you introduced to The Volvo Way? When? By whom?

4. What does The Volvo Way mean to you? What do you think it means to your managers in Italy respectively in Sweden?

5. Does The Volvo Way affect your daily work? If yes - in what ways? (Give examples) Does The Volvo Way affect your daily work differently in Italy respectively Sweden? If yes - in what ways?

6. Have you noticed that your managers in Italy respectively Sweden have intended to implement The Volvo Way? If yes - what strategies have they employed? Have the strategies differed between the countries? If no - how do you think managers intend to implement the corporate culture in Italy respectively Sweden?

7. How would you describe the corporate culture and its key values at Volvo in Italy respectively in Sweden? Are there any particular differences?

8. Is The Volvo Way in alignment with the values at your workplace in Italy respectively in Sweden?

9. Do you believe the national culture in Sweden and Italy affect the corporate culture at Volvo? Have you noticed any differences in Sweden and in Italy? Do you believe one of the national cultures affects more than the other in the two offices? If yes - in what ways and why?

10. Do you think differences in national culture have affected implementation of The Volvo Way? Do you believe Volvo has been implemented corporate culture in different ways depending on country? (Compare Italy and Sweden)

11. When looking at the corporate culture at Volvo - can you tell in what country the company has its origins? If yes - in what ways and why? If no - why not?

12. How do you perceive the hierarchical structure at Volvo in Italy respectively Sweden? Do you perceive the organizational structure as flat and decentralized or tall and centralized? Does the hierarchical structure differ significantly between the countries? How do you perceive the hierarchical structure when having a coffee break?

13. How would you describe your possibilities to make your own decisions and work independently in Italy respectively in Sweden? Are you allowed to work by the conditions of freedom over responsibility at Volvo or are you directed by a strict working schedule and rigid management practices?

14. How would you describe risk-taking at Volvo in Italy respectively Sweden? How flexible are you/your colleagues/your company when managing unexpected events? Do the planning procedures at Volvo allow for new ideas and innovation or is it strictly detailed?

15. How do you plan for future decisions at Volvo in Italy respectively in Sweden?

16. How do you perceive your working environment in terms of competitiveness in Italy respectively in Sweden? How do you perceive cooperation at the offices in Italy respectively in Sweden?

17. For how many hours per week do you work in Sweden respectively in Italy? Are you required to be at the office between any particular hours? Do Volvo and your managers emphasize the importance of leisure time? Are there any differences between Italy and Sweden?

18. How do you perceive equality between genders at Volvo? Are there any differences between Italy and Sweden?

19. How do you perceive loyalty towards the working group at Volvo? How would you describe the degree of cohesiveness? Are there any differences between Italy and Sweden?

20. How would you describe an ideal corporate culture? Is Volvo close to that?

8.4 Interview questions: HR department

1. What is your role at Volvo? Can you please tell us a little bit about your background at the company?

2. What does The Volvo Way mean to you? What do you think it means to your colleagues that do not work at HR?

3. Who is responsible for the implementation of The Volvo Way? Is the responsibility centralized or decentralized? When someone is newly employed who is responsible for introducing that person to The Volvo Way?

4. Is implementing corporate culture part of your job? If yes - in what ways?

5. Does The Volvo Way affect your daily work? If yes - in what ways? How does it affect the employees' daily work (your colleagues that do not work at HR)?

6. Is The Volvo Way in alignment with the values at your workplace?

7. Do you have any routines or strategies for the implementation of corporate culture at Volvo?

8. In what way has the company implemented the corporate culture? Does the company consider local practices and norms or do you employ a general global approach that does not differ between countries? Do you know if there are any differences between the implementation process in Sweden and Italy?

9. Do you believe the national culture in Italy affect the corporate culture and the implementation of it at Volvo? If yes - in what ways? If no - why not?

10. Do you believe the national culture in Sweden affect the implementation of corporate culture in Italy? Can you tell in what country the company has it origins? Do you believe the corporate culture would be different if Volvo was of Italian origins?

11. How do you perceive the hierarchical structure at Volvo? Would you describe it as flat and decentralized or tall and centralized?

12. How would you describe the corporate culture and its key values at Volvo?

13. How would you describe an ideal corporate culture? Is Volvo close to that?

8.5 Published and unpublished sources

Published sources

The Volvo Way 2009, Volvo Group

http://www.volvogroup.com/SiteCollectionDocuments/VGHQ/Volvo%20Group/Volvo%20Group/Our%20values/volvo_way_eng.pdf

Unpublished sources

CEO letter to managers 2009

Dialogue tools 2015

Employee engagement 2015

Managers' handbook 2015

Questions and answers on The Volvo Way 2009

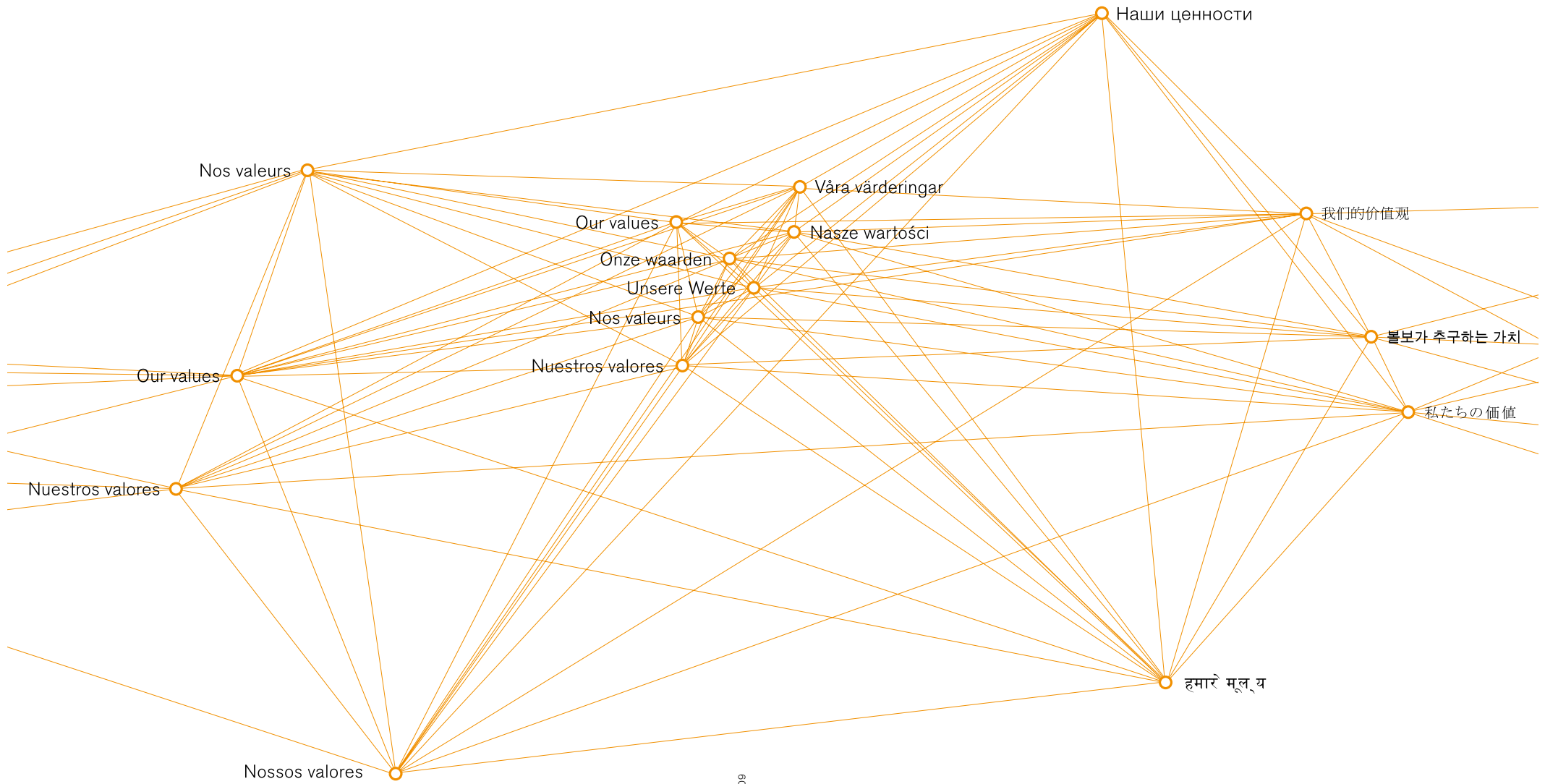Support for leaders 2015

The Volvo Way booklet and DVD 2010

Volvo Way posters 2010

Volvo Way Stories 2010

Volvo Way Tools 2010

8.6 The Volvo Way

On the following pages we have attached the latest published PDF version of TVW, in order to provide the reader with a deeper insight and the possibility to understand our arguments throughout the thesis.

Наши ценности

Nos valeurs

Våra värderingar

我们的价值观

Our values

Nasze wartości

Onze waarden

볼보가 추구하는 가치

Unsere Werte

Nos valeurs

私たちの価値

Nuestros valores

Our values

Nuestros valores

हमारे मूल ्य

Nossos valores

VOLVO

AB Volvo, 405 08 Göteborg, Sweden

THE VOLVO WAY

Preface

Our mission

Customers first

How we work

The Volvo Way shows what we stand for and aspire to be in the future. It lays the foundation for developing the Volvo Group into the world's leading provider of commercial transport solutions. It is a recipe for success in which we strongly believe. It expresses the culture, behaviors and values shared across the Volvo Group.

The Volvo Way is based on the conviction that every individual has the capability and the determination to improve our business operations, and the desire to develop professionally.

The Volvo Way is the lively dialogue between leaders, within teams, and among colleagues around the world. This is the way we conduct business and deliver results. This is how we partner with customers and suppliers, how we work and change, and how we build the future together.

If you are new to this company, The Volvo Way provides a good introduction. If you have been with us for some time, you know how to use The Volvo Way as a guide for your behavior as individual, team member and leader.

Read this new edition and reflect on what The Volvo Way means in your daily work. Keep track of how you and your team follow the principles and discuss this. Pass on values that you are passionate about to colleagues and customers, family and friends. We all share a responsibility for living our culture and moving from words to action.

Volvo Group Executive Committee

27 August, 2009

ENERGY, PASSION, AND RESPECT FOR THE INDIVIDUAL.

By creating value for our customers we create value for our shareholders.

We use our expertise to create transport-related hard and soft products of superior quality, safety and environmental care for demanding customers in selected segments.

We work with energy, passion, and respect for the individual.

Customer focus. We work for our customers. We are dedicated to meeting their high expectations today and their long-term requirements for the future. We always deliver in accordance with our agreements. We want to be our customers' best business partner.

Volvo Group is one of the world's leading providers of commercial transport solutions. We develop, manufacture and supply vehicles, machinery, products and services. By developing specific machines, vehicles and soft products for different industry segments, we can offer solutions designed to work efficiently together.

To enhance our customers' competitive edge, we increasingly provide financing, insurance, rental services, spare parts, components, maintenance, reliable IT solutions and other business services. This is how we create value for our customers and contribute to the positive development of society.

We collaborate closely with customers to develop products and services that improve their productivity, flexibility, cost-efficiency and profitability. Our sharp customer focus is combined with a keen business sense. We are determined to aggressively grow our business, primarily with demanding customers in selected and profitable segments.

Each customer's business is different. We try to understand their unique requirements and to find the most appropriate solution that matches their expectations and current business needs.

In a business environment with intense global competition, customer satisfaction and loyalty will depend not only on the quality and performance of our products, but also on how customers are treated and how services are delivered. That is why we are enhancing dealer and service networks, and why we strive to differentiate our aftermarket products and service offerings.

Customer focus is based on everyone's commitment and responsiveness. We all interface and interact with different customers. Our skills and conduct, our attitudes and values contribute to creating business success.

Clear objectives. Volvo Group's strategic objectives are based on customers' requirements, and focused on profitable growth, product renewal and operational excellence. Achieving these objectives powers our competitiveness.

Short-term profitability is imperative for sustainable growth. It enhances our ability to manage the business cycles and compete on a global scale, and it strengthens our viability as a long-term business partner.

Profitable growth enables investments in new products and services, new markets and future technologies, and in our skilled employees. It also attracts investors' capital, providing financial strength and freedom to act on business opportunities.

Product renewal with timely introductions of new and better products and services adds value for our customers. The development of innovative technologies is vital to meet stringent legislative requirements, to expand our leading position in different markets and to ensure the competitiveness of future product generations. This also contributes to a positive development of society.

Operational excellence paves the way for customer satisfaction. Throughout our company we share best practices and tools to improve effectiveness and productivity. Working with business cycle management reduces costs, improves flexibility and adds customer value. We develop leaders to drive mastery in execution and change.

QUALITY, SAFETY AND ENVIRONMENTAL CARE.

Quality, safety and environmental care. Three corporate values express our commitments:

Quality reflects our promise to deliver reliable products and services. We focus on improving quality and performance that add value to our customers. Excellence in quality will be achieved by continuously improving our processes and products based on customers' needs.

Safety is about reducing the risk of accidents and mitigating the consequences of any incidents that may occur. Safety is an integral part of product development. The purpose is to improve traffic safety as well as the work environment for drivers and operators of vehicles and machinery. Throughout our own operations, we actively enhance occupational safety and a healthier work environment.

Environmental care expresses our commitment to reduce any adverse impact on the environment from our products and operations. We are improving fuel efficiency and reducing emissions and noise from our products. Across operations we are reducing waste, emissions, energy consumption and our carbon footprint.

These corporate values – quality, safety and environmental care – represent the common ground for our different brands. We continue to develop, nurture and enhance our strong brands with their distinctive characteristics as they bring uniquely important benefits to our customers.

Continuous improvements. We are determined to meet the highest demands and expectations of external and internal customers. That is why we are enhancing leanness, empowerment and agility. Concerted efforts are under way to improve quality, delivery, cost, features and time to market.

In a highly competitive market it matters to be fast, quick and nimble. We are convinced that higher speed in development projects and process execution will improve our bottom line.

All employees are focused on continuous improvements, which require a systematic and persistent approach. We leverage effective teamwork and create cross-functional teams to identify and resolve problems. Customers, suppliers and other partners are invited to participate. Comprehensive internal and external feedback fuels these joint efforts.

We focus on eliminating waste and unnecessary work, such as activities that fail to add customer value. By reducing unwanted disturbances we make processes more stable, predictable and efficient.

Throughout the entire organization, we aim to do things right the first time. We refuse to accept poor quality. By detecting and correcting problems at the real source, we are moving towards zero defects. We use quantifiable data to monitor and understand reality.

Implementing just in time principles means that we get, produce and deliver what is needed, when it is needed, and in the amount needed. We are committed to shortening lead and turnaround times, to reducing inventory and to focusing on activities that add customer value.

Measuring how well the Volvo Group meets customer and stakeholder demands, we compare and evaluate ourselves against the high performers. By benchmarking with the best and embracing best practices, we are learning how to work more efficiently and effectively. We quantify and measure to deliver excellence, quality, and results.

Driving innovations. All our innovations aim at creating added value for our customers. The development of new transport related technologies also reinforces our competitive advantages.

The ability to develop new technologies and implement them in commercial products and services has contributed to our success and reputation.

Early involvement of customers ensures a deeper understanding of their business needs. The openness to change and constructive dialogue across the businesses are other enabling factors.

To further optimize our innovation system we are sharing experiences and collaborating with external partners, universities and research institutions. This gives access to state of the art knowledge and leading edge technologies.

Utilize common strengths. Our organization is decentralized with product related business areas supported by business units. Working closely with our customers in cross-functional and integrated teams promotes agility and alignment, responsiveness and a clear responsibility for results.

Each business fully leverages and utilizes the Group's common platforms and processes, solutions and strengths to meet their customers' specific needs. Combining our expertise into a global structure creates economies of scale in product development, production, parts supply, logistics, information technologies, and business services.

To fully leverage these synergies across the Group, business areas and business units are teaming up and collaborating more closely to meet shared business objectives. Working across the different businesses in common projects, programs and processes creates opportunities for sharing knowledge and learning from best practices. Cooperation and integration focuses on turning increased volumes, operational efficiencies and organizational capabilities into improved customer value, cash flow and profitability.

Building our culture. Our culture is how we work together with energy, passion and respect for the individual. It is about involvement, open dialogue and feedback. It is about diversity, teamwork and leadership. It is how we build trust, focus on customers and drive change.

Our culture embodies individual responsibility and accountability for results. This means a clear orientation towards common goals and solutions, and a strong determination to grow, develop and improve. It is how we conduct our business around the world.

We endeavor to create a cohesive culture throughout all Volvo Group companies. This is a culture of enablement, based on global principles and shared values outlined in The Volvo Way. Active development towards realizing The Volvo Way spirit and culture is the backbone of all operations.

Culture is a critical factor for sustainable growth. Unlike technologies, strategies, organizational structures or business models, culture is difficult for a competitor to copy. It would be equally difficult for us to replicate the culture of a competitor.

We are convinced that a cohesive culture based on global values strengthens our brands and makes Volvo Group a more attractive employer, business partner, industry leader, and trusted corporate citizen.

Energy, passion and respect for the individual.

Energy and drive enhances our effectiveness. We are agile, dynamic and determined to make a difference. We are resolved to walk that extra mile for our customers. All of us face new challenges with endurance and ingenuity, and always strive to be part of the solution.

A clear strategic direction, and mutual trust and cooperation in our team, inspire us to reach even further. Striving to improve performance, we are actively embracing change. This generates new energy in the company.

Passion is an intense emotion, yet this is how it feels to be deeply committed and engaged. Here we can bring our hearts and minds to work.

Our work has meaning and purpose. This evolves from a strong sense of involvement in shaping the future of our industry. We are dedicated to be the best business partner for our customers.

We are all proud of what Volvo Group has achieved, about our excellent products and services, and of how we live our global values – The Volvo Way.

Respect for the individual. We care about people. We acknowledge and appreciate each other. We treat every individual with respect.

Respect for the individual is fundamental for all relations. When we feel respected, we are empowered to assume responsibility for ourselves and our situation. Our personal capacity and self-esteem will grow and help us meet the high expectations that we face as employees.

We trust each other to take initiatives and to execute. We recognize each individual's contribution, and celebrate the achievements of our colleagues. We listen actively and always try to learn from and support each other.

Company spirit. We are empowered. Every colleague participates in setting goals and in meeting commitments. Every individual contributes by working together with others towards common business goals.

We are not victims of circumstances, but responsible participants with the courage to influence and allow ourselves to be influenced. Active employee commitment develops us, both as individuals and professionals.

We dare to take initiatives and make decisions. We openly address problems, and we are resolved to find solutions. Each one of us wants to become more effective and efficient. We firmly believe that every individual can change and develop, perform and improve. We are moving from words to action.

Company spirit means always acting in the best interest of the Volvo Group. We conduct our business with integrity. Our actions are aligned with The Volvo Way and Volvo Group's Code of Conduct. These shared values and principles have become a guiding compass, which we pass on to colleagues and customers, family and friends.

Involvement and engagement. We care about the future of our company. All of us want the Volvo Group to develop and grow. We also care about our work, team and colleagues around the world. Everyone wants to make a difference.

That is why we get deeply engaged. We are involved in setting the business direction and implementing the strategy. We actively participate in an open dialogue about plans, decisions and changes that affect our work, team assignment or business goals.

To be involved and empowered in setting the direction means that we take individual responsibility and ownership for decisions. This employee engagement results in a strong sense of commitment to meet agreed objectives and goals. All of us feel accountable for driving change and building the future. Only engaged employees can deliver excellence.

Employee involvement is instrumental in achieving Volvo Group's strategic objectives. We develop overall objectives and specific business plans through bottom-up and top-down interaction. By aligning individual and team goals with the overall strategic objectives, we are creating a clear line of sight that enhances the understanding of each employee's role and contribution.

Open dialogue. We communicate with each other and keep up an active dialogue. We participate in conversations that matter.

Through open dialogue, all of us can contribute to improvements. Active listening and a lively exchange of experiences, ideas and perspectives promote understanding and collaboration between different teams and functions.

Messages are clear, timely and relevant. Leaders communicate frequently and proactively with all employees, especially during times of change and challenging business conditions. Face-to-face and team meetings are used to encourage an open dialogue.

Feedback. We want to make a difference, and feel that our work matters. We all need to be recognized for our individual accomplishments, initiatives and contributions to our team, company and customers.

All of us need honest and constructive feedback. This enables us to take responsibility and commit to meeting high expectations.

Leaders regularly provide feedback that is specific, timely and actionable. This clarifies expectations and reinforces behavior leading to improvements. Leaders also set an example by frequently asking for feedback from customers, colleagues and employees.

We can all contribute to the improvement efforts of our colleagues. By giving positive feedback and encouraging each other, we strengthen the willingness to act and learn.

Teamwork. We are one strong team working towards shared business goals. As a member of one team or several teams, we have responsibilities extending beyond the formal role or job descriptions. This is where we get involved, contribute to the performance of the whole team and deliver results.

Teamwork offers a superior way of improving quality, delivery and productivity. Working together as one team therefore applies throughout the Group, from top management to cross-functional teams. Through teamwork we build the partnership, trust and collaborative culture that result in improved performance.

Great teamwork at every level is based on mutual trust, solid relations and cooperation in working together to meet common business objectives. Inside the team we strive for a harmonious team spirit, openness and continuous improvements. We share the joy of working and winning together. Through teamwork we learn from each other and grow.

Good teamwork also builds the self-confidence, support and recognition that we all need. By coming together as a team, we combine and leverage different strengths and skills more effectively.

To build a high-performing Volvo Group we need effective teamwork across functions, businesses and national cultures. Collaboration within and between teams improves alignment and commitment, and raises the level of energy and responsiveness throughout the Group.

Diversity. We are individuals, each with a unique background and different experiences. We all want to be treated fairly, equally and consistently with respect. We also have a common goal of servicing our customers in a way that generates profit.

We are turning all differences into advantages. There is great strength in diversity. It contributes to increasing our productivity, collaboration and ability to innovate. It helps us in forging stronger relationships with global and local customers and partners.

We are actively establishing business practices, cross-functional teams and networks that enable individuals and different groups to contribute to their fullest potential. By means of inclusiveness we can leverage all the strengths arising from diversity in terms of unique abilities, experiences, perspectives and viewpoints.

We benefit from working in a global company. Here we can enhance our sensitivity to cultural diversity and become more skilled in cross-cultural interaction.

Leadership. Leaders have the desire and self-confidence to set a clear course for the future. Leaders build trust and foster employee engagement. Leaders empower teams and individuals to take initiatives and act, and they drive the improvement of team performance.

Leaders are responsible for developing strategies and goals, for establishing business-oriented guidelines for work, and for involving employees in the decision-making process. Managing by objectives, leaders support employees in translating these into goals, targets and appropriate actions. Ensuring that individual and team goals are aligned with the Group's strategic direction, leaders are focusing on execution and delivering results.

True leadership requires the courage, perseverance and integrity to always act in the best interest of the whole Volvo Group. Decisiveness is crucial for going forward, and leaders must have the fortitude and necessary resolve to make the most difficult business decisions. All leaders are expected to stand up for company decisions, and to always be driving change.

Leaders are skilled in navigating our global organization and in managing across different cultures. They are customer oriented with a deep business understanding. They promote openness and responsiveness to different stakeholder's expectations.

Our leaders are communicative. They listen, provide timely information related to work, motivate and explain decisions. To ensure best results, leaders create mutual trust, cultivate cooperation and handle conflicts within and between teams.

Volvo Group leaders are expected to recognize achievements and frequently give honest and constructive feedback. Supporting personal growth and competence development, inclusive leaders ensure opportunities for each individual to address new challenges. Leaders promote health and keeping a balance between work and personal life.

Leaders must earn and deserve the trust and respect of their teams and colleagues. Leaders own up to and take responsibility for their mistakes. Always accountable for actions, decisions and results, leaders set an example for all by living The Volvo Way principles and values.

Driving change. We turn change into new opportunities for improving performance and growing the business. We respond with agility and flexibility to new commercial, regulatory and technological challenges.

As a growth company in a cyclical and highly volatile business, we must enhance our ability to also manage steep upturns and downturns. We are creating a competitive edge by becoming more flexible in adjusting production volumes, adapting the size of our workforce, allocating resources and shifting the sourcing.

We are determined to change faster than any of our competitors. Sometimes the business environment will compel us to make very difficult decisions affecting many employees, customers and other stakeholders. Equally important, when new opportunities emerge, we must dare to grow and expand aggressively.

Change initiatives must always be executed with the utmost speed and resolve. Our businesses can become leaner, quicker, more agile and better aligned with each other.

Real change is always up close and very personal. Accepting and embracing this change requires openness and a willingness to transform.

Change makes us come together as a stronger team. Transformation enables us to meet new strategic challenges and to build the future together.

We are empowered and accountable. We can make decisions and act promptly. We can drive change.

Winning the confidence of the world. We care about the future of this planet. The global climate change is one of the greatest challenges that we are all facing. The Volvo Group is committed to significantly reducing the environmental impact from our production and products. We can make a difference.

The Volvo Group companies and employees have a long tradition of social responsibility. We work together with global organizations, universities, and local authorities to contribute to the positive development of society. We also encourage local initiatives, projects, sponsoring and volunteer activities in our communities.

Our behavior, as individuals and as corporate citizens, secures and strengthens our corporate values – quality, safety and environmental care. By adhering to The Volvo Way values and principles and the Volvo Group's Code of Conduct, we build trustworthiness and confidence among customers, suppliers, partners, authorities, and other stakeholders in society.

Always moving forward. The Volvo Way is what defines our culture, encouraging us to assume individual responsibility and ownership for decisions, and to take on new challenges. It constantly reminds us that we can achieve and deliver, change and improve, and reach even higher goals.

This is how we work together, partner with customers, and serve society. In our factories, offices, and meeting rooms, we act according to these values and principles. The Volvo Way guides us when recruiting, selecting and developing new colleagues.

The Volvo Way shows what we stand for, and what we aspire to be in the future. It is a recipe for business success in which we strongly believe. It lays a foundation for developing the Volvo Group into the world's leading provider of commercial transport solutions. It expresses the culture, behaviors and values shared across the Volvo Group.

The Volvo Way gives us a sense of purpose and direction. We are always moving forward.

Address your comments on The Volvo Way to: volvoway@volvo.com