



**UNIVERSITY OF GOTHENBURG**  
**SCHOOL OF BUSINESS, ECONOMICS AND LAW**

**Hybridization in Cross-cultural Management**  
**- The Case of Volvo Cars in China**

**Department of Business Administration**

International Business

Bachelor Thesis

Spring 2017

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## **Acknowledgements**

Throughout the process of writing this bachelor thesis there are several people that have been of high importance for us to be able to conduct this research. Firstly, we would like to express our gratitude to the company and the three managers that so kindly shared their knowledge and experience with us. Without their participation we would not have been able to fulfill the purpose of this thesis and answer our research question.

Secondly, we would like to express our deepest gratitude to our supervisor Zehra Sayed who has been supportive every step of the way when writing this thesis. Her input and guidance have been of high importance for us throughout this process.

**Gothenburg, 2017-06-02**

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## **Abstract**

Title: Hybridization in Cross-cultural Management: The Case of Volvo Cars in China

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Background and Problem: Globalization has led to companies seeking new markets and an important aspect to consider for companies when going abroad is the cultural differences. To be able to conduct business effectively in other countries it is of importance for organizations to understand other cultures. There have been several studies regarding differences in culture, but many have investigated culture in a homogenous way and not always considered the possibility of hybrid practices. Recent research has emphasized that culture seldom is homogenous, and therefore it is important to examine this further and see what happens when two cultures within an organization meet and what evidence of hybridity can be found. In order to explore the possible hybrid practices that could occur, hierarchy has been studied to narrow down the scope and to highlight the differences between the two cultures, Sweden and China.

Purpose: The purpose of this thesis is to explore two cultures within one organization, to see if instances of hybridity have emerged. These instances will be examined by utilizing the concept of hierarchy when comparing the cultures.

Methodology: A qualitative approach was chosen with a single case study forming the base of the research. Interviews were utilized as a mean to gather the empirical material, with three managers participating in the study. This thesis aims to capture hybridizations in an organization, and therefore managers were chosen for the interviews in order to gain a comprehensive view on the implementation of practices.

Results and Conclusion: The results of this thesis show that evidence of hybridizations can be found when two cultures meet within one company. The empirical data showcased that there are differences in hierarchy between the two cultures and because of this adaptations have been made in the host country and hybridizations have appeared. The occurrences of hybridizations have also affected the home country and they have realized the benefits of having more cultural outlooks in the company. The findings also emphasized that the culture in a Multinational Corporation is always evolving and not fixed or homogenous.

### **Table of Abbreviations**

HQ - Headquarter

MNC - Multinational Corporation

PDI - Power Distance Index

RHQ - Regional Headquarter

### **Keywords**

Hybridization, hybrid culture, culture, organizational culture, hierarchy, MNC, China, Sweden, cross-culture, cross-cultural management

### **List of Figures**

Figure 1: Illustration of Power distance between Sweden and China

Figure 2: Illustration of the third-space between the Swedish and Chinese culture

### **List of Tables**

Table 1: An outline on how the interviews were conducted, the duration and type of interview, along with a description of the professional title of the interviewees and their division as well as nationality.

Table 2: Outline of the different categories of hierarchy as it is understood in this thesis in connection to an organizational setting, accompanied with explanations and examples from the interviews.

Table 3: An overview of the different examples of hybridizations that have emerged in Volvo Cars, based on the interviews, accompanied by the examples given by the interviewees.

## Table of Content

<b>1. Introduction</b> .....	<b>1</b>
<b>1.1 Background</b> .....	<b>1</b>
<b>1.2 Problem Discussion</b> .....	<b>2</b>
<b>1.3 Purpose</b> .....	<b>5</b>
<b>1.4 Research Question</b> .....	<b>5</b>
<b>1.5 Contributions</b> .....	<b>5</b>
<b>1.6 Delimitations</b> .....	<b>6</b>
<b>1.7 Structure of the Thesis</b> .....	<b>6</b>
<b>2. Theoretical Framework</b> .....	<b>8</b>
<b>2.1 Culture</b> .....	<b>8</b>
2.1.1 Organizational Culture .....	9
2.1.2 Hofstede .....	9
2.1.3 Trompenaars and Hampden-Turner .....	10
<b>2.2 Hierarchy</b> .....	<b>12</b>
<b>2.3 Critique on Existing Prominent Theories</b> .....	<b>12</b>
<b>2.4 Hybridization</b> .....	<b>14</b>
<b>3. Methodology</b> .....	<b>18</b>
<b>3.1 Research Approach</b> .....	<b>18</b>
<b>3.2 Research Method</b> .....	<b>19</b>
3.2.1 Qualitative Method.....	19
3.2.2 Interviews .....	20
3.2.3 Single Case Study .....	20
3.2.4 Volvo Cars .....	21
<b>3.3 Research Process</b> .....	<b>21</b>
<b>3.4 Data Collection</b> .....	<b>22</b>
3.4.1 Literature Review .....	22
3.4.2 Choice of Sample - Criteria.....	22
3.4.3 Primary Data Collection .....	23
3.4.4 Interview Design .....	23
<b>3.5 Analysis Process</b> .....	<b>25</b>
<b>3.6 Research Quality</b> .....	<b>25</b>
3.6.1 Ethics.....	26
<b>4. Empirical Material</b> .....	<b>27</b>
<b>4.1 Cultural Differences between Sweden and China</b> .....	<b>27</b>
4.1.1 Differences in Decision-making: Sweden and China .....	27
4.1.2 Differences in Career Aspiration: Sweden and China .....	28
4.1.3 Organizational Culture: Perceptions of Hierarchy .....	28
<b>4.2 Challenges</b> .....	<b>31</b>
4.2.1 Organizational Challenges .....	31
4.2.2 Employee Challenges .....	32
4.2.3 Cultural Challenges .....	33
<b>4.3 Bridging Differences: Instances of Hybridity</b> .....	<b>34</b>
4.3.1 Step towards Hybridity: Solutions .....	34

4.3.2 Results of Implementation.....	35
4.3.3 Hybridization of Practices.....	36
4.3.4 Signs of a Combined Culture .....	37
<b>4.4 Summary .....</b>	<b>38</b>
<b>5. Analysis and Discussion .....</b>	<b>40</b>
5.1 Literature on Culture .....	40
5.2 Hierarchical Differences between Sweden and China.....	42
5.3 Challenges: Cultural Differences and Hierarchy .....	43
5.3.1 Trust .....	44
5.3.2 Negotiations .....	44
5.3.3 Managerial Supervision and Employee Participation.....	45
5.3.4 Increased Efficiency: Decision-making and Meetings.....	46
5.4 Bridging Differences: Instances of Hybridity .....	47
5.4.1 Matched Pair Solution.....	47
5.4.2 Career Development.....	47
5.4.3 Employee Exchange: RHQ and HQ.....	48
5.4.4 Fika.....	48
5.4.5 Step towards Hybridity: Inclusive Culture .....	49
5.5 Hybridity in Practice: Theoretical Reflections.....	49
5.5.1 Hybridity in Reverse.....	49
5.5.2 Hybridity and its Impact: Reflections .....	50
5.5.3 Hybridity as an Ongoing Process .....	52
5.6 Summary .....	54
<b>6. Conclusion.....</b>	<b>55</b>
6.1 The Main Results of the Thesis.....	55
6.2 Theoretical Contributions.....	57
6.3 Implications for Businesses .....	57
6.4 Suggestions for Future Research .....	57
<b>7. Literature List.....</b>	<b>59</b>
<b>8. Appendix 1: Interview Guide .....</b>	<b>64</b>

# 1. Introduction

This introductory chapter starts by giving a background to the research area and continues by providing a problem discussion concerning previous cross-cultural research and hybridization. Hybridizations in this thesis will be examined by using the concept of hierarchy to be able to see the differences between the cultures investigated. The choice of hierarchy as a tool will be validated in the problem discussion. Then, the purpose of the study will be presented along with the research question. After this, the contributions will be explained, followed by the limitations of the study, and finally an outline of the report is provided.

## 1.1 Background

As the world becomes more open and globalized, the internationalization of companies becomes increasingly important for their development and success (Adler, 1997; Frenkel 2008). Culture and cultural differences are a part of this process and it is imperative to prepare managers for these differences, in order for the daily business to function (Cox, 1994). Over the last decades, cross-cultural differences have been researched to a large extent and it truly emerged in the 1980s (Usunier, 1998; Pudelko, Tenzer, Harzing, 2015). However, it has been difficult for researchers to agree upon a preferable method to study this (Martin, 2002). Martin (2002) states that researchers believe that it is best to study one culture in order to receive a greater understanding, while others claim that it is better to research more cultures. This has created tension amongst the researches (Martin, 2002). Furthermore, in the interaction with people across cultures, the cultural similarities and differences become more visible and a company seeking new markets may encounter obstacles regarding different management styles and cultural outlooks within the organization (Adler, 1997). These cultural differences have an impact on the business, and the corporate structure, as well as on the individual worker (ibid.). Therefore, it is important for cultures in organizations to be understood and taken into account (ibid.).

Several theories attempt to explain these differences and map out a framework for the national cultures (Trompenaars & Hampden-Turner, 2012; Hofstede, 2001), but most of these important and well-known studies are by authors from Western countries (Søderberg & Holden, 2002). Veneik and Brewer (2013) claim that Japan and the USA are studied the most and Adler (1997) partially confirms this by stating that several management studies have

been conducted in the USA by Americans. Martin (2002) explains that studies often take an exclusive point of view, and describes national cultures in a homogenous way with national stereotypes. She continues by stating that the research that has been conducted, denies the existence of differences in religion, gender, ethnicity etc. (Martin, 2002). Furthermore, Martin (2002) states that it is mostly a male, professional or managerial elite that is studied, and this has then silenced the views of the majority in a national culture. Research that takes more aspects of the cross-cultural phenomenon into account is rare (Martin, 2002) and more studies on cross-cultural management are encouraged (Søderberg & Holden, 2002). This will lay the foundation for the problem discussion.

## **1.2 Problem Discussion**

When a firm adopts global strategies, they need to understand the cultural dynamics and the impact of cultural diversity becomes vital for the firm (Adler, 1997). According to Martin (2002), MNCs often want to capitalize on the benefits from being a big corporation, leading to a need to homogenize their policies on an international level. However, at the same time the international employees highlight the importance of being sensitive to the local cultural differences (Martin, 2002). The research on cultural complexity is scarce since it has neglected that exchanges happen between cultures in the world (Pudelko et al., 2015). Since international collaborations have become increasingly common, further research would be helpful (Martin, 2002). Cox (1994) explains that combining and managing two different organizational cultures can present challenges for workers and managers in their jobs. However, having a culturally diverse workforce can enhance the creativity and problem solving in an organization (Cox, 1994).

There have been many studies regarding culture and different characteristics for culture, and one of the most known is the research by Hofstede (Hofstede, 2001). His work has been pioneering in the field of cross-cultural management (Søderberg & Holden, 2002) where he investigated national culture in a worldwide organization and was able to conclude six dimensions of national traits that differed amongst the countries (Hofstede, 2001). There have been many studies inspired by Hofstede, one of the most known being the research by Trompenaars and Hampden-Turner (Søderberg & Holden, 2002; Adler, 1997), who were able to conclude seven dimensions of national traits (Trompenaars & Hampden-Turner, 2012). However, Hofstede's model has been critiqued by several researchers (McSweeney, 2002;

Venaik and Brewer, 2012; Leung, Bhagat, Buchan, Erez, Gibson, 2005), for example for the assumption that national culture can be seen when studying just one company, with as little as 50 people representing one country (McSweeney, 2002). Both Hofstede and Trompenaars and Hampden-Turner are fairly set in their ideas and only see two sides to each dimension (Hampden-Turner & Trompenaars, 1997). This indicates homogeneity in the research on cross-cultural management. Therefore, it is of importance to investigate the possibility of a new formation of culture that can be created when two or more cultures meet, a hybrid culture.

Jacob (2005:515) explains the role of hybridization: *“Hybridisation is a useful point of departure from traditional approaches to viewing culture’s consequences.”* Homi Bhabha (1990) elaborates on this in his postcolonial research and he believes that every culture is hybrid. He explains that when two cultures meet a new culture will emerge, a so called hybrid culture (Bhabha, 1990). Even though he discusses this from a postcolonial perspective, it is relevant for the study since it captures the space that can occur between two cultures when they meet. However, it must be considered that Bhabha (1990) discusses this on a fairly general level when it comes to countries’ culture, society and politics. An interesting aspect would therefore be to do a more in-depth investigation and examine what would happen when two cultures within one MNC, operating in two countries with a difference in hierarchy, encounter each other and if a hybrid culture is created as a result of this. Today the research on hybridization is scarce and there is a need for more detailed explanations of hybridization (Gamble, 2010).

For this thesis, hierarchy is a tool that will be utilized in order to investigate hybridization, and research has shown that hybrid practices can be valuable for an MNC (Shimoni, 2011). Regarding possible differences in hierarchy between cultures, research has shown that it can affect negotiations between companies (Graf, Koeszegi, Pesendorfer, 2012), which may constitute challenges. Furthermore, hierarchy can hinder diversity within an organization (Dwyer, Richard, Chadwick, 2003). The hierarchy in a company depends on cultural aspects, and Hofstede’s (2001) dimension Power distance aims to capture these differences between cultures, as well as Trompenaars and Hampden-Turner’s (2012) dimension Achievement versus Ascription. This thesis will focus on an originally Swedish company, Volvo Cars, founded in 1927 that is since 2010 owned by the Chinese company Geely (Volvo Car Group, 2016). It will explore the company’s operations in China and Sweden, due to differences in

hierarchy that can be seen (itim International, n.d.b). Sweden is an interesting country to investigate, since most studies conducted on the managerial side of internationalization have been conducted on Anglo-Saxon countries, such as the UK or the USA (Trompenaars & Hampden-Turner, 2012). Furthermore, Sweden is showing few tendencies of being a hierarchical society (Hofstede, 2001) and hierarchy is not emphasized (Schneider, 1989) while China according to Hofstede (2001) has a hierarchical culture. Sweden has a low score in regards to Hofstede's cultural dimension Power distance, while China has a high score (itim International, n.d.b), which shows further differences regarding hierarchy in these countries. This is illustrated in figure 1 below.

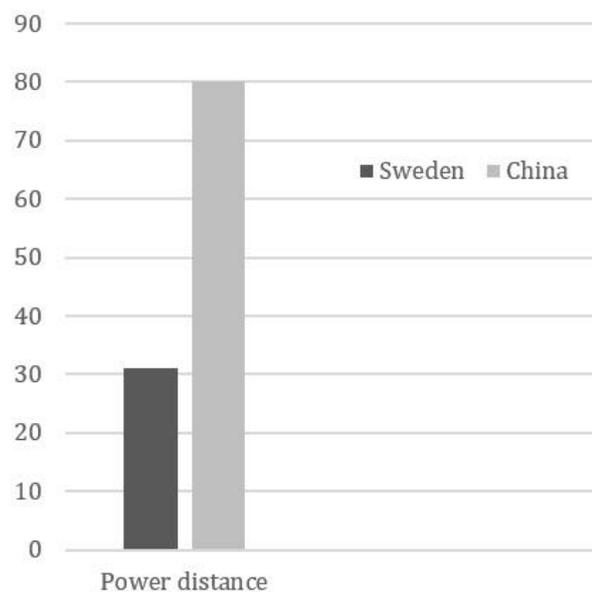


Figure 1: *Illustration of Power distance between Sweden and China.* (Source: Authors' own)

Sweden is well known for advocating gender equality (World Economic Forum, 2016), which is one aspect of hierarchy (Hofstede, 2001). Moreover, Sweden is also an egalitarian country, meaning that the values are gender equal (Teign & Wängnerud, 2009). According to the Gender Gap Report by World Economic Forum (2016), which is focusing on the gap between men and women, China is at the lower end of the statistics while Sweden is at the top. Therefore, substantial differences in hierarchy can be found between Sweden and China according to previous measurements, which make them an interesting point of investigation. It will be crucial to see if hybridizations have occurred in Volvo Cars in China, and if there have been adaptations during the implementation process.

### **1.3 Purpose**

For this thesis the purpose is to investigate the possible hybridizations that could occur when two cultures meet within one MNC. This was done by examining the company's implementation of its culture and management style in its subsidiary in China. In order to do this there was a need to investigate differences between the cultures, which aspects have been successful, and if there have been challenges during the implementation process and if so, how these were resolved. For this study, hierarchy was utilized as a tool to receive an insight into how hybridity was perceived by managers within one organization.

### **1.4 Research Question**

What evidence of hybridizations can be found when two different cultures within an MNC meet?

The research question will be examined by conducting a single case study of Volvo Cars IT's organization in Sweden and China. One of the tools utilized to see if hybridizations can be found is hierarchy. This concept will together with other examples given by the interviewees, lay the foundation for this thesis. In order to explore if hybridizations can be found, senior managers will be interviewed.

### **1.5 Contributions**

This thesis will have the potential of contributing both practically and also theoretically to the field of cultural studies. Firstly, on a practical level the thesis can aid other Swedish companies that are planning an expansion into the Chinese market. It can also assist Chinese firms looking to expand to Sweden, in the way that they can understand the Swedish culture and hierarchy better. Secondly, in a theoretical perspective this thesis can create the basis for deeper research into hybrid culture creation. Previous research has focused largely on the differences that can be found between cultures (Hofstede, 2001), and also on the success regarding implementation of the culture of companies operating on a global scale. Although the area of hybridization has been researched, researchers encourage more studies on this phenomenon (Shimoni, 2011; Yahiaoui, 2014). This study has the potential of contributing theoretically by further broadening the research on hybridization, and adding a study that focuses on hybridity with a hierarchical perspective.

## **1.6 Delimitations**

The thesis is based on a single case study, which means that it is only taking one MNC into consideration and two countries that the MNC operates in. The study was conducted by interviewing three managers that have experience of working in both countries that were investigated. Two employees are now working in Sweden, which is the home country since the HQ is located there, and the third one in China, which is the host country where their subsidiary and RHQ is located. Therefore, this means that no representatives from employees of the managers were interviewed and that perspective is missing in this thesis. The reason for choosing only three managers was due to the nature of the study, which was to investigate if instances of hybridity can be seen. This means that the collection of unique examples and stories from the interviewees were important. Therefore, since generalizations were not an aim for this study, a greater number of interviewees were not necessary.

As mentioned above this thesis is based on a single case study, which means that the findings from the research may only be applicable to Sweden and China, and not to other countries. Two countries were investigated because a deeper understanding and exploration of hybridization was the goal of the thesis, and if more countries had been included that would have been difficult. The findings of the research can also be said to be industry specific, since only one MNC in one industry is examined.

Since one of the focuses of this thesis is hierarchical differences between the countries, the results are not applicable to other aspects of culture. Furthermore, the reasoning behind this was to receive an in-depth knowledge on the subject. Hierarchy was chosen because it is a characteristic that differed between Sweden and China according to previous research (Hofstede, 2001; Trompenaars & Hampden-Turner, 2012).

## **1.7 Structure of the Thesis**

Following is an overview of the six main chapters of this thesis, and these chapters are in turn divided into subheadings throughout the study.

Introduction: In this chapter, a background on the field of cross-cultural management is provided along with a problem discussion, purpose, posed research questions, contributions and lastly the delimitations of the study are presented.

Theoretical framework: Definitions of culture and organizational culture are discussed in this part of the thesis. Theories on culture are then presented, followed by an in-depth look at hierarchy in previous studies and also a critique of the existing work. Finally, the concept of hybridity is explored using literature on the topic.

Methodology: The methodology chapter motivates how the thesis has been conducted, including a description of the chosen methods and the research approach. Furthermore, it explains the research process and how the empirical material was collected, as well as how that will be utilized in the analysis chapter.

Empirical material: In the empirical material, the material from the interviews with three managers at the company is presented. The authors connect the empirical material to relevant literature if necessary and elaborate on the main themes.

Analysis: In the fifth chapter, the aim is to discuss the findings from the empirical material and connect them to the theoretical framework and the findings will be compared with earlier research on culture and hybridization.

Conclusion: The conclusion will present the concluding statements and ideas that can be derived from the analysis in connection to the research question. In this final part, the contributions of this work are also discussed, followed by suggestions for further research on this matter.

## **2. Theoretical Framework**

The theoretical framework in this thesis will discuss the models and previous research in the field of cross-cultural management. Firstly, culture will be defined and the literature on the subject will be presented, as well as organizational culture. Secondly, the research by Hofstede and Trompenaars and Hampden-Turner is described and thereafter hierarchy and its implications on culture are outlined, since this thesis will discuss issues regarding power and status. Thirdly, a critique originating from the literature on the mentioned theories is presented. Lastly, the concept of hybridization is presented and existing literature in that field is reviewed, this is connected to the research of Bhabha, which is then explored.

### **2.1 Culture**

Culture can be and has been, defined in many ways (Adler, 1997). Martin (2002) agrees with this when arguing that every cultural study needs to be based on a definition, but states that there is no definition that is commonly agreed upon. However, most researchers seem to agree that culture is something that is shared amongst the members of a group (Martin, 2002). Furthermore, many definitions also include a second characteristic, which is that culture is described as something unique or distinctive that can only be found in one specific culture (ibid.). When emphasizing culture as unique, the study is more likely to avoid theoretical generalizations (ibid.). Fan (2000) states that culture can be defined and studied at various levels: international, national, regional, business and organizational. Söderberg and Holden (2002) explain how culture can create cross-cultural differences, and this is connected to the field of cross-cultural management. Cross-cultural management is defined as a discipline in the subject international management that emphasizes cultural encounters between different entities (Söderberg & Holden, 2002). Furthermore, cross-cultural management is practices and procedures that are related to the management of a diverse workforce with different cultural backgrounds (ibid.).

One of the most acknowledged definitions of culture is that of Kroeber and Kluckhohn (1952), where they state that it consists of symbols, patterns, traditional ideas and their values. Hofstede (2001) offers new insight to this definition when he elaborates on his understanding of culture as the common programming of the members of a group and it is this specific mindset that distinguishes them from another group. For this thesis a definition created by Fan (2000:3), that is based on Hofstede and Kroeber and Kluckhohn's definitions,

will be utilized: “[...] *culture can be described as the collection of values, beliefs, behaviors, customs, and attitudes that distinguish a society.*” The understanding of culture is the basis for how organizational culture will be defined and understood in this thesis.

### **2.1.1 Organizational Culture**

Cox (1994) states that organizational culture is rooted in the national culture and aspects such as gender and regional culture have an influence on this. According to Trompenaars and Hampden-Turner (2012), organizational culture is influenced by the cultural preferences of managers and employees within the organization. Adler (1997) discusses how a large part of people today believes that organizational culture can erase or moderate the influence of national culture. Adler (1997) describes how managers generally believe that even if employees are from different countries, they become more similar than different when working in the same organization. However, she disagrees and claims that employees bring their national culture and ethnicity to the workplace (Adler, 1997). Adler (1997) continues by arguing that organizational culture might enhance the national cultural differences, due to the fact that the national culture is so deeply ingrained when we reach adulthood that it is hard to erase. Sackmann (1997) corroborates Adler’s argument, and states that members of an organization are not likely to be restricted to one single culture or subculture.

Denison (1990) states that the beliefs, values and principles are the base of the organization’s management system and that they exist because they have a meaning for the people in the organization. Hofstede (2001) discusses organizational culture and describes it as being a collective mental programming, which people from different organizations share. However, for this thesis the most relevant definition of organizational culture is Denison’s (1990), and it will be used further on in this study. Since Hofstede is a large contributor to the research on culture and organizational culture (Minkov & Hofstede, 2011; Söderberg & Holden, 2002), his research will be presented to attain an understanding of previous research in this area.

### **2.1.2 Hofstede**

In the field of cross-cultural management, an important aspect to consider is the research by Geert Hofstede (Söderberg & Holden, 2002). His research is well known and acknowledged (Adler, 1997), and his Power distance dimension is a relevant starting point for this thesis (Hofstede, 2001). His dimensions stem from the research he conducted at the company IBM, where he analyzed surveys conducted by IBM between 1967 and 1973 (ibid.). The surveys

covered a total of 70 countries, however, 40 were initially used in his research and was later expanded to 50 countries (ibid.). The surveys consisted predominantly of a five-point scale where the participants marked their answers (ibid.). His research concluded that there were four dimensions: Power distance, Uncertainty avoidance, Individualism and Collectivism, Masculinity and Femininity. He has since then added two more dimensions: Long- versus Short-term Orientation and Indulgence versus Restraint (itim International, n.d.a).

Power distance explains how a society copes with differences in inequality, and how much status is valued (Hofstede, 2001). Power distance is expressed in terms of PDI, which is a scale from 1-100, where a high score indicates a more prominent power inequality than exists in low scoring countries (ibid.). Regarding the impact of Power distance in the workplace, Hofstede (2001) concluded that several tendencies could be seen between high PDI and low PDI societies. Firstly, the expected leadership role differed, in companies with high PDI an authoritarian leadership was expected in combination with close supervision, while low PDI companies showcased a consultative leadership (Hofstede, 2001). In low PDI countries flat organization pyramids are often found, and in high power distance countries it is more common with tall organization pyramids (ibid.). Countries that have a higher PDI score also accept the hierarchy that exists and need no justification for the inequality (itim International, n.d.a). However, the countries with low PDI score demands a justification and want to strive for an equal distribution of power (ibid.). Hofstede (2001) discusses the future implications of Power distances and concludes that since the survey was made, the results have not converged across the countries that were investigated.

Trompenaars is a researcher that built upon Hofstede's research, and he expanded the dimensions and created a new model (Adler, 1997). He took it one step further and added more dimensions and decided to highlight the ethical issue that can occur when managers misinterpret conflicting cultural signals (ibid.).

### **2.1.3 Trompenaars and Hampden-Turner**

Fons Trompenaars is a well-known researcher in the field of cross-cultural management (Søderberg & Holden, 2002). He has, together with Charles Hampden-Turner, concluded seven dimensions on how to distinguish people from one culture to another (Trompenaars & Hampden-Turner, 2012). The authors wanted to dismiss the fact that there is one best way of organizing and managing, they rather believe that there are several ways where some are

more effective and culturally appropriate than others (ibid.). Trompenaars and Hampden-Turner (2012) spent about 25 years researching this field to be able to conclude these results. They investigated global companies that operated in 60 countries and asked at least 100 people, to get comparable results, with similar occupation and background in these countries (Trompenaars & Hampden-Turner, 2012). The original database included 55 000 responses, but has since then been expanded and does now include 80 000 responses (ibid.). In order to measure the dimensions, Trompenaars and Hampden-Turner (2012) made statements where the respondents marked their answers on a five-point scale. The seven dimensions concluded are: Universalism versus Particularism, Individualism versus Communitarianism, Neutral versus Affective, Specific versus Diffuse, Achievement versus Ascription, Sequential time versus Synchronic time and Internal direction versus Outer direction (ibid.).

All dimensions are not relevant for this thesis, therefore the most applicable one is chosen for a study focusing on hierarchy. It is called: Achievement versus Ascription, which describes how people view status (Trompenaars & Hampden-Turner, 2012). Trompenaars and Hampden-Turner (2012) discuss that some cultures give certain people higher status than others, and some do this in regards to achievements, others concerning class, gender, age etc. Achieved status refers to doing, while ascribed refers to being (Trompenaars & Hampden-Turner, 2012). An achievement culture means that people are judged on what they have accomplished and on their recent record, titles are only used when necessary and acting as a good role model is important (ibid.). In contrast, an ascription culture is where status is connected to gender, age, birth or kinship, also to educational record and network (ibid.). A person's position, title and power matter in these cultures, and status is closely connected to the person and it is also important to show respect for authority and not to question or challenge the decisions made (ibid.).

Trompenaars and Hampden-Turner (2012) also point out that it is important for achievement cultures to take the characteristics of ascription cultures into account when doing negotiations or business in general. An ascription culture will eventually lead to achievement values, because status and titles become less important over time according to Trompenaars and Hampden-Turner (2012). Ascription and Achievement and Hofstede's Power distance aim to explain differences in hierarchy between cultures, and it is therefore relevant to elaborate further on the concept of hierarchy.

## **2.2 Hierarchy**

Hierarchy has an emphasis on rules and regulations, predictability, stability, smooth operations and bureaucratic order where effectiveness is connected to achieving clearly defined goals (Lund, 2003; Dwyer et al., 2003). Brett and Okumura (1998) describe how in hierarchical societies, people prefer when the social status is differentiated, and also how power is associated with a person's status in the society. Power distance is one way of looking at hierarchy, and according to Graf et al. (2012), hierarchies exist in countries with both high- and low-power distance, but are perceived and dealt with in different ways.

Hierarchy also plays an important role regarding the role of a leader in an organization, according to Schneider (1989). She expresses that in countries where hierarchy, understood as status and power, is valued, the leader is expected to play an important role and the style of leadership is autocratic (Schneider, 1989). Furthermore, Graf et al. (2012) conclude in their study that power also influences the negotiation patterns in societies that are hierarchical. According to Dwyer et al. (2003), having a hierarchical constructed society with a mechanized governance system and many regulations, it is likely to dampen the diversity in organizations and the creative elements that emerge from that. This results in a negative effect on gender diversity in hierarchical countries (Dwyer et al., 2003).

Hierarchy is in this thesis, defined as the combination of Hofstede's Power distance (2001), incorporating how the inequality between workers is viewed within the organization, and Trompenaars and Hampden-Turner's Achievement versus Ascription (2012), meaning how status is viewed between employees, including the level of importance for a person's title, power and position. Hierarchical differences also include age and gender for this definition in this thesis. The importance of seniority can be correlated to hierarchy according to Hofstede (2001), and is therefore considered relevant. According to Dwyer et al. (2003) hierarchy can have an effect on gender and it is therefore included in this thesis. Since these concepts by Hofstede and Trompenaars and Hampden-Turner are inspired and drawn on Western ideas and assumptions, it is important to review the critique the literature mention concerning this.

## **2.3 Critique on Existing Prominent Theories**

Given that the research by Trompenaars and Hampden-Turner was published more than ten years after the research by Hofstede, it could be argued to have more relevance (Magnusson,

Wilson, Zdravkovic, Zhou, Westjohn, 2008). However, when conducting this research it is important to take both of the studies into account, since they have had a big impact on the research of cross-cultural management (Søderberg & Holden, 2002). Another aspect to take into consideration is that both of these studies are made from a Western perspective and the authors are European, this could have led to the authors having pre-existing values and beliefs, which could have affected their research. This thesis will investigate culture in both an Eastern and a Western country, therefore it is important to consider the critique of these Western ideas.

McSweeney (2002) points out that errors and flaws can be found throughout Hofstede's research. Hofstede based his research on the American company IBM where only 40 countries were initially used (Hofstede, 2001), but each country only received a small amount of questionnaires, most countries less than 200 in total (McSweeney, 2002). McSweeney (2002) argues that you cannot base the national characteristics on for example 50 people from the same organization. Furthermore, he does not believe that Hofstede has any basis for the claim that the surveys made at IBM reflected the national cultural average (McSweeney, 2002). McSweeney (2002) continues by arguing that the answers could be biased, since IBM organized the survey and therefore had control over the results. The interviewees knew beforehand the end purpose of the survey, indicating that they could have been encouraged to manipulate the answers to improve their position (McSweeney, 2002). The overall conclusion of Hofstede's research is according to McSweeney (2002), that each country has one specific national culture. This is something that McSweeney (2002) does not agree with, since Hofstede has done generalizations throughout his research. Rather than identifying culture, Hofstede received specific opinions from the employees at IBM and created unjustifiably inferred dimensions of national culture (McSweeney, 2002).

According to Venaik and Brewer (2012), Hofstede's cultural dimensions cannot be used when analyzing individuals or organizations. They also state that it cannot be used for anything else than a nation state or a society (Venaik & Brewer, 2013). They believe that the items that were used to measure these dimensions cannot be correlated to the level of individuals, and there were different responses on a national compared to the individual level (Venaik & Brewer, 2013). In response, De Mooij (2013) came to the conclusion that the national dimensions created by Hofstede cannot be used to predict the behavior of a specific individual, but as long as the research is clear when reporting average and frequencies, the

word individuals can be used without complications. Therefore, the essence of De Mooij's argument is, according to Venaik and Brewer (2013), that Hofstede's work can be applied to a group and generally also to subgroups in a group.

Magnusson et al. (2008) compare different cultural indexes, such as Hofstede's cultural dimensions and Trompenaars, in their report in order to examine the validity of them. They conclude that Hofstede has received criticism for his generalizations and lack of contemporary relevance, however they found that new theories have not contributed that much and that Hofstede's cultural dimensions still have validity, despite the criticism that it has received (Magnusson et al., 2008). They make concluding remarks stating that Hofstede's index works well in comparison, even though it along with other parts of his research has received criticism (ibid.).

Martin (2002) argues that most of the research in the field of international culture has simply demonstrated national stereotypes. The studies that have been conducted have had an exclusive point of view, where national culture has been portrayed in a clear and homogenous way (Martin, 2002). Leung et al. (2005) agrees with Martin and state that cultural elements often have been viewed in isolation, an example of this type of research is the dimensions by Hofstede. This area of research is however growing since the business world is converging (Leung et al., 2005), and one example is the recent research on hybridization (Frenkel, 2008).

## **2.4 Hybridization**

The transfer of practices, management knowledge and technologies over regional or national borders has in recent years received widespread attention (Frenkel, 2008). Gamble (2010) emphasizes in his article that hybridization today is downplayed and neglected in the literature and is lacking in-depth explanations of hybridization. In the report by Frenkel (2008), he discusses the importance of hybridization. Frenkel (2008) claims that cultures and nations must be understood as historical constructions that emerge when there is a hybrid interaction between nations or culture. He elaborates on the fact that workers in global corporations have their own culture that is not limited to their ethnic heritage, and that is in itself a hybrid originating from the mix of cultures in their organizational environment (Frenkel, 2008). Furthermore, an individual's characteristics are in modification and change,

because people encounter new experiences as well as being constantly exposed to a wide range of cultures (ibid.).

Frenkel (2008) highlights the fact that nowadays, knowledge from the first world is seen as the only knowledge worth transferring, and that the third world should adapt to this to receive the best management approach. This leads to the fact that MNCs believe that their economic and political domination is justified and they take this hierarchy advantage for granted (Frenkel, 2008). Instead of having this approach, Frenkel (2008) believes that MNC's will only benefit from having more cultural outcomes, which will result in desirable advantages. He continues by arguing that culture is not a fixed aspect, but rather a process in which interpretation and reinterpretation take place (Frenkel, 2008). Frenkel (2008) concludes that the transfer of practices and knowledge in an MNC is not a finished outcome but rather a process. Gamble (2010) adds to this by stating that it is most likely to create hybrid outcomes in MNCs overseas subsidiaries.

There are several definitions of the concept of hybridization (Jacob, 2005; Westwood & Jack, 2007; Yahiaoui, 2014). Jacob (2005:522) describes the phenomenon in relation to management: *“Hybridisation occurs when selective parts of a management system found effective in one culture, are grafted onto the management system of a different culture.”* Moreover, she explains how hybridization is a useful starting point for viewing culture, as compared to the more traditional ways of doing it (Jacob, 2005). Furthermore, Jacob (2005) highlights the need for several models, by stating that cross-cultural management is too intricate to be explained by using only one model. Gamble (2010) agrees with this by claiming that no individual theoretical approach is fully equipped with understanding the complex patterns of hybrid outcomes. He also adds that today there are mostly homogenous models and few that discuss hybrid outcomes, but even if most perspectives are taken into account some pitfalls will still exist due to the complexity of hybridization (Gamble, 2010). This also calls for an understanding of the complexity that exists in the relationship between culture and management according to Jacob (2005), due to the evolving nature of them.

In Shimoni's (2011) study, he investigated the possible formation of hybrid cultures both in a Swedish and an American company, with Thai and Israeli managers in local offices. He arrived to the conclusion that a space was formed between the organizational culture and the culture of the managers, where hybrid management cultures were created, which was in close

resemblance to that of the organization, but not completely identical (Shimoni, 2011). This relates to Bhabha's understanding of a hybrid culture, as when two or more cultures converge and together create a new constellation of values, beliefs, traditions and social systems (Bhabha, 1990).

Furthermore, Shimoni (2011) states that it should be in MNCs' interest to support and notice these hybridizations, since these new hybrid forms of management cultures are more locally adapted and they can also be more effective and of use for the MNC. Yahiaoui (2014) corroborates Shimoni and states that MNCs will achieve greater success if they integrate their subsidiaries, since they can contribute and assist the MNC in their local practices. This hybridization can then lead to the formation of new practices, which could be more efficient in the host country and this could also benefit other units, for example the HQ (Yahiaoui 2014). Both Shimoni (2011) and Yahiaoui (2014) conclude by encouraging further research on the topic of hybridization.

Hybridity is a concept that emerged from the field of postcolonialism (Zein-Elabdin, 2009). Postcolonialism is concerned with the period after the Western colonialism and these researchers have explored this from various perspectives, for example culture (Iverson, 2017). Homi Bhabha is a known researcher and postcolonial theorist (Frenkel, 2008) and has contributed to the debate regarding cultural politics. One of his main research fields concerns hybridity in regards to emergence of cultures (Bhabha, 1990). Bhabha has surpassed Hofstede in this matter, since Hampden-Turner and Trompenaars (1997) claim that Hofstede sees a culture as being homogenous, and that there will be no convergence of cultures when they meet. Bhabha explains that when two cultures encounter each other they will create a new culture, which is influenced by their different outlooks on culture (Bhabha, 1990). Bhabha (1995) points out that culture is complex, and he argues that all forms of culture are in continuous process of hybridity (Bhabha, 1990). Rather than trying to find the moment when two cultures have emerged into a new third one, Bhabha (1990) investigates what he calls the third-space, which enables other positions to emerge. This third-space then displaces the history that has constituted the society, and sets up new political initiatives and new structural reforms of authority (Bhabha, 1990).

The process of cultural hybridity creates something new and unrecognizable, as well as a new area of meaning (Bhabha, 1990). Hybridity is all about adapting to new situations, to rethink

and expand the principles you have, this can cause complications with people who have a more fundamentalist approach on life (ibid.). For this thesis, hybridization will be understood as the process in which a new culture is formed when two or more different cultures meet. Hybridity is an important aspect of culture (Jacob, 2005) and it is essential for MNCs to consider this in their operation (Shimoni, 2011). The aim of this thesis is to explore this phenomenon by conducting a case study at an MNC with operations in Sweden and China.

### **3. Methodology**

This chapter will discuss matters concerning the methodology that has been used for this thesis. First, the chosen research approach will be discussed, followed by an explanation and a justification of the research method that was used, namely a qualitative approach. Here, the use of interviews will be explained along with the single case study approach. After this, the research process will be described, and thereafter the data collection will be discussed. Then the analysis of the collected data will be presented, and lastly, the research quality of this thesis will be elaborated on.

#### **3.1 Research Approach**

According to Saunders, Lewis and Thornhill (2009), the research design will work as the general plan for how the research question will be answered. Therefore, it is important to connect the different parts of the thesis to each other, to receive a greater understanding of hybridization.

There are three recognized research purposes: exploratory, explanatory and descriptive (Saunders et al., 2009). This thesis is based on well-known and acknowledged research regarding cultural differences however, some elements also need further research, such as hybridization (Shimoni, 2011; Yahiaoui, 2014). Therefore, even if the study has some descriptive elements, the study has more of an exploratory nature. An exploratory method is according to Saunders et al. (2009), practical to use when the aim of the study is to receive new insight on a specific topic, in this case on hybridization. This is often done by interviewing experts in the field, reviewing literature or using focus groups (Saunders et al., 2009). An exploratory approach emphasizes a collection of qualitative data rather than quantitative (Bryman & Bell, 2015), and in this thesis a qualitative approach is utilized with interviews. The reason for doing interviews was to gain a comprehensive understanding of the topic and the experience of the interviewees, and interviews are a good way of achieving that according to Saunders, Lewis and Thornhill (2016). When conducting an exploratory study and throughout a research process in general, it is of importance to be adaptable to change if new insights occur, since it can alter the focus of the research (Saunders et al., 2009; Eriksson & Kovalainen, 2008).

Furthermore, an abductive approach is used in this thesis, meaning that abduction is utilized in order to draw logical conclusions (Bryman & Bell, 2015). Many researchers understand it as a combination of induction, where the empirical material is the starting point, and deduction, where the theory is the knowledge on which the researcher bases the hypotheses (Eriksson & Kovalainen, 2008). Bryman and Bell (2015) state that abduction often is used to overcome the constraints that exist when using deduction and induction. Abduction is utilized since theoretical research on hybridization is limited and therefore the collection of empirical data was necessary to progress with the research, but at the same time the theoretical research that do exist has been used to create a more comprehensive understanding. Moreover, Eriksson and Kovalainen (2008) underline the usefulness of being aware of the key concepts of these methods in doing business research.

## **3.2 Research Method**

Choosing the method for the research that is conducted should, according to Eriksson and Kovalainen (2008), be done by examining the posed research question, which is the drive of the research. However, they state that even though it should be the research question that is the foundation for the choice of method, other alternative methods should be considered if relevant to the theory (Eriksson & Kovalainen, 2008).

### **3.2.1 Qualitative Method**

Cooper and Schindler (2011) explain that a qualitative research approach tries to achieve an in-depth understanding of a situation or phenomenon, which is the aim of this study, since it explores how hybridizations can emerge. A qualitative study includes data from interviews of a comprehensive nature, organizations, literature etc. (Cooper & Schindler, 2011), and this is how this thesis was conducted. Eriksson and Kovalainen (2008) add by describing that it is useful to utilize a qualitative study when prior insight to the phenomenon is moderate, which makes the study exploratory. In comparison, a quantitative approach is often used when a theory is to be tested and has less in-depth material (Cooper & Schindler, 2011). Since the ambition of this thesis is to gather unique examples and stories, and not to measure different matters, a quantitative study seemed less appropriate for this research and a qualitative method was better suited.

### **3.2.2 Interviews**

Since the purpose of this thesis is to receive an in-depth understanding of hybridization through people's own experiences, the most suitable approach to gather data was through qualitative interviews (Saunders et al., 2009). Semi-structured interviews were used since it gave both the interviewee and interviewer more flexibility. According to Bryman and Bell (2015), semi-structured interviews are fairly general and give the interviewer an opportunity to ask follow-up questions and this was utilized in the conducted interviews. For these interviews the questions were open-ended and at the interviews the questions could vary depending on the interviewee. Since the interviewees have first-hand experience of working in China and have potentially experienced hybridizations at their workplace, they are a good source for attaining knowledge on the subject.

### **3.2.3 Single Case Study**

A case study is a form of research that aspires to create a space for complexity and diversity, and therefore put an emphasis on a detailed knowledge on the subject (Eriksson & Kovalainen, 2008). Case studies have commonly been used in business research (Quinlan, 2011), due to its ability to highlight complex topics in an intimate way (Eriksson & Kovalainen, 2008). In this thesis, the objective is to receive an in-depth understanding of hybridity, and a case study will enable this. One type of case study is the single case study (ibid.), and it can be done on a single organization according to Bryman and Bell (2015). A case study can be either intensive or extensive, and the first has the aim to learn how a particular and unique case works, while the second one would focus on a specific issue that can be observed by using individuals as a tool in the study (Eriksson & Kovalainen, 2008). This thesis is an example of a single extensive case study, since the aim is to investigate the phenomenon of hybridization in one organization, by interviewing managers working in that MNC.

Eriksson and Kovalainen (2008) elaborate on the aim for an extensive case study, which could be to develop new theoretical grounds in order to help explain the investigated matter, or it could be to add new understanding to the subject in the researched context. They also clarify that generalizations are not produced in extensive studies that would be valid for a certain population (Eriksson & Kovalainen, 2008), which is also not the aim for this thesis. However, case studies have, according to Cooper and Schindler (2011), been highly criticized for its design. Nevertheless they deem this research approach as important to the field, this

due to the possibility of a case study to provide new hypotheses to a theory (Cooper & Schindler, 2011). Saunders et. al. (2009) add to this by stating that a case study can challenge existing theories.

### **3.2.4 Volvo Cars**

The choice of Volvo Cars, and the department of Volvo Cars IT, as the organization to study hybridization in, was based on several factors. Firstly, the company is originally Swedish although the ownership is Chinese, this was desired since cultural studies have been conducted predominantly in the USA and Japan in the past (Veneik & Brewer, 2013). It was also of importance to investigate an MNC, since the authors wanted to study a company that has operations in Sweden and China. That leads to the next reason for choosing Volvo Cars, namely that the company has a RHQ in China and a HQ in Sweden (Volvo Car Group, 2016), which were the cultures interesting for this study. These countries were interesting since they had a distinct difference in hierarchy (Hofstede, 2001), which laid the ground for studying hybridity in this thesis. Moreover, Geely acquired Volvo Cars in 2010 and this can therefore ease the interviews since the implementation process is relatively recent (Volvo Car Group, 2016). Furthermore, China is not one of the most researched countries according to Veneik and Brewer (2013).

### **3.3 Research Process**

In this section the research process will be outlined. In the first phase of this research process, possible research areas were discussed between the authors, and literature on the possible subjects was reviewed. This was to receive an overview of how much research existed, and what possible areas could be interesting to look further into. Parallel with the theoretical process, employees from the organization that was interesting for the thesis were contacted. When the research area and a research question were set, the guiding questions for the interviews were written and sent to the interviewees one day in advance.

The next part of the research process was the interviews, and for this data collection, ethical considerations were revised beforehand, this was done in order for the process to be positive for the respondents. For the collection of the empirical data, respondents were interviewed and following the interviews they were transcribed and sent to the interviewees. At the same time, the writers searched for further theoretical material that was relevant to the topic that was chosen. The transcriptions were coded into themes to ease the process of writing the

empirical data. During this research and writing process the original question and material had to be revised with the new information that had been attained, an important part of the process according to Eriksson and Kovalainen (2008).

After this part of the process, the writers focused on the analysis of the collected data. This was conducted by using the empirical material and the theoretical framework, and this will be described in further detail in a later section of this chapter. The findings in the analysis were utilized in order to build the conclusion in which the main points are summarized. In the concluding chapter the contributions of this essay will be discussed, and topics for further research presented.

### **3.4 Data Collection**

#### **3.4.1 Literature Review**

Quinlan (2011) explains that a literature review is the first thing a researcher should start with and in order to develop a research idea, according to Eriksson and Kovalainen (2008), it is of importance to review previous research on the subject. Therefore, a considerable amount of literature found in databases and published books have been reviewed and assessed, which underlines both the shortcomings and also the positive aspects of the theories used. Eriksson & Kovalainen (2008) continue by explaining that it is imperative to be critical to other researchers theories, evaluate them and have an organized literature search before starting to collect empirical data. In this study it was therefore seen as essential to critically evaluate the research by Hofstede (2001) and Trompenaars and Hampden-Turner (2012) in order to be able to utilize them.

#### **3.4.2 Choice of Sample - Criteria**

There are different types of sampling, and the approach that was used in this report was purposive sampling, a type of strategic sampling where the chosen sample is considered relevant to the research question (Bryman & Bell, 2015). Purposive sampling is often used in case study research because of the often small samples, however it cannot be used to make generalizations for whole populations (Saunders et. al., 2009). The criteria for the interviewees in this thesis were that they needed to be working, or have worked with Volvo Cars department of IT in China, and also that they needed to be managers, a purposive sampling. The decision to interview managers is connected to the implementation aspect of

the topic, where managers have a general knowledge on how these implementations were carried out and what the results were. Bryman and Bell (2015) continue by underlining that the researcher must be aware that certain samples cannot make too broad inferences. Moreover, Bryman and Bell (2015) explain how the sample size that is needed to fully support the conclusions, will differ between studies. Furthermore, they discuss why a certain sample size might appear to be appropriate, it could be due to the feeling of theoretical saturation, or it could be because the sample has been properly justified by the researcher (Bryman & Bell, 2015). In this thesis three interviews were considered sufficient, since the purpose of this study was to gain further knowledge on the hybridization of cultures through personal experiences of managers at one organization. Generalizations were not the priority of this study, therefore the number of interviews was considered relevant.

### **3.4.3 Primary Data Collection**

Primary data is defined by Saunders et al. (2009), as the data that has purposely been gathered for a study. In this research, interviews were utilized to attain primary data and according to Saunders et al (2009), this can aid the researcher in collecting reliable data that is suitable for the topic that is being studied. There are several different types of interviews and they can be sorted into categories: structured, semi-structured and unstructured interviews (Saunders et. al., 2009). For this thesis, semi-structured interviews were used. Secondary sources have also been utilized in this thesis to attain a broader understanding.

### **3.4.4 Interview Design**

An interview guide was outlined before the interviews, where the questions were divided into three main themes with more specific questions within. The questions were based on literature and research regarding the topics of hybridization and culture to receive information on the interviewees' own experience. The guideline for the questions was sent to the interviewees one day in advance to give them an opportunity to see how the interview would be structured. The same questions were used for all the interviewees, since it was desirable to compare the answers, however country specific questions were altered depending on the nationality of the interviewee. The interview guide can be found in Appendix 1.

It is essential to ask for permission to record the interview (Saunders et al., 2009), therefore before the interviews took place a request for recording them was sent to the interviewees and all approved of it. By recording the interviews it gave the authors an opportunity to listen to

the interviews an unrestricted number of times, which helped in receiving greater understanding. Furthermore, it gave the interviewers possibility to have their full attention on the interviewee and ask follow-up questions. One interviewer asked the questions and the other one took notes, this was altered throughout the interview process. When dividing the tasks it enhanced the possibility to ask relevant follow-up questions (ibid.). Saunders et al. (2009) discuss the drawbacks of recording the interviews, which can make the interviewees feel uncomfortable and could affect the answers. However, since anonymity was offered to the respondents, this was not seen as an issue.

Afterwards, the interviews were transcribed to receive a more comprehensive overview of the interviews. According to Eriksson and Kovalainen (2008), it can be time-consuming to transcribe, but it is beneficial since the interviewers can familiarize themselves with the interview even further. It was seen of high importance for the authors to transcribe the interviews to receive a clearer picture of the interview, it also facilitated the writing of the empirical data and analysis. After the interviews were transcribed they were sent to the interviewees so they could correct potential faults or add more information if necessary. The interviews were held in English since the thesis is written in English and all interviewees approved of this beforehand. Even if none of the interviewees have English as their native language, they all have experience of working abroad and therefore a good knowledge in the language.

	<b>Professional Title</b>	<b>Division</b>	<b>Nationality</b>	<b>Interview type</b>	<b>Duration</b>
<b>Interviewee A</b>	Senior Director	RHQ China	Swedish	Skype	60 min
<b>Interviewee B</b>	Senior Manager	HQ	Swedish	Face-to-face	50 min
<b>Interviewee C</b>	Senior Manager	HQ	Chinese	Face-to-face	70 min

Table 1: *An outline on how the interviews were conducted, the duration and type of interviews, along with a description of the professional title of the interviewees and their division, as well as nationality.*

### **3.5 Analysis Process**

For this thesis the interviews were transcribed in order to ease the analysis process. Firstly, the transcriptions were reread and coded into different themes to reduce redundant data and to see clear patterns in the findings. Secondly, the empirical material and the theoretical data were reviewed to find potential connections and to see if this research could fill gaps in the existing theory of hybridization. Thirdly, the authors discussed the findings to receive a greater understanding and also to land on a mutual agreement. This was seen as essential for conducting a well-structured analysis. To assist the writing of the analysis, the research question was discussed and placed on top of the analysis chapter. This was in order to provide the authors with a clear focus on the purpose of the study throughout.

### **3.6 Research Quality**

To be able to evaluate a qualitative study researchers have suggested that a specific framework is needed (Bryman & Bell, 2015). One that is often used is the trustworthiness and authenticity principles developed by Lincoln and Guba, and these are described in the book by Bryman and Bell (2015). The trustworthiness also encompasses four criteria: credibility, transferability, dependability and confirmability (Bryman & Bell, 2015). These criteria will be used to assert if this thesis is of a good quality. Credibility relates to the reassuring that the research is conducted in a credible way, which is in line with practice (ibid.). For this study it was made sure that all the interviews were conducted in the same way, and all the participants received the same information beforehand so that the answers would not be affected. Transferability refers to the ability to transfer a particular study into another context (ibid.). For this research process, this criterion could be argued not to have been fulfilled, since a case study is fairly particular to that case. However, the study could be transferable into another point in time where it could be replicated, and this study can be utilized to create further understanding of hybridizations in other situations. Dependability is concerned with the possibility to follow the research process, which requires a thorough documentation of all stages (ibid.). This has been considered in the work with this thesis, for example when transcribing the interviews. This aspect is important since it enables the readers to follow the work and evaluate it. Confirmability relates to the understanding of objectivity as something that can influence the work (ibid.). However, at the same time the authors should not let their own personal values over-influence the work. The authors of this thesis recognize that personal values can influence the work, for example the choice of

follow-up questions. However, it is strived towards having a low influence of the results, by working on the dependability. Furthermore, the authors pre-existing values and ideas cannot be completely separated to the work conducted.

### **3.6.1 Ethics**

It is important to take ethics into consideration from the beginning of the research process (Eriksson & Kovalainen, 2008; Quinlan, 2011). Eriksson and Kovalainen (2008), emphasize that there are certain aspects to acknowledge when conducting a business research, especially when it involves participants, as in this study where interviews were conducted. Anonymity, privacy and confidentiality should be the first priority (Eriksson & Kovalainen, 2008), and before the interviews begun the interviewers explained that everything that was discussed were confidential and anonymity was offered to the participants, this in order to make them feel more comfortable with their answers. It was expressed that the interviewees participated voluntarily and if they at any moment felt uncomfortable, were able to end the interview or take a break, this is something that Eriksson and Kovalainen (2008) emphasize as well. For the researchers it is of importance to be transparent to avoid potential harm and it is essential to be open, honest and clear in the communication with everyone in the study (Quinlan, 2011), therefore the aim of the study was explained to the participants before the interview.

## **4. Empirical Material**

This chapter presents the data collected and findings gathered from the interviews that were held at one company with three managers. The interviewees will be anonymous and referred to as respondents or interviewees throughout the text, table 1 in the methodology chapter provides an overview of the coding of the names of the participants. The empirical material is divided into three main categories with each section processing the empirical results with a focus of hierarchy: *Cultural differences between Sweden and China*, *Challenges*, *Bridging differences: instances of hybridity*. The aim of this chapter is to showcase the main themes, and the findings describe what the authors reflected as most important. This will be connected to literature if relevant to the understanding of the subject. Lastly, a summary and a table will be provided with an overview of the main findings of hybridization.

### **4.1 Cultural Differences between Sweden and China**

Cultural differences are the first step towards understanding the background to possible hybridizations that can occur. The interviewees elaborated on several aspects that they perceived as different between Sweden and China and that they felt became apparent in the interaction with each other. This will be presented in relation to different aspects relevant to an MNC and also in relation to hierarchy, which is the mode in which hybridizations are examined.

#### **4.1.1 Differences in Decision-making: Sweden and China**

One aspect that is a part of the daily work for a manager is making decisions. Respondent C elaborated on the different roles of decision-making in the different cultures. Interviewee A and C explained that in Sweden there is a greater need of a joint decision. Respondent A called it a consensus approach, and both interviewee A and C said that a whole group of people have to agree in order for the decision to be made in Sweden, which is not the case in the Chinese organization to the same extent. This indicates to the authors a bigger emphasis on power in the making of decisions in China, which is an aspect of hierarchy. Interviewee C also explains how there was a bigger need to speak up in order to be noticed at meetings in Sweden. This respondent gave an example of this and explained how there once was a meeting at the HQ, where managers had gathered because they felt that there were too many meetings being held and not enough actually being done. Interviewee C noticed that everyone agreed that they needed to book a new meeting in order to solve this problem, and for this

meeting the attending people decided to include more people who they thought should be a part of the next meeting. This person described it as follows: *“So this means that, it is easy to make the scope become very large, and like maybe we should invite this guy into the discussion, and how about we invite that guy to the discussion.”* This respondent had raised a concern about this at the meeting, and attributed this to the Swedish need to consider every angle of an issue and wanting everyone to agree.

This relates to another difference that was brought up by all the interviewees, which was the pace at which decisions are made in the organization in Sweden and China. They all explained that the Chinese made decisions quicker, as compared to the Swedes in the organization. Respondent C elaborated on this statement by saying that the decision-making is not easier, but it is rather that the Chinese can be more flexible in the way that they act and decide.

#### **4.1.2 Differences in Career Aspiration: Sweden and China**

In the organization the personal development of the employees is an important aspect that needs to be considered, in order for the employees to feel satisfied with their job. One aspect of personal development is the promotion of workers. All the respondents highlighted the promotion process and the desire to move up in the organization, as a point of difference between the countries. Chinese people were described by them as being very much career driven, and according to respondent C the Swedish people were more interested in personal development through gaining more knowledge in the role that they have. However, as interviewee C stated: *“[...] we cannot have everyone be a manager. The positions are limited, and that’s actually not the only way for people to develop.”* This may cause discontent among Chinese employees, if they feel that they are not being promoted at the desired rate. Respondent B and C described how the Chinese also aspire to have multiple roles in the organization in order to progress in their working role, showing a desire for status, which is an indicator of hierarchy. The perceived differences of the interviewees on the culture between Sweden and China, lay the foundation for the culture of Volvo Cars and how it will evolve.

#### **4.1.3 Organizational Culture: Perceptions of Hierarchy**

Culture plays an important role in the operations of Volvo Cars and has an impact on how the daily transactions are conducted. Organizational culture is rooted in the national culture (Cox,

1994) and it is influenced by the preferences of managers and employees at the organization (Trompenaars & Hampden-Turner, 2012). Respondent A states that: *“We used to say that we are a Swedish company, a Scandinavian company and we have a very strong culture [...]”*. This statement corroborates previous research. This indicates that Volvo Cars is trying to transfer their culture from Sweden to their Chinese subsidiary in order to strengthen their organizational values in the employees. Sackmann (1997) discusses that it is unlikely that members of an organization is restricted to only one culture or subculture. Respondent C elaborates on the same topic and explains that when an employee has worked at many different organizations with different values it influences how that person works and a particular management practice is seldom country specific, respondent C expands on this: *“The Swedish management practice, I would not say it’s purely Swedish management style, I would say that it is a Western management style.”* This shows that Volvo Cars has its roots in the Swedish management practices and that their culture is affected by this, but it is also influenced by the world and their presence in many countries. This corroborates what Adler (1997) discusses, even if employees in an organization are from different countries, they become to some extent alike and are affected by other countries cultures, which respondent C also had noticed: *“For the managers from Sweden, I think they are also trying to you know understand the local difference.”*

According to respondent A, Swedish companies, in this case Volvo Cars, have a very strong culture especially in regards to management. Volvo Cars has core values that work as a platform for all the employees at the company, these are not familiar to the Chinese before employment at Volvo Cars and differences can therefore be seen. A broader understanding of Volvo Cars organization existed amongst the Swedish respondents to a greater extent than the Chinese, even if they all have been employed approximately the same amount of years. One reason for the Swedish managers knowing more than the Chinese could be due to the fact that Volvo Cars do not want to push the values onto them, but rather to listen to how they work and take that into consideration. Moreover, even if Volvo Cars is trying to transfer its culture and core values since it represents how they work, they take local differences into account and try to adapt it into the Volvo Cars organization.

Furthermore, Adler (1997) states that an organizational culture can enhance the national differences, and this can be seen in this thesis, especially in regards to hierarchy, which is one of the biggest differences in the culture between Sweden and China. All the respondents

clearly state that it is more hierarchy in China, than in Sweden. Respondent A emphasized the hierarchy in China as follows: *“Here you see more people within the organization, in Sweden you see less people and very slim line in the flat organization, here you see more hierarchies.”* This statement corroborates Hofstede (2001) who claims that in countries with low PDI score a flat organization is more common. Respondent A also emphasized that many Chinese firms are striving towards having many employees, since more people within an organization creates more power and status for the people at the top positions.

This leads on to the importance of formality, an aspect of hierarchy. In Sweden it is very common to talk to your boss using a first name, while in China Sir, Mam, Mr. or Mrs. is used for the managers. Respondent C explained hierarchy between the manager and the employee from this point of view: *“If you call them by a special name or put a title behind their name, then you will increase those gaps. Somehow you maximize the hierarchy and people become more quiet.”* Interviewee A also stated that it took years before the Chinese started calling the managers by first name. Age and gender differ between the countries to some extent as well, Chinese employees for example would rather be led by an older manager according to respondent C. Respondent B discussed the importance of age and seniority and that it could increase power in China, and explained the hierarchy concerning this: *“Age is important and they have to, I mean if you recruit a resource today, they have to add hats, positions [...]”*. Respondent B elaborates on this and states that one of the success factors for Volvo Cars in China is the fact that it was an older man with grey hair who was the boss. The Chinese employees prioritize age and seniority to a larger extent compared to Sweden. However, according to the interviewees gender did not differ between China and Sweden that much in general, and respondent A stated that China has realized that diversity in an organization is an advantage. Interviewee A also informed about the current work on achieving a greater number of women in leading positions both in China and Sweden.

Another difference in the culture regarding hierarchy between the countries is that Chinese employees are very good at following orders and directions given by the manager. This is something that the respondent A and C said differed from Sweden, where an employee is more willing to challenge the boss. Respondent A elaborates on this Chinese trait: *“[...] they are a little bit afraid of the higher management.”* Respondent C agrees with respondent A and states that: *“In China, people are more following the hierarchy. If the boss say something*

*Chinese people normally will not challenge his or her boss, or go against their thinking or idea.”*

<b>Category: Hierarchy</b>	<b>Explanation</b>	<b>Example</b>
<b>Formality</b>	How employees address authority at the workplace	The extent of the use of Mr. Mrs. and Ms. towards authority
<b>Status</b>	How high a specific position or task is valued by employees	The aspiration to have a high position at the workplace along with the desire to have many “hats”
<b>Seniority</b>	How much respect is shown towards elder members of the organization	The willingness to be led by a senior manager in the organization
<b>Obedience</b>	How reluctant employees are to speak up to authority	The employee's ability to express their opinions towards a manager

Table 2: *Outline of the different categories of hierarchy as it is understood in this thesis in connection to an organizational setting, accompanied with explanations and examples from the interviews.*

## 4.2 Challenges

### 4.2.1 Organizational Challenges

The respondents indicated that there are many challenges when it comes to the organizational structure, but they stated different ones. Interviewee C emphasized the difference in organizational size and experience, since the HQ is in Sweden it is much larger than the RHQ in China and there is lack of experience in China compared to Sweden. This causes problems when an employee is familiar to one setting and not the other. There are several employees from different backgrounds that have worked at other companies in China, and they have therefore been imprinted with other values. This could mean that the employees have different perceptions and expectations of hierarchy beforehand. Respondent C explains: *“I see changes because at the first beginning, people are from different companies, and people*

*from different companies have different cultures, different backgrounds, so you can see that actually.”*

Adapting to a new culture can impose difficulties for the workers, but they can be overcome. The difference in time and distance between the HQ and the RHQ is another issue that all respondents emphasized. At the RHQ in China most things are done when people at the HQ in Sweden are sleeping, and organizing meetings can therefore be difficult according to respondent A. It must be taken into account that fundamental differences, such as time difference and distance between Sweden and China, influence the daily relationship between the HQ and the RHQ as respondent A points out. These are however fixed and are therefore always present for an MNC and are not specific for this case study. Furthermore, the two countries speak different languages and therefore respondent C mentioned that this could create barriers. However, even if all the respondents mention many challenges, respondent B explained that it is similar working in China and Sweden, the same work can be done in both countries, it is only necessary to bring the computer. This indicates that even if there are obvious difficulties, adaptations have been made

#### **4.2.2 Employee Challenges**

In an organization the management style will affect the way daily business is conducted, but also the employees in their workplace. All interviewees explained that they had experienced that the Chinese employees tend to not speak to their bosses. They would rather be quiet and agree with the boss, than to question his or her decision. Interviewee A and B described this as the Chinese employees not wanting to lose face as explained above, and expressed how important this is to the Chinese. This indicates that a larger importance of hierarchy exists in the Chinese culture. Respondent A gave an example, and said that if a Chinese employee would be asked if they understand, the answer would typically be affirmative regardless of if they understood it or not. This has led to a need for more leadership training for the managers working for Volvo Cars in China, according to the same respondent.

Respondent B explained how this person perceived a difference between Chinese employees that have been abroad to study or work, and others that did not have that experience. Furthermore, the person stated that these differences are greater with Chinese employees than with the Swedish ones. However, in relation to this, respondent A and C explained that the process of changing practices is more difficult in the Swedish organization, and they attribute

this to the multitude of opinions amongst Swedish employees. Moreover, they state that this leads to a challenge in getting everyone on the same page when making changes. Here, respondent C also explained that the fact that the Swedish employees are opinionated, calls for the Chinese to be more talkative in order to be heard at work. This person also explains that here in Sweden one must be prepared, since different subjects are discussed on a broader level as compared to how it is in China.

#### **4.2.3 Cultural Challenges**

Concerning the culture, Confucianism has a big impact on how the Chinese do business, and the Swedish employees are not familiar with this. Confucianism is defined as a way of living and thinking, both viewed as a religion and a philosophy (Weiming, 2017). According to interviewee B: "*Confucius, he rules in China.*" The respondent elaborated on this by stating that without knowing it, the Chinese follow Confucius, it is built in their DNA and it cannot be explained, you have to be in China to feel it. This is something that is hard for Swedish managers and employees coming to China to understand, it is not something one can prepare for.

Respondent B emphasized that there are many differences between the Swedish and Chinese culture, and it is of high importance to try to understand and learn about the culture to be able to gain trust. The Chinese value trust greatly and respondent B said it took years before the Chinese started to trust the interviewee, this could be because with higher degree of hierarchy trust can be harder to attain, since there is a hierarchal distance between the manager and the employees. Respondent C highlights this hierarchical gap between managers and employees in several Chinese organizations. Interviewee C later explained that in China, you add an extra part to the last name to show respect, which is not done in Sweden. But once the trust was earned, the Chinese became very helpful and were on the person's side. Furthermore, respondent B explained that during a meeting instead of listening to the boss, a Chinese employee helped the respondent book train tickets. This happened because the Chinese employee now liked the respondent more than the other manager, and therefore it was prioritized before the meeting. This indicates that earning someone's trust can create a difference in the working relationship within the Chinese organization. In Sweden it is much easier to trust someone, according to respondent A and the difference in trust could therefore be overlooked. The interviewees described all these challenges and aspects of having an environment with more cultures as a good thing, and they all expressed that they felt that

there was a combined culture in the organization. These challenges constitute difficulties for employees at Volvo Cars organization in China, however they can be overcome.

### **4.3 Bridging Differences: Instances of Hybridity**

#### **4.3.1 Step towards Hybridity: Solutions**

The differences and challenges that exist have ways of being overcome in the interactions between the employees, and these solutions are types of hybrid outcomes. An example of this is the fact that the Swedish and the Chinese have different native languages, the solution has been to have a common language, and therefore English is spoken in Volvo Cars. However, barriers can still appear when the employees have different English skills, according to respondent C, but without this hybridization of a common language the barriers would be immense. The challenges that emerge within a multicultural organization can be handled in different ways. In this organization, respondent B and C also described how a matched pair solution was used for managers. This was utilized for two years when Geely acquired Volvo Cars, with one Swedish and one Chinese manager at each position. This was described as a good way of implementing practices within the organization, and to get the managers from different cultural backgrounds to work together. Respondent B said it was a way to reach maturity in the Chinese organization, and in a way also to help build trust between the managers. This works as a way to overcome possible differences in trust, and between these two managers hybridizations could have occurred in the form of compromises. The matched pair solution was later removed after a few years.

Respondents A and B also mentioned how they noticed the need for follow-ups with the Chinese employees. This was due to the fact that many Chinese employees tended not to speak up during meetings, or when asked by the manager. Here, respondent A pointed out that the formality in titles that is present amongst Chinese workers is something that they are trying to eliminate, this is in order for the gap between managers and employees to decrease. Interviewee A also pointed out that as a manager in China one might need training in order for it to run smoothly, and also to learn to do more follow ups one-on-one in order for the employee to talk to the manager. Respondent A elaborated on this: *“I run, or we run, more follow-ups here in China than I would do in Sweden. In Sweden you tend to trust people more [...]”*. This indicates that the managers are willing to compromise to create a working business environment in the Chinese organization. However, Interviewee B added that they

sometimes were not able to follow up on everything that the Chinese employee wanted, which created a gap between the need of the manager and the employee. However, the recognition of the difference and the adaptation to each other will create a middle ground, and it is an indication of hybridization.

Respondent C emphasized the difficulties that can appear with the difference in experience, the Swedish employees have more knowledge regarding working at Volvo Cars than the Chinese employees. What the respondent mentioned is that many employees are now sent to work in the other country, Chinese travelling to Sweden and vice versa. This solution helps for example Chinese employees to gain more knowledge and experience, and the Swedish employees to learn more about the Chinese culture. This will give the workers the facilities for creating new practices, which mix the two cultures. This situation can also be affected if the employees have studied or worked abroad prior to working for Volvo Cars. According to respondent B, they have greater knowledge and experience compared to those that have not been abroad, and the gap in experience is therefore smaller.

The Chinese speed in the decision-making process can be positive, but it can also bring problems according to respondent B who points out that although the decisions are informed, they can sometimes be hasty and not the best ones. The same respondent also states that it is important to understand the way that Chinese negotiate and the time aspect of it. Because although the decisions are taken with speed, the negotiations take time and this has to be taken into account when doing business if it is to be successful. The operations in China have embraced speed and uses it more in their work according to respondent A, which is a way of embracing the Chinese culture. This adaption to the Chinese way of making decisions indicates that hybridization has occurred.

#### **4.3.2 Results of Implementation**

Ever since Geely bought Volvo Cars in 2010, it has been a constant development of the implementation process and according to respondent B maturity in the Chinese operation has been reached quickly. Since the organizational culture differs on many levels, it can be difficult to differentiate the best way to implement practices, and adaptations were needed. The implementation processes have not changed, but are clearly revised and have developed throughout the years that Geely have owned Volvo Cars. According to the respondents, most of the processes and practices are from Sweden and respondent B explained that the operation

in China is more or less copy pasted from Sweden. However, respondent C states that you cannot copy paste the processes straight off, it is hard to have one common methodology approach. Different situations can occur that require more local adaptations indicating to the authors a hybrid approach to solving new situations. Therefore, the respondents seem to have different opinions on how to achieve the best implementation, here adaptations from both parties are needed in order for the business to function in the most efficient way possible in China and in Sweden.

The Swedish organization has learned from starting a larger operation in China and has been able to improve some of their practices. One example that respondent A mentioned, was when Volvo Cars opened a new plant in China and the instructions of how to build the cars were directly translated into Chinese. The Chinese employees were fairly young and inexperienced, but followed the instructions precisely which resulted in faults. The Swedish instructions had apparently been incorrect and that led to problems when they were translated. However, this was not something that was noticed in Sweden, since more experienced employees work there that did not notice the faults in the manual. The Swedish management noticed that there existed errors that could have been prevented. This indicates that it is a mutual learning process and that China learns from Sweden and also the other way around, and this can aid Volvo Cars operation when moving forward.

#### **4.3.3 Hybridization of Practices**

For an MNC to function properly, it is beneficial for the management to be aware that cultural differences can be an asset to the company (Frenkel, 2008). All the respondents brought up one or more aspects that either Swedes or Chinese did in a better or more efficient way than the other. Interviewee A explained that the Chinese speed in the organization should be adopted in the Swedish practices to a larger extent and felt that the Swedes could benefit from a faster decision process. Interviewee C highlighted the efforts from the Swedish managers to try to learn from the Chinese and an example was provided regarding a manager from Skövde who went to work at a Chinese Volvo Cars factory. Here, the Swedish manager tried to understand the difference between the workers in China and in Skövde. The lower age in China seemed to make them more prone to listen to the manager than the workers would in Sweden, but at the same time the manager saw the value in encouraging the Chinese workers to speak up more. Moreover, respondent C also pointed out that the Swedes in the Chinese organization seemed to become quieter, whereas the Chinese had become more

open: *“I think the culture difference I noticed is the Chinese people, they are more quiet [...]. But now I think that is changing, because Chinese people are becoming more willing to talk and the Swedish people are somehow becoming more quiet.”* This person felt that the Chinese had started to speak up due to the desire and encouragement from the management that they should express their opinions more. This demonstrates signs that the Swedish employees and Chinese employees are adapting to each other and hybrid outcomes have appeared.

Fika is a part of the Swedish society and also a part of cultures in Sweden. Fika in Sweden often constitutes of a warm beverage and a sweet cake or cookie. All the respondents explain how fika is a part of the Volvo Cars culture, but that it is different in China compared to Sweden. They have adapted it into a new concept where they can eat for example junk food on a Friday afternoon instead of cinnamon buns, according to the respondents. Interviewee C elaborated on the reason for the adaption of the concept of fika: *“So it’s a little bit different, but I think that Chinese people are more using this as an opportunity to eat or to drink.”* This adaption of the concept shows a hybridization occurring in the Chinese organization. Furthermore, interviewee A explains that in dealerships both in Sweden and China the more traditional Swedish fika is offered to customers. The same respondent elaborated on the importance of this cultural expression in the organization and the use of fika to conduct business: *“We are making use of this in a good way to talk about the brand of Volvo and what is important for us Swedes.”*

#### **4.3.4 Signs of a Combined Culture**

All the respondents emphasized that the culture in the organization in China and Sweden is not a pure culture, indicating to the authors that hybridizations occur. Respondent A explains it as follows: *“We try to make use of that heritage and the culture [...] and then adopt into the Chinese culture.”* They all highlight that Volvo Cars culture is changing and that it is a good combination of Swedish and Chinese culture, Swedish managers have learned a lot from the Chinese employees. Respondent C explains that an important aspect of understanding each other's cultures has been the travels between the two countries, and that many now go and work in the other country for a few years. This is something that both respondent A and C are doing. This exchange has enriched the combined culture, which is happening in China and Sweden. The interviewees saw this combined culture as an asset to Volvo Cars, and having more cultural outlooks enhances the organization. Respondent A

specifically emphasized that without Geely and the Chinese operation, Volvo Cars would not be as successful as they are today. As respondent B says: *“I think the best companies as of today are the multicultural ones.”*

However, the culture that now exists in Volvo Cars is not purely a Swedish management style. Respondent C says that is more of a Western management style and that it is moving towards a more global culture. Since Volvo Cars is present in several parts of the world they are exposed to many influences, and with time respondent A believes that it will become a global culture that only has its roots in Swedish management style and culture. Volvo Cars has been established for 90 years and interviewee A states that because of this, they know that changes and adjustments are needed, and no culture is the best.

#### 4.4 Summary

When all the information from the interviews was compiled the authors were able to see clear signs of hybridization within the organization of Volvo Cars, both from the stories told by the interviewees, but also from what the interviewees thought. The interviewees also gave examples, which highlighted the hybridity aspects of hierarchy within the cultures. The stories that were told indicated that Sweden has transferred some of their Swedish processes and practices in the implementation process in China. However, it also showed that they learned from China and improved their previous processes and culture by adapting to each other.

<b>Category: Hybridity</b>	<b>Example</b>
<b>Language</b>	Different native languages, speak English with each other to bridge the difference
<b>Talkativeness</b>	Swedish employees become more quiet and the Chinese employees become more open, seen in RHQ
<b>Speed in decision-making</b>	The RHQ embracing the Chinese way of making fast decisions in organizations and using it in the daily operations

<b>Fika</b>	The Swedish tradition of fika being transferred into the RHQ but adapted to eating for example fast food
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Table 3: *An overview of the different examples of hybridizations that have emerged in Volvo Cars, based on the interviews. This is accompanied by examples given by the interviewees.*

## **5. Analysis and Discussion**

In this chapter, the empirical material will be analyzed together with the theoretical data that has been collected. This is done in order for the purpose of the research to be fulfilled, and the research question to be investigated, in the light of hierarchy, the question posed is as follows: what evidence of hybridizations can be found when two different cultures within an MNC meet? The two main focus areas for this analysis are theories on culture and the concept of hybridity, which will be evaluated. The material that is analyzed in this chapter will lay the foundation for the concluding remarks that will be made in the following chapter.

### **5.1 Literature on Culture**

The literature review showed that there are many definitions of culture, and that it has been hard to agree upon a mutual definition (Adler, 1997; Martin, 2002). To receive a more comprehensive understanding a definition was agreed upon. Hofstede's (2001) definition was not used in which he describes organizational culture as a collective programming that people from an organization share and that all the employees have the same mental setting. This did not correspond with the information collected from the interviewees, even if respondent A described the core values that sets the base of how Volvo Cars strives to work, as a guideline and not an absolute truth. The respondents emphasized the organizational culture Volvo Cars has, but expressed that it is always changing, and therefore to have a set mental programming is more or less impossible.

Martin (2002) argues that the research that has been conducted on culture is very homogenous and previous research by Hofstede (2001) regards traits as fixed to a culture, a national culture. However, as respondent B pointed out, Chinese employees who worked abroad have a different way of approaching the tasks at work. This indicates that the influence from other countries has a significant impact on the employees. Hofstede's (2001) research was based on surveys from 1967-1973 and the world has become more global since then. This highlights that the individuals in the organization are influenced from several directions, and this reflection from respondent B indicates that employees' traits are less fixated than Hofstede (2001) claims in his research. Hofstede (2001) and Trompenaars and Hampden-Turner (2012) have left no room for hybridizations in their theories, a nation or culture have either a high or a low score concerning their dimensions, no in-betweens exist.

This is a central issue with today's research since it excludes possible outcomes of hybridizations.

There is a need to elaborate on the research on culture and to look at different angles of it (Martin, 2002), therefore the authors wanted to see what happens when two cultures meet. For this to be possible the authors saw a need to utilize previous research to investigate the phenomenon of hybridization. The research by Hofstede (2001) and Trompenaars and Hampden-Turner (2012) was used as a tool and a starting point of the study. However, the research by Hofstede (2001) has been argued to be invalid to use on individuals or organizations (Venaik & Brewer 2012: Venaik & Brewer 2013). Since Hofstede made generalizations on a national level, it could not be applicable on smaller groups (ibid.). De Mooij (2013) moreover states, that it can be used on organizations since it is a subgroup of a culture. In this thesis, since Volvo Cars is a large MNC, the authors saw benefits in using Hofstede's research as a tool. His dimension, Power distance, has not been utilized as a measurement for this thesis to evaluate if the culture has a high or low score, but rather as an indication of patterns between employees in the organization. This reasoning is corroborated by Magnusson et al. (2008) who discuss that the research of Hofstede is still valid, and his indexes still work well in comparison to other research on culture.

Frenkel (2008) explains that culture is not fixed, but rather that it is in a constant development. This is corroborated by the respondents who explained that Volvo Cars culture is always developing, which is one of the positive sides of being an MNC. Being active in many parts of the world make changes impossible to avoid and they have realized that there is a need for improvements. As interviewee A discusses, Volvo Cars has learned valuable things from operating in China that could improve their processes and practices in Sweden. What the interviews also showed were that China has understood the importance of diversity at the workplace, which does not correspond with having a high score in Hofstede's (2001) dimension Power distance. This is an example that demonstrates that Hofstede's research has left no room for hybridization. Diversity could be said to be an offshoot of hybridity, since China probably have learned from other countries and has seen the advantages of having a diverse workforce, and hybridizations in their culture is therefore created.

## 5.2 Hierarchical Differences between Sweden and China

The authors have constructed their own definition of hierarchy by reviewing a large extent of research on the subject, and hierarchy has been used as a measurement to explore hybridization. The previous research by for example Hofstede (2001) and Trompenaars and Hampden-Turner (2012) has been used to create a developed theory. However, critique is important to review since especially Hofstede has received criticism for being too general and doing invalid generalizations on too small samples (McSweeney, 2002). The conclusion Hofstede (2001) made regarding the fairly fixed dimensions could be questioned, since it can be seen that some convergences in China has occurred, and this can be due to the more globalized world that exists today. It is easier to travel abroad and also to study, and when studying in a different culture it is easy to absorb customs and values, therefore when coming home again a person's values have most likely been altered. Respondent B emphasized that the Chinese that have been working or studying abroad, differs a lot compared to the Chinese employees that have only been in China, they create a new hybrid culture with influences from different parts of the world.

Both gender and age are included in the definition of hierarchy and according to Hofstede (2001) what is included in the dimensions have not changed over time. However, what the interviews showed were that age and gender are no longer viewed the same way, as it was when Hofstede's (2001) study was conducted. All the interviewees stated that gender or age did not matter to a large extent in Sweden when it came to management positions, and promotions are based on how well an employee works. According to respondent B and C, no difference in gender in the organization in China can be seen, however age still plays an important role. This does not corroborate the Gender Gap report by the World Economic Forum (2016), which state that there is a significant difference in gender equality between Sweden, which is known for gender equality, and China that is not to the same extent. Furthermore, Sweden is an egalitarian country and is advocating gender equality values (Teigen & Wängnerud, 2009). China has more in later years been exposed to egalitarian values due to the influence from Western countries (Shu, 2004), and this can be an explanation of why little sign of gender inequality can be seen within this organization. However, respondent B emphasized that Confucianism is still present in the Chinese culture, but did not elaborate much further on the subject since this person felt that it has to be

experienced in China. Furthermore, only one respondent discussed Confucianism and therefore the authors decided not to emphasize it further.

Dwyer et al. (2003) add to this by claiming that hierarchical cultures can prove negative for gender diversity. In Volvo Cars organization the authors can see no signs that the Chinese hierarchical culture has a negative effect on gender diversity, this indicates an understanding of the importance of having a diverse workforce. However, it needs to be considered that a Western influenced MNC in China is examined for this thesis, and that might be a reason why the respondents said that no difference in gender was seen. If it had been a traditional Chinese MNC instead, perhaps differences in gender would have showed. Respondent B and C explain that Chinese employees like older men with grey hair and would rather be led by them, than for example by a young male or female. This indicates the importance of seniority in the Chinese organization.

In the dimensions concluded by Hofstede (2001) and Trompenaars and Hampden-Turner (2012) it can be seen that Sweden and China differ. Hierarchy is according to the respondents viewed differently in Sweden compared to China, in China status, power and titles have bigger importance than they do in Sweden. The respondents' answers indicate that the Swedish organization has a lower score in Power distance and the Chinese organization show signs of a higher score. This corroborates what Hofstede (2001) concluded with his research, even if it has changed over time. Concerning the dimension Achievement versus Ascription by Trompenaars and Hampden-Turner (2012), the Swedish organization is more connected to the dimension achievement where a person is judged on their achievements and not status, promotion happens because someone has earned it and worked hard. In China however, according to respondent C, titles are very important and managers in higher position are striving for more power, showcasing the desire for status. The interviewee continues by describing that everyone wants to be a manager and that they are very career driven, which shows the importance of power in China. Therefore, clearer signs of being an ascription culture are seen in the Chinese organization.

### **5.3 Challenges: Cultural Differences and Hierarchy**

The research by Hofstede (2001) points out that there are differences in culture between both countries and organizations. The interviews that were conducted for this thesis indicated that

differences do exist within the organization, that there are different nuances. They become clear when the interviewees talk about their daily business environment and what challenges they can present in relation to different hierarchical situations.

### **5.3.1 Trust**

The acknowledgement of trust as an important factor in the personal interactions in China showcases an importance in understanding these nuances. Schneider (1989) discusses that managers in hierarchical countries have an autocratic leader style, and this can create a gap between the employees and managers if they have different cultural backgrounds. Respondent A corroborated this and stated that Chinese employees are often afraid of higher management, therefore the employees can have difficulties trusting the managers due to the hierarchical power differences in the culture. Brett and Okumura (1998) elaborate on this and state that power is connected to a person's status. One example from interviewee C of a formality between workers was having a special word behind the name of a manager in Chinese organizations. From the interviews and the literature it could be seen that power and status affect the employees view on trust towards the managers.

### **5.3.2 Negotiations**

Negotiations are a part of the work at the organization and respondent B elaborated on the intricate nature of the Chinese way of conducting negotiations. As Graf et al. (2012) point out, hierarchy can affect negotiations. The findings from the interviews showed a larger respect for authority by the Chinese workers. This could be one explanation for the negotiation process being perceived as very long and intricate by the respondent, as all the formalities connected to authority take time. In their interaction with each other, the Swedes learned how the Chinese negotiated and they adapted themselves to this as awareness was developed. This corroborates with Frenkel's (2008) statement that first world countries also need to adapt to other countries practices, instead of adaptations only going the other way. Trompenaars and Hampden-Turner (2012) also state that achievement cultures, Sweden, need to consider the ascription values in China, for example status and titles when doing negotiations. As respondent A expressed, there is a possible need for culture training and this example would support that statement, since this situation could possibly been eased if the Swedish employees would have been aware of the apparent diversity existing in the negotiation process.

### 5.3.3 Managerial Supervision and Employee Participation

The cultural differences in the organization can pose challenges for managers when working in a global environment, and this was a clear indication that emerged from the interviews. On this subject Hofstede (2001) highlights the differences in hierarchy between Sweden and China, and state that the Chinese prefer a close supervision from the leaders. The findings from the interviews corroborate the view that Hofstede (2001) presents. Schneider (1989) also states that the leader is expected to play an important role in hierarchical cultures, which the interviewees confirmed. Furthermore, the interviewees had noticed that there is a gap between the need from the employees in China, and the actual execution from the management's side. The Swedish respondents A and B also noticed the need for increased follow-ups towards the Chinese, however they handled this in different ways. This showcases that managers act in different ways when they encounter new situations. Meeting the employees halfway with a slight increase in follow-ups is a hybridization that occur in Volvo Cars in China to insure that all the employees will work as efficiently as possible. This corroborates what Shimoni (2011) concluded in his study. He saw that new management cultures were created in a third-space, but he concluded that even if there were some differences it was still a resemblance to the organizational culture. This can be seen in Volvo Cars as well, the increasing follow-ups are creating a new practice on a local level, but it does not change the entire organizational culture.

Another challenge that was brought up was that of the Chinese way of losing face. Respondent A and B explained how this affected the Chinese employees' behavior at the workplace, since they would not express their opinions towards the leader with a higher hierarchical status. This shows the desire to be obedient towards the leader resulting in reluctance to speak up. This is also in line with Trompenaars and Hampden-Turner's (2012) understanding of an ascription culture. Adler (1997) discusses how members of an organization could become more similar when working together. This was brought up by respondent C who explained that the Swedes had become quieter and the Chinese more talkative at work. This is also connected to the theories of Bhabha (1990) concerning the third-space that forms when two cultures interact, and in this space hybridizations can occur. This third-space is illustrated in connection to the Swedish and Chinese culture and can be seen in figure 2. When the respondent noticed that Swedish and Chinese employees are converging in the way that they communicate, this shows indication of hybridization where the two cultures form a new type of behavior. This is not fixed and changes continuously in

the intertwinement in the organization, meaning that they may become more alike or more different with time.

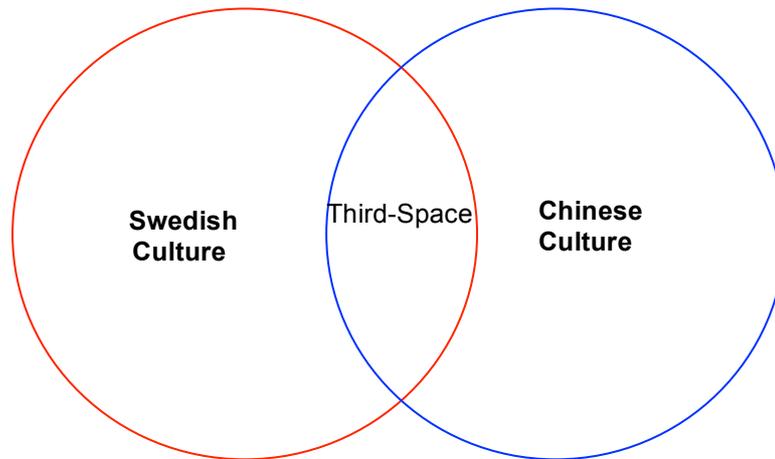


Figure 2: *Illustration of the third-space between the Swedish and Chinese culture.* (Source: Authors' own)

#### **5.3.4 Increased Efficiency: Decision-making and Meetings**

Shimoni (2011) highlighted in his study on hybridizations the importance of the managers realizing that new improved hybrid practices could arise at RHQs, which could be of use for the whole organization. Respondent A noticed that the speed in making decisions was much higher in China and wished that this would be transferred to Sweden. This shows that this manager is aware of differences and is open to new practices that can be better than the ones that already exist. The decision-making process is a part of the everyday business of a company, and the interviews indicate that Volvo Cars has adapted the Chinese speed to some extent at the RHQ in China. Furthermore, the Chinese respondent C pointed out that the Swedes have a greater need for meetings and this respondent had raised concerns on this matter but the Swedes did not see this in the same way. This indicates that certain traits are imbedded in the core of company and that a person with another cultural background can pick these up, which can result in more effective processes in the future. Therefore, as Frenkel (2008) points out, there is a constant process in an MNC in order for practices to be the best possible, and these interviews indicate that the interaction of more cultures can aid this process by providing new solutions.

This combined culture that the interviewees described can be interpreted as a result of hybridizations in the organization as understood by Bhabha (1990). The examples that were provided showed compromises and adaptations, which point to an awareness of the

differences between workers and also of the hybridizations that occur. From the interviews, the authors could see that cultures would not benefit from being studied in a homogenous way as they have been before (Martin, 2002), since the nuances that exist could be missed.

## **5.4 Bridging Differences: Instances of Hybridity**

Throughout the development of the company's operations in China, it was clear that there had been efforts made in order to hinder the differences to pose as obstacles for future progress. The interviews indicated that the implementation process has been fast and successful.

### **5.4.1 Matched Pair Solution**

Trompenaars and Hampden-Turner (2012) highlight in their work the importance of recognizing that there are more than one best way of managing, taking both effectiveness and culture into account. The matched pair solution shows a clear indication that the management of Volvo Cars has taken this into consideration when organizing the operations in China. The fast maturing of the Chinese organization was attributed to the matched pair program by interviewee B, which was also thought to have been highly effective and a solution to the potential cultural barriers. This was utilized the first years after Geely's acquisition, and it acted as a bridge between the Chinese and Swedish employees and their cultures. In Trompenaars and Hampden-Turner's' (2012) work, the different ways of culture is shown to be imperative for the company and here the matched pair program combined two cultures in order to optimize the operations. This also opens up for hybrid outcomes since a third-space can be created in the interaction between two cultures according to Bhabha (1990). Although culture crashes could have occurred, the interviewees did not bring this up and this set-up indicated an inclusiveness being created in the organization.

### **5.4.2 Career Development**

In the interviews, differences became clear in the area of employee career development. It was explained how the Chinese employees valued having a variety of roles and a management position, while the Swedes at the same office mostly had one role. This is an indication of ascription, which is defined as a culture where status is closely bound to a person, and a title or position is of importance (Trompenaars & Hampden-Turner, 2012). Here, it is important for Volvo Cars to recognize this, since a lack of career development could lead to an employee seeking another job with a higher position. Respondent A said that

they take this into account to a certain degree and tend to give more responsibility to people in China who strive after it. This is an example of hybridization according to Bhabha's (1990) definition, since they form new patterns for how the career path should progress with the employees' view on status and hierarchy, taken into consideration at this RHQ.

#### **5.4.3 Employee Exchange: RHQ and HQ**

A way of bridging the differences between the Swedish and the Chinese organization raised by interviewee A and C, was the exchange between the RHQ and HQ where employees go and work at the other site for a period of time. This is a way of connecting the two cultures and can create further hybridizations in their interaction. This is connected to what Shimoni (2011) and Yahiaoui (2014) conclude in their research. They state that it is essential to include and interact with the subsidiaries, to be able to learn from each other, and the example with Volvo Cars sending people between the RHQ and HQ shows that they have realized the importance of this. This would corroborate Jacob's (2005) statement on hybridization, that different management systems in an organization could influence each other. This also shows that the information gathered from the interviews do not correspond with what Frenkel (2008) discusses, he states that first world countries today believe that their management practices and processes are the only ones worth transferring and others should only adapt to them. What the interviews showed were that Volvo Cars has understood that they can learn from China and other countries as well, and that their management practices are not superior to others.

#### **5.4.4 Fika**

Fika is one aspect that is typical for Sweden and that is a part of Volvo Cars and their Swedish dealerships. Here, the interviews showed that the Chinese dealerships have started offering fika when a customer wants to buy a car. This shows that the Chinese have adapted to the Swedish practice and are open to change and embracing the Swedish culture. They are using fika as a way of connecting the two cultures, while still keeping the Swedish influence. Fika has also provided the foundation for a hybridization that has occurred in Volvo Cars culture in China. The Swedish tradition of fika has been further developed in the Chinese organization to fit the local culture. Here, the Chinese employees have not only adapted to the traditional Swedish fika but have created their own version, and hybridizations have occurred. Frenkel (2008) discusses that the transfer of knowledge and practices is a never-

ending process and the concept of fika has developed and still is. This also falls in line with what Bhabha (1990) explains, hybridity is in a constant development.

#### **5.4.5 Step towards Hybridity: Inclusive Culture**

Several researches emphasize that having more cultural outlooks in an organization will lead to desirable outcomes (Shimoni, 2011; Yahiaoui, 2014; Frenkel, 2008). It should be in every MNCs interest to support and notice the hybridizations that occur in an organization (Shimoni, 2011), and therefore it is of importance to include and integrate the subsidiaries because they can help the MNCs in the local practices (Yahiaoui, 2014). This is corroborated by the information received from the interviews, where the importance of being a part of a multicultural company and the need to understand other cultures was emphasized. According to Volvo Cars annual report (2016), they are striving for a global and inclusive culture, which show that they agree with what Shimoni (2011) and Yahiaoui (2014) discuss. The interviewees' answers indicated that Volvo Cars is striving for an inclusive culture, and the respondents thought that the culture that existed in China has been well included in Volvo Cars.

### **5.5 Hybridity in Practice: Theoretical Reflections**

#### **5.5.1 Hybridity in Reverse**

Gamble (2010) states that it is most likely to create hybrid outcomes in MNCs overseas subsidiaries, however the interviews showed that it is not only in the host country that hybridizations can appear. It was understood that the interviewees realized that practices and processes in China would be good to transfer to the home country Sweden, which corroborates what Yahiaoui (2014) argues. What respondent A emphasizes, is that the speed in decision-making that exists in the Chinese organization should be used in Sweden as well. The respondent believed that it took too long for a decision to be made because of the consensus approach, which according Bressen (2012) means that everyone needs to be consulted before a decision can be made. According to the respondents, hierarchy differs between Sweden and China, and this may cause problems. Respondent C continued by emphasizing that particularly the Swedish organization has a big emphasis on equality and inclusiveness. The reason why the decisions are faster in China could be due to less people being involved, according respondent A, and employees in the Swedish organization might not approve of this.

Swedish organizations are less hierarchical and are based on equality and matters are discussed between employees and manager as a rule. Interviewee C indicated that in traditional Chinese companies, the managers do not take other people's opinions into account. The fast paced decision-making that is used in Chinese organizations have now been adopted to a certain extent in Volvo Cars operation in China, which is a sign of a hybridization where the Swedish management have taken local influences to improve the work. Bhabha (1990) discusses this in his research where he states that hybridity is about adapting to new situations, and what was understood from the interviews was that Volvo Cars is doing that in this situation.

Another issue that can arise when trying to implement new practices in the Swedish organization is as respondent A explains, the possible unwillingness. The Swedish organization is more mature and the employees more experienced, they have a certain way of doing things and might be reluctant to change. If everything has been working, the Swedish employees see no meaning in changing the practices. Increasing the speed in decision-making could therefore possibly not be accepted in the Swedish organization. This is supported by what Bhabha (1990) discusses, hybridity is all about expanding and rethinking principles and having a fundamentalist approach can hinder this, and as the respondent says, the Swedish organization shows signs of having a fundamentalist approach. Therefore, if the respondents see improvements that they have learned from working in China, which could be transferred to the Swedish organization, they might not be easy to implement. This indicates that there is a trend in the organization of wanting to adapt and change however, there is a need to acknowledge the difficulty in transferring practices from one culture to another with different values. Furthermore, this implies that the company has learned valuable practices from their presence in China, but for the practices to work in an effective way in Sweden they may need revising in order to fit the cultural values in the Swedish organization.

### **5.5.2 Hybridity and its Impact: Reflections**

It is important to see the different sides to hybrid practices and to evaluate the theory of hybridity that Bhabha (1990) discusses, this in order to receive a more comprehensive understanding of cultural interactions and the evolvement of culture. The concept of hybridity can be challenging because the transfer of practices and processes might not always be possible or favorable. Since this thesis showcases possible hybridizations between the culture

in Sweden and China regarding hierarchy, some hybridizations might not be beneficial due to the nature of the country. Sweden has a consensus approach according to respondent A, which China has not to the same extent. This complicates matters, for example concerning the decision-making process, which may not be favorable to transfer. This is corroborated by Hofstede who has concluded that countries with low PDI score, in this case Sweden, want an equal distribution of power and demand justification (itim International n.d.a). Hierarchy is not emphasized in the Swedish culture (Schneider, 1989), which is an indication of why the Swedes want an equal distribution of power. This could be seen from the interviews as well, where respondent C emphasized the way Swedish meetings are conducted, where more people should be consulted before a decision to be made. This indicates that people in the Swedish organization see it of high importance to have an equal distribution of power.

Both according to Hofstede (2001) and the interviewees, the Chinese employees have accepted the unequal distribution of power and the manager is expected to have an authoritarian leader style. This is also corroborated by Trompenaars and Hampden-Turner's (2012) description of an ascription culture, where it is important to show respect for authority and not to question or challenge the managers. The interviews showed that this was seen in the Chinese organization and this may be the reason why the Chinese are able to take decisions at a much higher rate. The Swedes dare to question their managers, according to respondents A and C, which might hinder the process of making fast decisions. This could be because Swedish organizations value an equal power distribution according to Hofstede (2001). The difference in hierarchy between the Swedish and Chinese culture can therefore hinder the possible outcomes of hybridizations in the organization and the speed in decision-making will probably stay in China, or it must be revised to function efficiently in Sweden. As Graf et al. (2012) point out, hierarchies exist in all countries however, they are dealt with in different ways, which can be seen in the Swedish and Chinese culture. It should be highlighted that some of the practices that are used in Volvo Cars in Sweden are possibly not applicable to transfer to China either.

Furthermore, respondent A indicated that a possible increase in hierarchy could be more efficient than how the Swedish culture is constructed today. Moreover, it should be questioned if more hierarchies should be adapted to make it more efficient or if equality should have a bigger emphasis. It must be highlighted that the consensus approach existing in Sweden is mainly seen as a positive aspect according to Bressen (2012). This often means

that the people involved are more dedicated to the process, as they are a more integral part of it, and there is also often a great deal of knowledge behind decisions since many people are involved in the process. The presence of a consensus approach in an organization highlights the importance of equality in their decision-making. Therefore, changing the culture towards being more efficient, with for example a higher speed as respondent A suggested, can compromise the equality that a joint decision-making contributes with.

Moreover, Trompenaars and Hampden-Turner (2012) state that eventually ascription values will be replaced by achievement values, and that indicates that an ascription culture like China will move towards more achievement values, such as those that exist in Sweden. This would mean that instead of transferring the speed to the Swedish organization, the Chinese organization would take on a more integrative approach to making decision. Therefore, instead of the Swedish organization opting for a more hierarchical decision-making process, it would indicate that the Swedish consensus would remain in the organization despite it being less effective in some aspects.

This is a complex matter and not one to be easily solved, but Volvo Cars should acknowledge this in the future since two employees pointed out the lack of efficiency in making decisions in the Swedish organization. However, it needs to be considered that the hybridizations that are created may not be beneficial for Volvo Cars, for example concerning the increase in the speed of decision-making. Volvo Cars highlights safety and quality in all of their products (Volvo Car Group, 2016) and making faster decisions could therefore compromise the end product. It is furthermore important to acknowledge hybridizations in the organization, but at the same time be aware of the overall effect that they might have. One hybrid practice may work in one cultural context, but could be difficult to transfer to another, for example concerning the matter of efficiency versus equality.

### **5.5.3 Hybridity as an Ongoing Process**

What also could be seen from the respondents' answers is that hybridizations do not need to be changes on a broad scale, but rather minor things that the employees notice in their daily work that can either help or challenge them. Creating a new hybrid culture does not mean that all the values, practices and processes are exchanged for new ones, but rather that small changes help the two different cultures work together. Bhabha (1990) explains that cultures

always are in a process of constant hybridity and respondent A emphasized the importance of realizing that Volvo Cars culture is changing over time and that it needs to be doing that.

The empirical data indicates that Volvo Cars culture is not fixed, it is always moving and changing due to the inputs from its employees. This corroborates the findings by Frenkel (2008), he concluded that an employee working at an MNC creates an own organizational culture, because the employee has been exposed to many different organizational cultures. It is not only the organization that experience hybridizations, but also the employees, which create hybridizations at more levels within the company. Interviewee A described that the management practices used in Sweden had to be adapted to some extent to work in China, indicating that this employee has created personal hybridizations within the Volvo Cars organization. Having many hybridizations on an employee level can later lead to creating hybridizations on the organizational level, which respondent A saw concerning the speed in decision-making.

The instances that were presented in the empirical work show that there is a mix in the company's practices and the quality of them. More prominent signs of hybridizations were seen in the Chinese organization, but the respondents all emphasized that the Swedish organization have taken practices and processes into account at the HQ, which they have learned from the Chinese organization. This seems to indicate that when seeking new markets it is inevitable to not be affected by the cultures that exist in other countries. However, Volvo Cars is originally a Swedish company that has its own culture affected by the Swedish culture, since the HQ is in Sweden. Therefore, when venturing abroad Volvo Cars transfer aspects of their culture to their subsidiaries, in this case China, but local adaptations are also made to become as efficient as possible. Moreover, it is a mutual learning process where China learns from Sweden and vice versa and it is important to understand that hybridizations can occur both in the host and home country. Culture does not only flow in one direction, but in reverse as well. The study also points to that within the organization of Volvo Cars, hybridizations will continue to evolve in their culture, since new employees bring in new views and values.

## 5.6 Summary

Throughout the analysis the theories have been used to understand the empirical material and have been put it into a broader context, this was done in order to understand what clear evidence could be found of hybridizations in the MNC. The stories provided through the interviews have showed several examples of a combined culture and thereby also hybridizations in the organization. Examples of these are the conversion of the talkativeness, the issue of speed in the decision-making and also fika, which has spread in the organization. All these examples point to a constant evolvement of the culture, rather than a fixed culture. Seeing a culture as fixed is one of the main issues with the current research since it neglects hybrid outcomes, and this thesis aims to highlight the evolving nature of culture. All these interactions will continue to develop Volvo Cars both in the host country, China, and in the home country, Sweden.

## **6. Conclusion**

In the concluding chapter the main findings of the analysis will be presented along with the answer to the research question: what evidence of hybridizations can be found when two different cultures within an MNC meet? After this, the contributions for the thesis will be stated followed by the research implications for companies and lastly, suggestions will be given regarding further research on the topic.

### **6.1 The Main Results of the Thesis**

This thesis has utilized hierarchy as a way to investigate hybridity, and it has shown that evidence of hybridizations can be found in Volvo Cars Chinese organization. When Volvo Cars has implemented its processes and practices in their organization in China, local adaptations have been made to ease the process and become more efficient, and this has created hybridizations. The empirical data showed several examples of hybridizations that have occurred, for example the English language, the speed in decision-making, the conversion of talkativeness and the transformed Swedish fika. Furthermore, the result of this thesis shows that it is not only the host country, China, that can be affected by hybridizations but also the home country, Sweden. The Swedish manager working in China has realized that many of the practices and processes used in China could be transferred to Sweden, because the Chinese are perceived as more effective at for example, making decisions. What the empirical data moreover showcased was that hybridizations could appear and occur at different levels. Managers adapt and develop their own management practices, which are influenced by other cultures. From this process, hybridizations are created. Hybridizations are generally small changes that help the employees in their daily transactions, rather than being changes on an organizational level that change the values, beliefs and practices of a company. This thesis has showcased that hybridizations occur due to the evolving nature of culture.

Moreover, this thesis has shown that all hybridizations that occur do not need to be beneficial. The practices and processes that are efficient in China might not be favorable to utilize in Sweden. The example given regarding that the speed in decision-making should be transferred to Sweden, might not be possible or beneficial for the Swedish organization. The Swedish employees may not accept that fewer people take decisions, since Sweden is a democratic and egalitarian country. Even if this process works in Volvo Cars organization in China it may not be applicable in Volvo Cars organization in Sweden. The empirical

information showcased certain differences in hierarchy between Sweden and China, in regards to formality, seniority, the view of status and obedience. It was partially due to the focus on differences in hierarchy, that hybridizations could be seen in Volvo Cars organization in China. The focus on hierarchy was an approach utilized to see the differences between the Swedish and Chinese culture, however throughout the interviews other aspects were highlighted that were emphasized in the empirical data.

The empirical information demonstrates that hybridity and hybridizations exist within Volvo Cars organization in China and Sweden. Moreover, what this case study has shown is that the culture within this company is always changing and evolving, which contradicts previous research on culture. Research by for example Hofstede (2001) and Trompenaars and Hampden-Turner (2012) has looked at culture as something that is fixated. They have excluded the fact that hybridizations can occur and seen a culture as homogenous. The information gathered from the interviews proved that this is not the case, and they all saw that Volvo Cars culture is developing due to their presence in many parts of the world. The respondents all emphasized that the culture within the company also needs to evolve, and to be a successful MNC today a company needs to take other countries cultures into account. Furthermore, the interviews showed that an organization could learn a lot from other cultures and therefore improve their practices and processes in the home country, at the HQ. The finding is therefore that culture is flowing in many directions, to the host country but also in reverse to the home country. This research has therefore given valuable critique on the theory by Hofstede and shown that in this case study the culture is a combination of many influences.

It should be noted that this research is the result of a case study, and is therefore applicable for Volvo Cars and their organization in Sweden and in China. Moreover, the three managers that participated in this case study are working at Volvo Cars IT and the information gathered is their own knowledge and experience and should be considered sincere. Finally, the readers should take into account that this research is a case study and the insights are limited, however the research method can be applied to most MNCs with subsidiaries in different markets. The results from this thesis give indications of the occurrence of hybridizations in MNCs, but more instances of hybridity need to be studied to build theory of hybridity.

## **6.2 Theoretical Contributions**

This thesis contributes to two main areas of research; culture and the field of hybridization. Firstly, the research that was conducted in this paper aims to approach culture in an exploratory manner where culture is seen as being in a constant process of change. In short the thesis contributes to the culture research by not adopting a homogenous approach to culture, which is done by having a critical outlook on the research by Hofstede (2001) and Trompenaars and Hampden-Turner (2012). Secondly, this thesis aims to contribute to the field of hybridization. Researchers in this field encourage further research concerning hybrid practices (Shimoni 2011; Yahiaoui, 2014) and the work done in this study adds to the already existing research on this area by proving another example of hybridizations in a company. The result of this thesis is that there are hybridizations occurring in the space that is formed when people from different cultures meet. This result provides further knowledge by giving an example on how these hybrid practices can form in the light of hierarchy.

## **6.3 Implications for Businesses**

For companies active in multiple countries with different cultural outlooks, this study gives an indication of the value in taking locally adapted practices and hybrid outcomes into account, both on a broader level and also at the HQ. The findings show how the managers have approached the differences and how they experienced the implementation process. Therefore, this case study can be useful for companies attempting to venture abroad to the Chinese market and also to other countries, by providing an example. The thesis also provides readers with knowledge on an example of the Swedish culture, which can assist foreign companies. Finally, the case study showcases the value in learning from new practices since they can be more efficient or in other ways beneficial for the company. The study also showed the importance of being open to different cultures as this may shape the culture of the company.

## **6.4 Suggestions for Future Research**

This particular thesis is based on a case study and refers to the hybridizations, which occur at a single company with operations in Sweden and in China. Further research could be conducted on more countries and it could include more subsidiaries, the study can therefore be transferred to other companies that can perform the study. This would enable the literature on the subject of hybridization to be extended and provide further insight to the evolvement

of culture within companies. Moreover, it would be interesting to examine this organization at a later stage since the implementation process is rather new, to see if and how the hybridizations have evolved. Furthermore, it would be interesting to use other aspects than hierarchy in order to investigate hybridization, and this would provide a different perspective. Finally, for further research a study that would be performed using a bigger sample, could possibly enable researchers to make generalizations on hybridizations in order to attain insight on more areas and businesses.

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## **8. Appendix 1: Interview Guide**

### Category 1 - Person

1. Tell us a little bit about yourself?
  - a) How long have you worked at Volvo Cars?
  - b) What positions have you had at the company?
  - c) What position do you have now and how long have you had that position?
  
2. What do you like about your current job?
  
3. What kind of experience do you have of working in China/Sweden?
  
4. What challenges are you facing in China/Sweden? What is different in China as compared to Sweden?
  
5. What do you like and/or dislike about China/Sweden?

### Category 2 - Volvo Cars in China

6. How long have Volvo Cars been present in China?
  
7. What does the ownership structure for Volvo Cars in China look like?
  
8. How does Volvo Cars operate in China? Can you give examples?
  
9. What time frame has Volvo Cars had in China, in regards to establishing themselves in the market?
  
10. How would you describe the state of the implementation of Swedish management practices at Volvo Cars in China?
  
11. What organizational adjustments have Volvo Cars made in China?

Category 3 - Cultural Adjustments of Volvo Cars in China

12. How do you perceive Chinese business culture as compared with the Swedish business culture? Examples?

- a) What cultural differences have you noticed in the Volvo Cars organization in China?

13. What indications of a combined business culture in Volvo Cars operation in China can you see?

- a) Would you describe it as an asset to Volvo, to have two different cultural outlooks on management in China and why?

14. What adjustments do you have to make in China/Sweden on an everyday basis in regards to your job?

15. Have you experienced any kind of difficulties when implementing Swedish processes and practices in China? Examples?

16. How would you say that the organizational structure differs between Sweden and China?

17. What differences have you noted in regards to hierarchy within the organization between Sweden and China?

18. Would you describe that there are differences concerning gender and age in the management between Sweden and China?

- a) Who are the people that receive the highest positions in general?