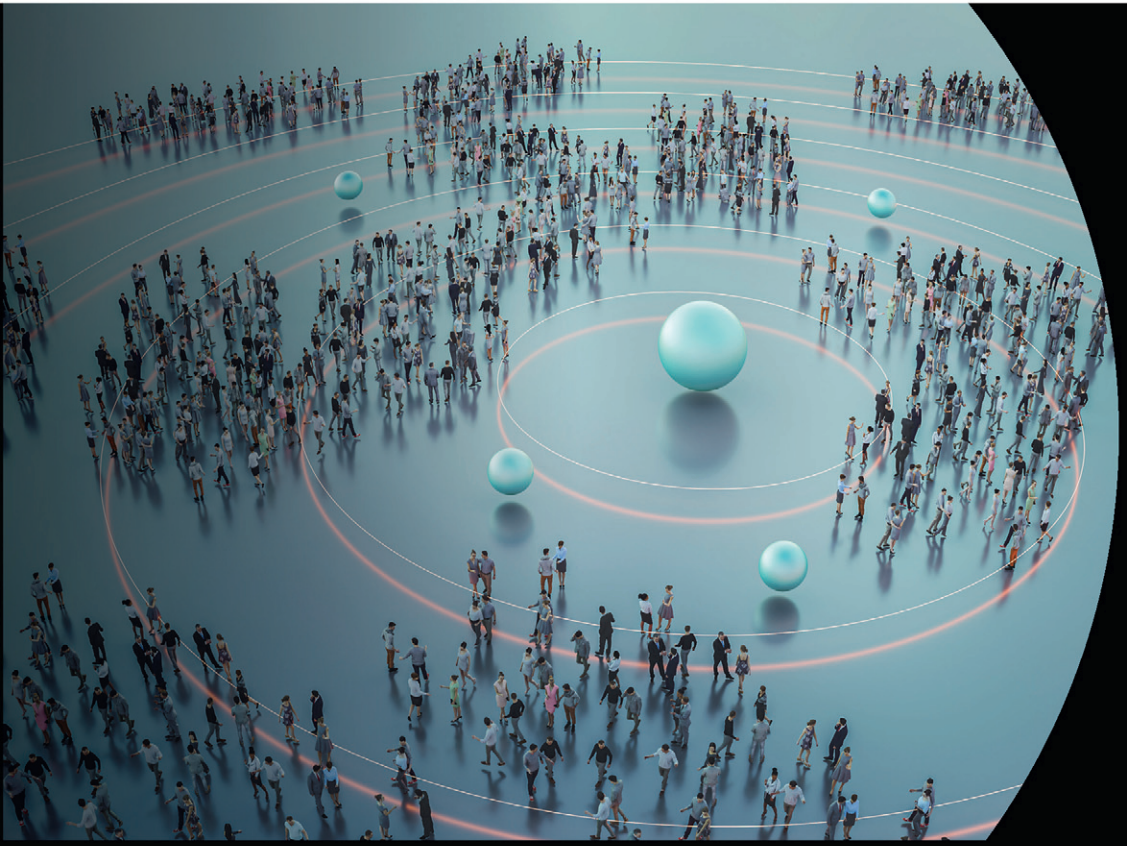


**EMERALD STUDIES IN GLOBAL
STRATEGIC RESPONSIVENESS**



**MICHAEL JAKOBSEN
VERNER WORM**

NAVIGATING CORPORATE CULTURES FROM WITHIN

**MAKING SENSE OF CORPORATE
VALUES SEEN FROM AN
EMPLOYEE PERSPECTIVE**

Navigating Corporate Cultures from Within

Emerald Studies in Global Strategic Responsiveness

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Navigating Corporate Cultures from Within: Making Sense of Corporate Values Seen from an Employee Perspective

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INVESTOR IN PEOPLE

Table of Contents

List of Figures	<i>vii</i>
Foreword	<i>ix</i>
Acknowledgment	<i>xix</i>
Introduction	<i>1</i>
Chapter 1 Adapting to Changing Conditions	<i>15</i>
Chapter 2 Context and Organizational Change	<i>21</i>
Chapter 3 Organizational Responses: Introducing the Case of Maersk A/S	<i>33</i>
Chapter 4 Employee Perspectives on Core Values	<i>49</i>
Chapter 5 Employee Perspectives at Headquarters	<i>63</i>
Chapter 6 Employee Perspectives in the Shanghai Office	<i>73</i>
Chapter 7 Employee Perspectives in the Tokyo Office	<i>83</i>
Chapter 8 Employee Perspectives in the Kuala Lumpur Office	<i>93</i>
Chapter 9 Identifying Fields of Contesting Narratives: Summing up the Interviews	<i>101</i>

Chapter 10 Generic Aspects of Specific Organizations: Some Concluding Remarks	<i>107</i>
Appendices	<i>113</i>
References	<i>123</i>
Index	<i>129</i>

List of Figures

Figure 1.	A Contextualized Model of Individuals Scripts, Sense-Making, and Empathy.	9
Figure 2.	A Model of Cross-Cultural Empathy.	10
Figure 1.1.	A Holistic Institutional Structure.	17
Figure 1.2.	A Contingency Model of Company Strategy.	18
Figure 5.1.	Illustrating the Work–Life Balance of a Female Impatriate.	64
Figure 5.2.	Illustrating the Work–Life Balance of a Married Impatriate.	65
Figure 6.1.	Illustrating Work at the Shanghai Office by Young Trainee.	74
Figure 6.2.	Illustrating Loyalty by Young Trainee at the Shanghai Office.	74
Figure 6.3.	Illustrating Work by Mid-level Manager at the Shanghai Office.	75
Figure 7.1.	Illustrating Work by Branch President at the Tokyo Office.	84
Figure 7.2.	Illustrating Work by Country Manager at the Tokyo Office.	85
Figure 10.1.	Code Model of Organizational Communication Processes.	111
Figure A1.	Comparing Positivism and Structuralism.	118
Figure A2.	Phenomenology – Contextualized Interpersonal Phenomena.	118
Figure A3.	Eight Metaphors for Organizational Analysis.	121

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Foreword

The Role of Values in a Responsive Global Organization

This book gives a unique perspective to the management of headquarter–subsidiary relationships with important insights about how to align corporate values and facilitate joint efforts among many diverse individuals across a far-reaching global enterprise.

The underlying study provides a path-breaking contribution to better understand the challenge of managing people in complex multinational settings operating across many diverse national market contexts in a dynamic global setting where things are in constant flux. National and international policy developments will influence prevailing (and prospective) business activities while changes in customer demands, technological innovations, and disruptive competitive initiatives constantly require adaptive responses to stay relevant and on top of the game. This is a concern of the highest executive echelons in an enterprise based on the premise that corporate leadership is about how to engage (all) individuals throughout the organization in effective enactment of an intended strategic direction under uncertain conditions.

It is established wisdom in international business to structure enterprise activities so they can accommodate the local market contexts the complexity of which makes centralization less effective while important dispersed resources must be engaged through formal procedures (e.g., Ghoshal & Nohria, 1989). However, it is also noted that multinational activities can be aligned through a common set of values and goals to reduce divergent interests among organizational actors and create a sense of mutual interdependence (Nohria & Ghoshal, 1994, 1997). Hence, it is generally acknowledged that a strong mission mirrored in corresponding values and belief systems in a supportive organizational culture are essential to generate sustainable corporate outcomes (e.g., Andersen, 2013). Yet, it is far from obvious how to establish consistent and compatible core values across a complex multinational enterprise. That is the essential theme the book is addressing as it develops new important insights to enlighten this fundamental leadership issue.

The Importance of People

Companies are social systems (often) consisting of (many different) people that work to execute the daily tasks accomplishing the official roles and strategic aims of the organization that employs them guided by executives and managers assigned with various roles of higher responsibility. It should be obvious that the way these (many) individuals together carry out the multitude of activities influence eventual outcomes and the effective attainment of common aims from their engagements. While this is often acknowledged, top management typically allocates the establishment of supportive organizational value systems to the effort of a Human Resource (HR) Department. This is often reflected in (well-meaning) attempts to make the basic corporate values visible, e.g., expressed in formal Codes of Conduct assuming that explicit broadly disseminated value statements will ensure a general buy-in among organizational members.

This may (inadvertently) hint that the human element constitutes an economic input factor in line with other (basic) resources like raw materials, land, and capital. In other words, it may result in an (unintended) diminishment of the role (each of) the individuals play in their joint efforts to accomplish important corporate outcomes. This is a key point of the study carried out by *Michael Jakobsen* and *Verner Worm*, namely that the individual employees acting throughout the organization fulfill essential roles that determine the effectiveness with which the organization as a whole performs and adapts to a rapidly changing environment. It implies that the individual actors abide by a set of compatible values with consistent efforts to effectively achieve the collective organizational aims. But, their study shows that this is more difficult to achieve than we realize, and explains why that is, while pointing toward possible remedies.

Core Values and Organizational Culture

It is argued that core values constitute the foundation of an organizational culture and provide guidance to the individual actors (Deal & Kennedy, 2000). It can be explained as a required alternative to written contracts that outline formal duties and tasks of the job as it is impossible to specify correct procedures for all potential contingencies many of which are unknown in advance. Hence, the cultural norms reflected in the core values can be seen as unwritten contracts that specify optimal behavior in the face of unforeseen situations and circumstances (Camerer & Vepsäläinen, 1988). These culturally embedded values can guide decision-makers as they deal with uncertain conditions and typically derive from the personal moral acts carried out by leaders in the organization (Bass, 1985; Trevino, 1986). It can inspire people in the organization as admirable behaviors that create respect for certain leadership traits (Bass & Avolio, 1994; Bass & Steidlmeier, 1999). Schein (2004) argues that organizational culture derives from the beliefs of corporate founders and joint experiences of (many) individuals within the organization. So, when the founder influence (gradually) disappears,

the values will be modified by new leaders enforced by concrete actions to (eventually) become established as acceptable corporate behavior.

The core values of an organization consist of shared beliefs that influence how actions are taken (Wieland, 2005). The belief systems that convey the core values of the corporate culture can guide and inspire the search for responsive solutions and new business opportunities (Simons, 1995). So, the commonly accepted core values can shape the collaborative behaviors among key stakeholders within and around the organization to support the achievement of common ends. However, the values embedded in an organizational culture are challenged when the operations extend across a wide transnational presence and span diverse business activities, e.g., obtained through acquisitions. This can create distinct subcultures in specialized entities, geographical locations, and corporate divisions (Schein, 2004). This divergence in core values can create pockets of incompatible behaviors across parts of the corporation and can be further influenced by internal power structures and differences in national cultures (Campbell, Eden, & Miller, 2012; Schaubroeck et al., 2012). Hence, the direct effect of behavior-driven leadership values is challenged in organizations that engage in a diversified corporate business portfolio and operate across a diversity of national cultures.

A. P. Moller – Maersk – The Case Company

A. P. Moller – Maersk is indisputably one of the most recognized Danish multinational corporations. The company has had a significant influence on corporate business development in Denmark over the past decades and is known for its values-based management principles linked to its founding and formative leadership (e.g., Andersen, 2017). The noted challenges to retain strong core values in a multinational enterprise pursuing international acquisitive growth where employees are scattered around the world away from the corporate headquarters can be readily observed in the more recent developments of the company. These challenges were accentuated by the retirement of the founder leaving the reins to new leaders in the organization. This makes A. P. Moller – Maersk an ideal case company for in-depth studies of the role and effects of strong core values as the foundation for an accepted organizational culture.

The corporate roots can be traced to 1904 when Arnold Peter Møller at age 27 incorporated *Dampskibsselskabet Svendborg* and established the sister company *Dampskibsselskabet af 1912* eight years later. A. P. Møller's son, Mærsk McKinney Møller, was born in 1913 and became coowner of the shipping company in 1940 with a mandate to manage the entire fleet from New York until the Second World War was over. It is said that the concern for “Constant Care” dates to this time as A. P. Møller sent a letter to Mærsk McKinney Møller noting: “that no loss should strike us that can be avoided through constant care” (e.g., Benson, Lambek, & Ørskov, 2004; Cortzen, 2003; Lindholm & Stokholm, 2011; Lunde, 2008). A. P. Møller's leadership style reflected strong core values paying respect to hard work and dedication with rewards assigned to demonstrated competence and wholehearted effort.

These values continued to permeate the organization as Mærsk Mc-Kinney Møller became CEO in 1965 upon the death of his father. The core values were never written down but were reflected in the executive decisions made by Mærsk Mc-Kinney Møller and the implicit principles that guided them. For example, he decided to build double hull tankers and replace the entire company fleet after the Exxon Valdez oil spill in Prince William Sound, Alaska, on March 24, 1989, which was fully accomplished by 1993 (Andersen, 2017). It was the only major shipping company to do this. It did not earn immediate returns but was considered the proper thing to do. When the international maritime conventions eventually phased the single hull tankers out after a catastrophic oil spill off the French Atlantic coast in 2000, the company was already ahead of the pack. This chain of events earned the company a certain reputational standing.

Mærsk Mc-Kinney Møller resigned as CEO in 1993 and Jess Søderberg took over. A. P. Møller – Maersk acquired *Safmarine* and *Sea-Land* in 1999 and *P&O Nedlloyd* in 2005 to forge a leading market position. Mærsk Mc-Kinney Møller was replaced by Michael Prahm Rasmussen as Chairman in 2003 and Nils Smedegaard Andersen took over as CEO in 2007 to lead a consolidation process. The maritime industry was hit by the global economic crisis with decreased trade volumes and fragile freight rates enforcing a focus on cost consciousness and resourceful trimming of corporate businesses. Top management introduced corporate guidelines and policies in their attempts to retain the “Mærsk Values” and established a Corporate Social Responsibility (CSR) Department in 2009 signing on to the principles of the UN Global Compact.

A count of public media appearances on A.P. Møller – Maersk issues makes it clear that the number of incidents around the world increased after the corporate acquisitions in 1999 with a slight downward trend from 2009 as more attention was given to the UN Global Compact. Nonetheless, it seems evident that increasing geographic dispersion and business diversification through acquisitions distorted the ability to enforce the core values and ethical principles derived from the corporate origins and gave rise to some dysfunctional practices in parts of the global organization. This is a commonly observed phenomenon reported among multinational companies (e.g., Tengblad & Ohlsson, 2009). It often gives rise to more formal approaches to impose the core values through written Codes of Conduct, internal training, and management development programs (e.g., Balmer, Fukukawa, & Gray, 2007; Van Lee, Fabish, & McGaw, 2005).

International Business and Strategy Views

The importance of “lower level” employees as they engage in organizational activities has been manifested in various ways in the international business and strategic management fields (Andersen & Andersson, 2017). The generic multinational strategy-making model emphasizes central coordination from headquarters to provide direction and gain economic efficiencies but also recognizes the significance of decentralized functions and subsidiary operations in the local overseas markets. In an effective multinational enterprise, activities pursue a general direction provided by the corporate headquarters but also allow

autonomy for local subsidiaries to consider domestic practices and cater to specific customer requirements with adaptive responses coordinated through informal communication and information exchanges.

Turbulent global markets represent the ultimate strategic challenge of dealing with highly uncertain and unpredictable business conditions where a high degree of structural flexibility and strategic response capabilities are important sources of competitive advantage. The ability to respond effectively to the changing conditions hinges on an ability to make rational analytical considerations at the corporate center based on updated information from current experiences and insights in the overseas subsidiaries that front the corporate operations locally. So, a multinational adaptive system arguably derives from the dynamic interplay between central coordination with general directions from headquarters and current information updating from the decentralized business entities that experience the emergent changes first hand from the local market activities. Hence, the multinational enterprise must remain true to its overarching purpose while the dispersed corporate activities adapt to local demands and reconfigure corporate resources so they retain a good fit with prevailing market requirements as competitive conditions change around the world.

In international business studies, this is typically expressed in the dual, and seemingly opposing, tensions between the need for international efficiency and an ability to satisfy local market needs exemplified by a transnational strategy of global integration and local responsiveness (e.g., Barlett & Ghoshal, 1989). In the strategic management field, this approach is often expressed in the ability to combine the complementary roles of central strategic planning and different decentralized strategy-making modes (e.g., Andersen, 2013).

Conventional international business theory sees cross-border investments as driven by ownership of firm-specific advantages that allows a corporation to engage in profitable international business expansion (e.g., Dunning, 1979; Vernon, 1971). From this view, the local subsidiaries are vehicles the corporate headquarters establish to transmit the unique and superior capabilities into overseas locations reigning in incremental profits without making significant modifications in the local market offerings. It is somewhat later the dual pressures for global efficiency and local adaptation take the fore as an integration-responsiveness tension that needs to be resolved (Prahalad & Doz, 1987). Hence, the emphasis on transnational strategy configurations was an attempt to find a better balance between the global integration and local responsiveness pressures (Barlett & Ghoshal, 1989). This meant that (more) complex multinational structures could be formed to (better) satisfy local market requirements through differentiated local activities while the geographically dispersed activities as far as possible should be integrated to gain efficiencies from scale and scope economies (Doz & Prahalad, 1991; Prahalad & Doz, 1987).

Ideally this should form a loosely coupled structure where global integration is achieved from centralized coordination at headquarters and with local responsiveness enabled from delegation of (some) decision power to local subsidiaries with regional market responsibilities (Bartlett & Ghoshal, 1989, 1999; Harzing, 2000). Subsequent research efforts have indeed uncovered the potential

importance of subsidiary autonomy as sources of new business initiatives (e.g., Ambos, Anderson, & Birkinshaw, 2010; Andersson, Forsgren, & Holm, 2002, 2007) and value creating interorganizational network activities (e.g., Dörrenbacher & Gammelgaard, 2006, 2010; Gammelgaard, 2009).

This corresponds to the conventional view of strategy formation anchored with the executive office at corporate headquarters outlining the (proper) strategy to be enacted by forming a supportive organization structure and engaging people in the execution of planned initiatives (e.g., Chandler, 1990). It is reflected in the common distinction between *strategy formulation*, where top management develops the strategic plan, and *strategy implementation*, where (all the) people in the organization subsequently execute the planned strategic actions (e.g., Andrews, 1980; Ansoff, 1988; Anthony, 1965). The strategy formulation process can engage various decision-makers throughout the organization in the ongoing discussions but this is increasingly difficult in diversified and geographically dispersed corporate structures. However, there is a general recognition that strategy execution embraces an amalgam of planned (intended) and (emerging) responses as the business environment is uncertain and may uncover new threats and opportunities after the planning process is completed (e.g., Mintzberg, 1978; Mintzberg & Waters, 1985). Hence, a variety of seminal studies show how autonomous decentralized initiatives can develop into (very) important strategic business activities (e.g., Burgelman, 1983; Burgelman & Grove, 2007).

So, a more complete description of strategy-making is comprised both by formal planning activities and various more or less autonomous business responses carried out in different parts of the organization. An *evolutionary* perspective of strategy-making sees lower-level managers as the instigators of the new business initiatives whereas the role of top management is more to structure the organization in ways that enable and facilitate these dispersed initiatives (e.g., Burgelman, 1996). This approach is also variously referred to as *guided evolution* where the organizational responses to competitive changes are formed by dispersed emergent initiatives (Lovas & Ghoshal, 2000). This calls for structural flexibility that allows autonomous initiatives and updated action plans to deal with uncertain and changing conditions combining rational analytical planning with decentralized strategy-making modes (e.g., Andersen, 2004; Baum & Wally, 2003). This also implies that a multinational enterprise should integrate through central planning at headquarters and at the same time facilitate responsive decentralized decision-making at local business units and subsidiaries to enable superior adaptive capabilities.

The insights, drawn from brief analyses of strategic management and international business studies, point to the importance of dynamic and ongoing interactions between managers at the corporate center and the dispersed business units to create an effective adaptive organization. However, while these confounding perspectives imply open communication lines and information exchanges between many individuals in different parts of the organization, they do not consider the organizational climate that can enable and facilitate these human interactions. That is, the way working conditions and operating practices are perceived by individual employees and various groups within the organization

seems to play an important but often overlooked role. This brings us back to the relevance of core values and the ability of leadership to instill common belief systems across many individuals in a diverse organization that allow them to interact and collaborate on organizational activities and adapt to environmental changes.

The Role of Headquarters and Local Subsidiaries

In dynamic and complex global market contexts, organizational information-processing capabilities become essential to monitor environmental changes and gather updated information that can coordinate activities across many interdependent but functionally and geographically dispersed entities. The intra-organizational information and communication systems comprise vertical flows between hierarchical levels in formal management control systems as well as horizontal flows between subunits for informal and unstructured discussions. That is, applications of contemporary communication and information technologies can enable formal controls for central coordination functions while also support the informal exchanges needed for mutual adjustment in responsive actions to generate opportunistic responses as the environmental changes happen. Since resource-committing decisions are made in different parts of the organization (e.g., Blair & Hunt, 1986, 2005; Mintzberg, 1994), effective allocation of resources toward changing conditions is induced by the *decision structure* and the *information processing* systems adopted by the enterprise. Yet, the way the systems, structures, and practices are applied across organizational entities is influenced by individual behaviors guided by their core values. Hence, to gain consistent effective outcomes, the ability to pursue common core values among all employees engaged in the organizational activities becomes a prerequisite for effective adaptive outcomes. The current study by *Michael Jakobsen* and *Verner Worm* provides essential information about how to achieve this in a complex multinational organization. The study is presented in its full length in this book as an essential contribution to the management of multinational enterprise.

I hope you will enjoy the book and find good use from its many profound insights.

Torben Juul Andersen

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Michael Jakobsen and Verner D. Worm
Copenhagen, September 2021

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Introduction

Employees and Organizational Adaptation

The mention of employee sense-making in the title of this book refers to a key insight from our study, namely that the employees' perception of the norms and values in a complex multinational enterprise is essential for their ability to respond effectively to the constantly changing business contexts and hence the agility of the entire organization.

The findings from this study presented in the ensuing chapters build on an overarching framework with a number of key assumptions and perceptions that have guided the underlying research process. One assumption is that corporate cultures can be conceived of as organizational images designed by top management to homogenize, or harmonize, an otherwise multicultural staff to enhance and optimize organizational performance. Such images generally relate to an organization's basic assumptions in the form of norms and values that define an organizational culture. The shared norms and values that constitute a specific cultural setting supposedly create a common background for using a collective "we" about everyone, i.e., every individual employee, in the organization. Yet, company values are engineered over time, being molded, and redesigned to match ongoing changes in both the external and internal environment, aimed to make the organization adapt faster to changing market conditions, globally as well as in local host markets. So, this study takes a closer look at the dynamic process of cultural renewal in a complex multinational organization with a particular focus on the role assumed by the (many) individual employees. This is an entirely new way to conceive of the effects of important corporate values where a common approach has been to look at organizational culture from a confined top management perspective.

Besides focusing on the process of rolling out a corporate culture and observing how employees within the organization interpret these efforts, the study also focuses on how a given institutional setup affects overseas subsidiaries and local office performance. A proposition discussed here is that a deep insider understanding of host market specificities is imperative to succeed in the adaptation processes to those particular markets and reduce adverse effects from "liability of foreignness" and "outsidership" in the local markets. In addition to this, we argue that studies of country-specific norms and values are crucial when recruiting new employees for local offices to understand the kind of mindsets these employees bring to the local office as they enter the company. This is important as

the analysis of how employees perceive a corporate culture depends on how they “read” or try to make sense of it. Such “readings” constitute a foundational element for our study of how employees navigate the organization they operate and work in.

Single Case Study

This research effort is based on a single case study of the Danish shipping company Maersk A/S that we introduce and present in the following. A main focus in the study is on the relationship between the corporate headquarters in Denmark and the local offices in Japan, China, and Malaysia. We consider the respective host markets and their institutional setup that represent three different types of markets: a developed market, a transitional/emerging market, and an emerging market. This is done to understand how employees at these locations representing three different market contexts perceive the rolling out of a Danish-inspired corporate culture at the headquarters and various local offices around the world. We also consider how local host market cultures affect the employees’ perception of the corporate value.

There has been a growing interest in qualitative research techniques in administrative sciences over past decades but still without assuming a dominant or even influential role in business studies. However, the application of case studies based on grounded theory is ideally suited to support the contextualized types of studies we want to pursue here.

Single case studies are generally based on qualitative research characterized by an up-close, in-depth, and detailed examination of a subject (the case or the case organization) and the specific conditions that contextualize it. Case studies follow a relatively tight formal research methodology that allows greater details to be observed compared to studies that follow a quantitative approach. The resulting body of case study research has for long assumed a prominent place in many disciplines and professions ranging from psychology, anthropology, sociology, and political science to education, social work, and administrative science (Yin, 2013).

The case subjected to study can be a single individual, a larger organization, a specific event, or an action that has occurred at a specific place over a given time period. When cases are employed in an abstract sense, for example, as a claim, a proposition, or an argument, they can be subjected to different research approaches. In business research, different approaches can be adopted including comparative case studies, theory developing case studies, hypotheses testing studies, etc. (Yin, 2013). Here we adopt a “no-theory-first” type of case study design closely connected to Kathleen M. Eisenhardt’s methodological work whose approach is especially appropriate in new topic areas, where existing theories cannot be employed (Eisenhardt, 1989, 1991, 1999). Case study research is particularly useful to explore certain types of problems, such as new areas of research where theory is at an early formative stage and practice-based problems

where the experiences of involved actors are important and where the context of action is critical (Roethlisberger, 1977).

Single case studies only deal with one subject thereby leaving out the comparative perspective. Yin (2013) notes that exploring “how” and “why” questions is suited for a single case study design because the issues often must be traced in its contextual detail over time. Furthermore, negative and positive development in complex change processes that happen over time can be described in sufficient detail as part of a case study where the reader can follow developments in the case as they unfold (Mariotto, Zanni, & de Moraes, 2014; Yin, 2013).

Three good reasons emerge why case study research is a viable proposition in international business research. First, the researcher can study the international business activities in a natural setting and learn about the state of the art as a basis for generating theories from practice. Second, the case method allows the researcher to answer pending “how” and “why” questions to better understand the nature and complexity of the underlying processes that take place. Third, a case study approach is appropriate to research areas where only few prior studies have been carried out (Benbasat, Goldstein, & Mead, 1987). All three reasons apply to our study of “how” individual employees navigate a complex multicultural context like Maersk Line and “why” they act as they do. Hence, a case study approach allows us to examine this phenomenon in a natural setting using multiple data collection methods to gather relevant information (Benbasat et al., 1987).

The ultimate purpose of a single case study is to disclose general patterns of developments. There are at least three main forms of generalizations. The first is statistical generalization used in quantitative studies to support or reject a hypothesis. A second form is known as analytical generalization where various processes can be described, so the empirical analysis can develop generalized theoretical concepts. The third form is grounded theory, where the researcher tries to work as unbiased as possible with the observed phenomena to generate new informative insights. We apply a case study methodology closely related to a grounded theory approach as we are at the beginning of a new research area starting almost from scratch. This approach is based on an inductive methodology that allows the researcher to take account of general features around a topic while simultaneously grounding these accounts in empirical observation (Martin & Turner, 1986).

Grounded theory posits that meaning is negotiated and understood through interaction with other actors in social processes (Jeon, 2004). These social processes display structure, code of conduct, and procedures that describe how interaction unfolds and shapes the meaning that comes from them. The goal of grounded theory is to develop explanatory theories of basic social processes studied in the context in which they take place (Glaser & Strauss, 1967). According to Strauss and Corbin (1998), grounded theory examines the “six Cs” of social processes (causes, contexts, contingencies, consequences, co-variances, and conditions) to understand the patterns and relationships among these elements. Knowledge of social realities is achieved through careful observation of behavioral practices (Starks & Trinidad, 2007).

4 *Navigating Corporate Cultures From Within*

In this study, we concentrate on the main principles of single case studies based on grounded theory (Strauss & Corbin, 1998). Our key research focus revolves around how employees optimize their personal mode of sense-making to navigate a dynamic organization as it changes. We engage in analytical generalization that go beyond existing concepts and theories to develop and expand studies of how employees navigate the organizational context they work in. These kinds of studies are nonexistent. Due to the explorative character of the study, we focus on inductive methodologies so as to combine grounded theory within a single case study approach to generate new categories and concepts for theory building (Miles, Huberman, & Saldana, 2014).

Localized knowledge is important because it can provide a deep insight into the inner workings of a complex multinational organization and the perceptions held by its employees thereby providing a combined bottom-up and top-down perspective. The grounded single case study is appropriate as a way to combine etic and emic knowledge in the data collection where the etic data are collected to contextualize the emic data. Hence, we apply a narrative pictogram method introducing drawings collected from our interviewees as the emic part of our data collection in the Shanghai, Tokyo, and Kuala Lumpur country offices.

The ultimate purpose of doing research is to be able to generalize findings and generate useful insights. In our study the purpose is to generate a generic framework around specific issues through theory development and analytical generalization. To describe observed processes, develop related theories, and generalize analytical insights, we take a critical approach to the theoretical concepts as is done in laboratory research. The generalization that we work on is at a higher conceptual level than employed in individual studies building on and extending existing concepts and theories until generalized phenomena can be detected. Some insightful nonacademic literature written by previous managers does exist that partially capture this approach (e.g., Jensen, 2014).

In the existing academic literature there are two streams of studies that are somewhat similar to ours in the area of organizational studies, but they are, however, conducted on the basis of a top-down approach and they are mainly related to research on quality of life in business. One literature stream is focused on the degree of well-being in organizational life, or the opposite, including the degree of stress, mopping, etc. The other stream of research in quality of life in the workplace focuses on positive perceptions of compassion toward the workplace (Gold, Johnson, & Powell, 2013; Legge, 1995). Both of these approaches focus on how management can influence their employees directly in a desirable way, thus demonstrating a top-down approach.

In our research we turn these approaches upside down and study how the employees optimize their personal strategic sense-making during organizational change processes. When doing this we do not focus on stress or other forms of psychological inconsistencies between employees and their jobs or the leadership. Instead we describe different age groups, functional levels, and ethnicities among employees in specific circumstantial settings, such as at headquarters as well as in subsidiaries and local country offices. Both types of employees operate in different contexts that influence how they relate to the organization. This is a new research

focus in international business that describes bottom-up processes over time generating new concepts and hypotheses that reinterpret the results of similar already existing studies. The present study is a grounded research that generates analytical generalizations with new concepts, such as employee navigation and sense-making in organizational contexts. This approach to understand modes of employee navigation in organizations has been conducted over a three-year time span and does not present a conceptual exercise at one point in time as the outcome of combined grounded studies of a single case.

The Complexity of Single Case Study

The single case study approach is useful in instances where it provides a revelatory case that presents a situation previously inaccessible for scientific investigation (Yin, 2013), which exactly is the relevant situation for the subject of our case study, Maersk Line. There are no academic studies of this kind of multinational companies in the global marine industry, as these businesses including Maersk Line have been rather closed to engaging with academic scrutiny. This makes these truly global companies specifically interesting compared to other global companies that have been studied more extensively over the years.

A case study examines a phenomenon in its natural setting using multiple methods of data collection to gather information from one or more entities (employees, teams, departments, divisions, etc.). The boundaries of the phenomenon are not always clear at the outset of the research as no experimental control or manipulation is possible. As the studied object is an organization, it has clear external boundaries and a highly complex internal structure that may be unfamiliar to the researchers in the beginning. The boundaries of the contexts in which the individual employees work may also be influenced by their own network connections making their contexts fluid as well. A fundamental difference between case studies and other methods such as laboratory and field experiments is that the case study researcher may have less prior knowledge of what the variables of interest will be and how they will eventually be defined and described.

Case methodology is clearly useful when a natural setting or a focus on contemporary events is the context. In this case, the analysis of case data depends heavily on the creative capabilities of the researchers. Using multiple methods of data collection offers an opportunity for triangulation, thus lending greater support to the researcher's conclusions. Working with a research partner may also provide invaluable assistance. Two researchers can capture greater richness of data and rely more confidently on the accuracy of the data collected. Similarly, research phenomena not supported by a strong theoretical background may be fruitfully pursued through case research. A rich natural setting can be fertile ground for generating theories (Benbasat et al., 1987). Conversely, when subjects or events must be controlled or manipulated in the cause of a research project, the single case approach is not so conducive. However, this is not the case in our

6 Navigating Corporate Cultures From Within

study as we describe and analyze a case in its natural setting as it develops dynamically over time.

The data collection used to inform the study includes interviews with employees at various organizational levels within Maersk A/S at the headquarters in Copenhagen and its local offices in Shanghai, Tokyo, and Kuala Lumpur. Based on the collected dataset, it seems as if notions of local norms and values are generally antithetical to a global corporate culture. The drivers behind this phenomenon are the local contextual embeddedness as well as the cognitive dissonance of the employees (to varying degrees) that generate a negative perception of the corporate culture due to a clash of value systems. Such clashes across embedded value systems can be detrimental to the implementation of a common corporate culture and, therefore, the ability to align the narratives of the corporate value and norms as adopted by top management and by the employees becomes important, if not essential for successful outcomes.

This assumption has led to the following hypothesis that permeates the general research focus in this book: *Rolling out a local responsive corporate culture based on established values in an organization enhances organizational efficiency.*

We argue in the book that an organization can be understood as a contested field of narratives among its members including all managers and employees in general. At one end of a continuum, we find the narratives developed by members of the top-management team that establish the guidelines for the company's strategic focus and performance targets as well as providing the building blocks that can create a collective "we" and glue individual efforts together across the organization as a coherent and well-functioning entity. At the other end of the continuum, we find the narratives developed by the individual employees scattered throughout the organization in different functional areas and geographical locations around the world. They are based on interpretations of the narratives and value systems that emanate from top management and have a two-fold nature. The first relates to norms and values understood as key signifiers that make employees able to navigate the organization and set up a career track within the company. The second is a more personalized set of narratives that can be characterized as "what's-in-it-for-me," determining whether the employee finds it worthwhile to stay with the company in pursuit of a longer-term career path. If the two sets of narratives, the ones from top management and the ones from the employees, are in alignment, then the organization will function in a seamless and optimal way. In case of misalignments that are not observed and dealt with in due time, the organization might gradually move toward a dysfunctional mode.

Employing a Phenomenological Research Design

To understand how the employee narratives are developed and determine whether the organizational narratives are in alignment, or misalignment, we suggest the application of a philosophy approach based on phenomenology. In short, the interplay between an individual and his or her immediate context where he or she finds him or herself is guided by scripts that function as guidelines for how to

navigate a given situation in that context. Generally, the scripts provide a kind of “road map” for how to act and do things, but sometimes cognitive dissonances disrupt the link between the given context and the pertinent scripts. This leads to new alternative modes of organizing known scripts or developing new ones that enable the individual to develop adapted (personal) strategies for how to navigate the new situation. The “harmony” or consistency between the individual and his/her context is thus restored through the development of new scripts.

We developed a phenomenological research agenda applied at different levels and areas in our case company, Maersk Line. We study how individuals relate to their given organizational contexts. Inspired by cognitive psychology focusing on the individual, we define context as a “bundle of stimuli” that an individual assumes and relates to in a given situation (Whetten, 2009). The dynamic relationship between context and the individual constitutes one of the corner stones in phenomenology where interaction is value-laden (governed by normative values) and intentional (honing the strategy of the individual). This forces the researcher to search for the underlying drivers of such normative and intended (strategic) practices.

Two interrelated concepts add to the workings of such practices referred to as *scripts* and *sense-making*. A script is a mental construct that consists of a **sequence of actions or events necessary to achieve a goal**. There are several definitions of what a script is. One sees it as “a set of expectations about what will happen next in a well-understood and another “as a coherent sequence of events expected by an individual in a particular context where *she* is a participant or (Puto, 1985). Sense-making is “the process by which people give meaning to their experiences” also defined as “the ongoing retrospective development of plausible images that rationalize what people are doing” (Weber & Glynn, 2006; Weick, Sutcliffe, & Obstfeld, 2005).

Put together, these two concepts help identify the otherwise hidden drivers that make an individual relate to a given context. For example, when entering a given context, e.g., a social group, an organization, or some societal event, an individual knows how to deal with that context by following internalized scripts that emanate from upbringing or similar previous experiences. Due to the dynamic interaction between a given context and an individual, unexpected events might present themselves as a cognitive dissonance that corrupts the selected scripts and create disorder in an otherwise known context. In an attempt to make sense of this new situation, an individual will try to create a new script that is able to handle the situation by creating a new order. In this way, scripts are not static but are constantly changing due to the unpredictable nature of the relationships between contexts and individuals that attempt to make sense of them. Order is thus recreated until the next cognitive dissonance turns up to disrupt the way an individual has made sense in an otherwise well-known context.

This dynamic relationship between context, sense-making, and scripts equips individuals with tools that make them able to interpret and understand the actions of other individuals and “read” the “rules of the game” that govern the organization where an individual is employed.

8 *Navigating Corporate Cultures From Within*

The interactions between the individuals and the various kinds of contexts they operate in produce individual strategies of intent that help an individual to navigate events in social and organizational settings in view of the “rules of the game” set by society and/or the organization. For example, Jakobsen and Worm (2018) studied the consequences of rolling out a global corporate culture in a multinational company (the Danish shipping company Maersk Line) intended to streamline modes of communication between headquarter and local offices across overseas host markets to optimize the functionality of the organization. The key research question was how the employees at the Copenhagen headquarter and the local offices in Shanghai, Tokyo, and Kuala Lumpur responded to such an optimization process (Jakobsen & Worm, 2018). The study focused particularly on how the employees formed their “readings” of the initiative to make sense of it and construe their own personal strategies to navigate the organization for their advantage.

The study found that rather than perceiving the organization as consisting of structures and divisions, a more productive way to understand it was to think of it as a playing field of competing narratives that change with the internal and external contexts around the organization (Jakobsen & Worm, 2018). Such a constant reconfiguration of narratives construed by top managers and employees takes place regardless of the geographical location of the headquarter and/or the local offices. The key issue is that both the internal and external contexts are dynamic and partially unpredictable, thus forcing the various organizational members to critically “read” the interrelated effects of narratives formulated by top management and those construed by employees. These narratives among different organizational constituents are essential markers as these individuals attempt to navigate in a dynamic and complex global business environment.

The Role of Empathy

An important additional concept is taken from positive psychology, namely the notion of empathy that influences or mediates the sense-making of individuals in a given context (Fig. 1).

Together the three factors of scripts, sense-making, and empathy exert a direct, or indirect, influence on the surrounding context. The scripts (of individuals) and the context have a mutual effect on each other. Individuals adapt their scripts according to the changing context and the individual scripts influence the context when they interact with it. Individual sense-making and scripts have a similar mutual dependence where sense-making is governed by meta-cognition that again manifests itself as scripts. When scripts are forced to adapt to the changing context, the level of meta-cognition increases and creates new sets of scripts. The sense-making process also influences the empathy that makes the individuals act in ways that directly affect the context.

From an organizational perspective, a phenomenological approach deals with the attitudes and relations of individuals where, for example, managers feel responsible for the overall strategy of the organization (context) and employees