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Creating Corporate Culture

A study of strategies employed to cultivate High
Performance Mentality within Sony Ericsson

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ABSTRACT

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Summary: The current expansion of mergers and acquisitions forces new post-merged organizational cultures to take form, and requires solid strategies for handling that procedure. Research indicate that at least half of all mergers fail in creating expected synergies, and that the reason for failing is assumed integration issues such as culture clashes. Creating a strong organizational culture is often appointed a principal factor for managing a post-merged situation. This study focuses on analyzing the acculturation process of Sony Ericsson, challenged by fusing Japanese and Swedish companies into a joint venture. The purpose is defining which criteria govern the strategic process of creating corporate culture in order for this to illuminate possible future problems.

By applying an interpretative approach, with certain descriptive elements, I propose to illustrate the concepts of organizations and cultures as being process-based rather than structured systems. On analyzing the case in light of theoretical discussions and earlier research, three statements connected to post-merger success emerged:

- 1) Organizational type marginally affects the ability of creating a strong corporate culture
- 2) Merger type affects the ability of creating a strong corporate culture to a certain extent
- 3) Integration process extensively affects the ability of creating a strong corporate culture

Creating corporate values strongly connected to the employees' private norms was also found essential to succeeding in creating a strong culture. This further involves the need for providing a combination of top-down and bottom-up strategies on creating a long-term corporate culture.

Key Words: Organizational culture, merger, consolidation, joint venture, strategy, process, high performance, management

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Introduction

Telia-Sonera, Astra-Zeneca, Pharmacia-Upjohn, Volvo-Ford, Stora-Enso, Arla-Campina, Assa-Abloy, Tieto-Enator, Cloetta-Fazer, Avesta-Sheffield, OM-Hex, Telia-Telenor, Volvo-Renault, Saab-Scania, countless are the Swedish companies confiding in corporate mergers as a mean for gaining growth and competitive advantages in the business life of today.

Current pressure in the capital market has grown immensely due to globalization and expansion, and now provides for an almost Darwinist approach. The aim for survival, as in competitive advantage and diversification, intensifies new solutions and calls for more eclectic standards and innovative lines of action. Mergers and acquisitions¹ has become the utter remedy for surviving, and is now the most commonly used mean for succeeding in the business market. The merger enables companies to grow with the speed of cell division, doubling the size at fastest speed possible, considered a valuable quality in the business area given the fact that mere size is known to create competitive benefits. Today's winners are assumed forward-looking companies focusing on organic growth, not those operating on excellence already existing².

Unfortunately, this expansive growth imposes a problematic situation by forcing new types of post-merged organizational cultures to take form, and requires well-founded strategies for handling that procedure.³ Research indicates that at least half of all mergers and acquisitions fail in creating expected synergies and targeted goals,⁴ and that the main reason for failing is assumed integration issues such as culture clashes or personnel problems.

On attempting to avoid failure, it is considered being a great benefit having a clear and well-structured organizational culture as it facilitates the activity's mobility in the increasingly global environment. Several researches take on the premise that sustainability of competitive advantage depends not only on the nature of resource bundles, but also on a firm's ability to renew, reallocate, rejuvenate and redefine its resources in coping with the changing business environment.⁵ The invisible asset of an effectively employed human resource system is critical for enhancing and renewing a company's capabilities. According to the dynamic resource approach, sustainable advantage comes from capabilities that can develop, renew and upgrade the resources being managed as well as directly from the capabilities themselves. Human capital may be the ultimate source of sustained advantage since traditional sources related to market,

¹ *Mergers or joint ventures* are characterized as the consolidation of two organizations into one single organization. *Acquisitions*, by contrast, are commonly described as the purchase of one organization from another, where the buyer or acquirer maintains control (Borys & Jemison, 1989).

² Højman, 2005.

³ Buono & Bowditch, 1989; Cartwright & Cooper, 1996; Cartwright & Hudson, 2000; Dackert, 2001; Schraeder & Self, 2003.

⁴ Dackert, 2001.

⁵ Chan et al, 2004.

financial, capital and scale economies have been weakened by globalisation and other economic changes.⁶ Thus, undertaking of human- and cultural assessment exercises has shown to be outstanding leading factors for succeeding in managing a merger.⁷

Integration issues such as culture clashes, which are problematic in domestic mergers, are often said to be even more severe when the merging companies origins in countries with widely differing social and ethnic patterns.⁸ Hence, a merger between a Swedish and a Japanese company should be a greater challenge than one between a Swedish and a Norwegian one. Curiously, this statement seems misleading. A recent study, illustrated by the case of the Telia-Telenor affair, presented that apparently identical national cultures could fail to form a cooperative venture.⁹ Despite perceived similarities between the negotiating parties regarding national culture, corporate practice and language, the negotiation eventually went askew resulting in a dispersed affair after only two months in existence. If ethnic cultural capacities cannot guarantee successful mergers, then what can? What does it take to integrate two different cultures into a strong unit?

Exploring the phenomenon of mergers and acquisitions is a step forward in trying to unravel the reasons for some joint ventures to succeed and others to fail. The approach employed was inquiring into the subject theoretically, by first exploring the concepts in a knowledge survey, in order to create a theoretical framework, and then implement the extracted results empirically on a virtual case. After studying the organizational cultures influence on the merger process theoretically,¹⁰ the aim for finding a post-merged organization affected by new challenges due to integration issues emerged. On approaching Sony Ericsson, a recently merged high-technology producer challenged by fusing Japanese and Swedish companies into a lucrative unit, I expected to find a research object well corresponding to the above. On analyzing the organisation's merger strategies, a new challenge arose as being the foremost task for the company. Instead of managing a fusion between two parent companies and recreating a corporate culture, Sony Ericsson prioritized creating a new culture, apparently free from the heritage of its ancestors, Sony and Ericsson.

As earlier research generally focus on diversities of merged organizations, this study is directed toward what actually happens in the process of integration and creation of a new corporate identity. A majority of the available theory within the field of organizational cultures connected to mergers assumes a functionalistic standpoint.¹¹ In relation to existing theories, I intend providing an alternative way of looking upon the creation of a cultural identity and therefore point out the need for applying a process alignment to the concept. A condition for this is considering cultures and organizations as being processes rather than fixed structures.

⁶ Chan et al, 2004.

⁷ Belcher & Nail, 2000.

⁸ Belcher & Nail, 2000.

⁹ Fang, Fridh & Schultzberg, 2004.

¹⁰ Frenberg, 2003.

¹¹ Klepepestö, 1993.

State of art

When I started to investigate the phenomenon of “organizational culture” and its impact on business mergers, my research was characterized by a comprehensive approach. “*The organizational culture’s significance to the merger process and to individuals concerned: a survey of knowledge*”¹² aimed at grasping the range of the concept, and presenting an idea of the conception as a whole.¹³ Framing the investigation by distinguishing among different types of concepts within organizational culture and its impact on mergers aimed at presenting a thorough survey of the research area.

On studying the concept of organizational culture in relation to mergers, I found that it is possible to predict the outcome of a merger by studying combinations of different organizational culture types. Hence, different types of organizational culture have varying conditions for succeeding in a joint venture, and there are different merger types suited varyingly well for these different organizational types. Furthermore, it showed that success in a merger depends on the grade of integration within the post-merged company. This implies that when striving for organizational success - the primary task should be to create a coherent and homogeneous organizational culture.

The principal findings extracted could be categorized into three essential statements.¹⁴

- 1) *Different types of organizational cultures have varying conditions for succeeding in merger situations*
- 2) *Different merger-types are differently suitable for different organizational types*
- 3) *Success in a merger-process depends on the extent of integration and the key to managing the integration lies in the possibility of creating a coherent and united organizational culture*¹⁵

Primarily, the first two statements appear easier to answer than the third. This by assuming that there are different but concrete types of organizational cultures and mergers, and that there hence can be different result depending on the combination of them. On answering this, the task will be to determine what kind of organizational- and merger type Sony Ericsson constitute. The third statement however, can only be seen as a relative assumption due to its interpretative structure, and is therefore bound to be answered in light of an interpretative approach.

Although my intension is to analyze the whole process of all three statements, focus will be directed toward the third due to its relativistic constitution, demanding interpretative analysis.

¹² Kleppstö, 1993.

¹³ For further definitions, see page 17.

¹⁴ Frenberg, 2003.

¹⁵ *ibid.*

Sony Ericsson - historical background

In October 2001, telecommunications leader Ericsson and consumer electronics powerhouse Sony Corporation merged into Sony Ericsson Mobile Communications. A new company focusing on synergies between the software and consumer electronics areas was hereby established, with the mission to establish Sony Ericsson as the most attractive and innovative global brand in the mobile handset industry. The vision resulted in a concrete aim for producing the best possible mobile solutions.

The joint venture was not considered hostile, considering the 50:50 dichotomy, instead it was task oriented and equal. The goal for the consolidation was to create synergies between the two companies, and become market leading within their field of action.¹⁶ By utilizing each other's assets, knowledge and possibilities, they focused on creating new technological solutions for a global market, and developing products combined by "fun" and "function".¹⁷

Sony Ericsson Mobile Communications is a global provider of mobile multimedia devices, including feature-rich phones and accessories, PC cards and M2M¹⁸ solutions. The products combine powerful technology with innovative applications for mobile imaging, communications and entertainment. The net result is that Sony Ericsson is an enticing brand that creates compelling business opportunities for mobile operators and desirable, fun products for end users.¹⁹

Ericsson and Sony equally own Sony Ericsson, who announced its first joint products in March 2002. Economically, it is a paying corporation since 2003 when they managed to turn the company's deficits into profit.²⁰ The year of 2004 showed to be extraordinary profitable and further raised the market-shares of the company. In early 2005, Sony Ericsson announced a large number of new phones, networking products and accessories moving the product portfolio significantly forward. Anticipated to stimulate a new growth-phase, the company was supposed to grow more than the market.²¹ By the end of the first quarter of 2005, this growth showed to be less than expected. The company dropped market shares due to a weakening market in Western Europe and to not being able to produce enough amounts of new phone models.²²

Today, Sony Ericsson is established as one of the world's leading in design and innovation within its sphere of activities,²³ and considered the forth-greatest telecom company in the world.²⁴ Leading telecommunications solutions combined with proven entertainment technologies place their products at the forefront of innovation. On

¹⁶ Boulwood, 2004.

¹⁷ Flint in DN, 2004-07-16

¹⁸ Machine to Machine.

¹⁹ www.sonyericsson.com

²⁰ Quarterly announcements,

²¹ Flint in DN, *ibid.*

²² Wäreby in DN 2005-04-16.

²³ Sony Ericsson holds approximately seven market shares per the second quarter of 2004, *ibid.*

²⁴ DN, 2005-04-16.

analyzing their success, it is important to consider the importance of the strong competition within the telecom industry. Without its primary competitor Nokia, Sony Ericsson presumably had not reached such high standards.²⁵

Today, the company employs approximately 5,000 employees worldwide. It undertakes product research, design and development, marketing, sales, distribution and customer services. Global management is in London, and Research and Development is in Sweden, Japan, China, the US and the UK. The management team includes President Mr. Flint, former senior executive of Sony Europe and one of the key players in the development of Sony in Europe in the 1990's; and Corporate Executive Vice-President Mr. Wäreby, part of the team that shaped Sony Ericsson in 2001.²⁶

Delimitations

This case study describes Sony Ericsson as it has developed as an independent company since the start of the joint venture in 2001. Unlike much of the current research within the area, individual opinions, roles or social systems will not be considered as focus lies on a strategic management level. I will concentrate upon how the integration process is managed strategically, although considering it important providing for initial conditions about differences in organizational types. Describing the consolidation of Sony and Ericsson in terms of organization- and merger type facilitates the analysis as it helps reflecting the structural background and basic conditions for the joint venture.

I consider the phenomenon as being a process rather than a structure. Although focusing on the strategic process of creating corporate culture, the operative implementation of a High Performance Program plays an important role as a mean of gaining a strong homogenised culture, and is therefore accounted for.

In the process of constructing concepts of organizational culture and its influential character lies the pedagogic relevance. Labour pedagogies can be referred to as “the scientific study of influential processes in working life.”²⁷ By this definition, the intention is the theoretical, methodological and practically applied grounds that identifies and takes into consideration conditions for learning-, knowledge- and competence processes and the content that is significant to the character of the occupational knowledge.

Research purpose

Mergers and acquisitions constitute an extensive trend in the competitive business market of today. Research indicates that success in post-merged companies depends on the providing of strong corporate cultures. Despite these legible conditions and rising necessity for studying the outcomes of mergers, not much have been written on how to accomplish this in practice. As all research is part of a bigger context, more or less

²⁵ Martin-Löv in Gripenberg, DN, 2005.

²⁶ Boulwood, 2004; www.sonyericsson.se

²⁷ Tedenljung & Ryhammar, 2001

probed, every text has a relation to its field, author and reader.²⁸ I hope for this study to fill a certain gap within its field by contributing to the inquiry of strategies for creating corporate cultures in post merged companies, illustrating a virtual case.

Aiming at presenting a foundation for determining which criteria that govern processes of creating corporate cultures, I wish to analyze the phenomenon as it occurred in the case of Sony Ericsson. Focus will lie on the strategic efforts employed to accomplish creating a coherent culture involving High Performance Mentality.

Accordingly, the research question reads:

“Which criteria govern the strategic process of creating corporate culture involving High Performance Mentality, as in the case of Sony Ericsson?”

Accounting for a virtual case enlightened by existing theories, I wish to analyze the strategic process in order to learn and draw conclusions from it. By concentrating on the difficult process of creating a corporate culture, I hope to increase the probability of post-merged companies to avoid possible mistakes in similar future processes. Aiming at unveiling pertinent criteria for succeeding this, I wish for it to contribute to amending praxis to a certain degree, even if it does not necessarily reflect an “average” circumstance due to its character as a case study.

Research approach

Ontological framework

Knowledge is always relative to the paradigm to which it belongs. The currently recognized paradigm of postmodernism suggests that all knowledge is relative, and that knowledge therefore cannot be objective. It lies within the being of pedagogic research to consider and account for the concepts of time and context. Knowledge is relative in many ways, and cannot be measured until put in relation to something else. The ontological discourse that nothing can be appreciated until compared to what it is not, goes back to what can be referred to as the childhood of philosophy:

“There is nothing, who works, until it coincides with something, which is affected, and nothing, which is affected, until it coincides with something, who works. Something working, when coincided with one, shows to be affected, when coincided with something else. There is nothing that is per se, but everything is engendered in sake of something else” (Socrates in Plato, 1994).²⁹

Regarding the world as being socially constructed and therefore complex, one has to provide for all the scattered pieces of a holistic case or course of events when it comes to explaining the cause of actions. Social behaviour is a complex web consisting of a

²⁸ Kleppstö, 1993.

²⁹ Socrates in Plato, 1994.

number of underlying factors. This works by the principle of “the more underlying factors, the more complex the behaviour”. Given this, there is no single causal relation in the social sphere, but many different possibilities of an outcome due to a line of circumstances. Such circumstances could be of historical, psychological, political, cultural and economical art. All these factors together constitute a whole, not comparable or applicable to other situations with a different constitution, and is therefore considered relativistic.³⁰

Regarding our knowledge, thoughts and experiences not as passive but active and in constant process, makes the relationship between them complicated and ambiguous. Assuming everything to be depending on the context, there is no generally applicable causal relation to a specific problem, since people interpret situations and create abstractions different due to individual experiences and conditions. Or is there? Regardless of labelling, I find it difficult believing that relativism could exist without the concept of objectivism, a core of constant truth around which all contexts gathers. As mentioned above, a concept only exists due to the presence of its nemesis. Distinction of ontological standpoint could be considered useless with this designation, but it is not. Demonstration of ontological nuance brings certain order to scientific research as the diversity of different approaches ensures a critical and dynamic discourse. This demonstration therefore helps our scientific knowledge to develop. Aiming to reach beyond the dichotomy and negative polarizations between objectivists and relativists, helps avoiding inhibiting discussions “shadowing the core of the scientific debate”.³¹

At the same time as the individual is considered an object, a product of its environment governed by culture, it can also be seen as a subject that has the opportunity to influence its surroundings.³² As a subject, it is culture creating in itself and can affect its own future. This makes sense if one sees culture as being socially constructed and as a creation of its members. It is the individuals in a culture who create it in a constant development according to an interpretative approach that posits that each individual take active part in the creation of the culture.

Experience is one factor that can be communicated; therefore, it assists the development of knowledge for others who do not have experience in a certain matter themselves. In this way, thought is maintained through communication. The experiential conception has been a key concept within pedagogic research since Dewey presented his theory of thought as born in the interaction between presence and absence. This implies that where thought exists there is also something present reminding of something absent, and that there is nothing gained if the absent and unknown does not appeal to something well known, since there is no background to which one can tie the subject in order to simplify analysis and understanding of it.³³

On influencing one’s surroundings and culture, one has to develop a comprehension and knowledge about it. First then it is possible to take active part and managing the

³⁰ Bernstein, 1991.

³¹ Bernstein, 1983, Åsberg, 2001

³² Vygotsky, 2001.

³³ Dewey, 1911.

developmental process. This understanding is produced by interaction and communication with other individuals, which generates experience leading to abstract and critical thinking.³⁴

Methodological approach

Hermeneutics

It lies within the interpretative approach to consider it possible to understand the subjective meaning of action, yet doing so in an objective manner.³⁵ This statement stresses a thorough method, and forces the researcher to step outside the historical frame of reference, which enable the interpreter to claim a purely theoretical attitude as an observer.

Being a study of interpretative understanding or meaning, hermeneutics aims at grasping the balanced picture of a case within a certain context. The basic assumption guiding the paradigm will be that people active in the research process socially construct knowledge.³⁶ It is important to disregard the first impression of a matter and see to the reasons beyond it. Hence, the main task understands the human nature instead of predicting or controlling it. This subjective attitude is based upon empathy and valuation of the knowledge received, and occurs within areas with an interest for coherence, structure and of understanding. In this way, the research object pervades the research.³⁷ By regarding knowledge to be relative and contextual, one acknowledge that it has a subjective approach based upon empathy and valuation of the knowledge successively received. This fact forces me to use a hermeneutic approach along with the fact of me posing the reality as multi-faceted, time- and context dependent.

Social inquiry is the kind of activity that in the doing transforms the theory and aims that guide it. As one engages in generating and interpreting data to answer questions about the meaning of others' actions and narratives and then transforming that understanding into public knowledge, one inevitably raises theoretical concerns about what constitutes knowledge, and how it is to be justified. It is therefore important to maintain a process of critical reflection and transformation.³⁸ Using an approach signified by interpretation, involves the need to clarify underlying understanding about the subject chosen. The concept of understanding is constituted of all summoned theories, experiences, insight and skills that a person has gathered. It can be referred to as the researcher's glasses through which she sees and interprets the objects studied. As

³⁴ Vygotsky, 2001.

³⁵ Denzin & Lincoln, 2000.

³⁶ Mertens, 1998.

³⁷ Wallén, 1996.

³⁸ Denzin & Lincoln, 2000.

every interpretation is preceded by expectations or preconceived notions,³⁹ it is an almost impossible task to give an account for all summoned knowledge in this certain matter. Who can manage to elucidate such a perspective by detailed presenting all the factors constituting it?

Two main reasons enable me to use an interpretative approach. The first because I regard human action to be meaningful, and the second because I share a desire to emphasize the contribution of human subjectivity to knowledge without sacrificing the objectivity of knowledge. This means that as I view the social world as built by different constructs, I posit that there must be a core of objectivity to illuminate the subjectivity.

By describing the research situation in the theory chapter, I hope to unveil my own standpoint in the matter to highest possible extent. My earlier research fathoms the area, and constitutes a background upon which one can enlighten this study. Although it is almost impossible to describe all different factors that constitute a full perspective, I wish to present the conscious and describable part of my understanding. Fulfilling this commission, it is then the reader's task to revise and value it.

Case Study

Naturally, various methods are based on varying assumptions about reality, and there are various traditions and scientific paradigms upon which they are founded. On trying to find a method responding to the being of the research in focus, I chose the case study as an adequate instrument, as I found it corresponding to the interpretative approach.

Being an examination of a specific occurrence such as an event, a program, a phase, an institution or a social group, the case study can be defined by four basic characteristics: particularism, descriptivism, heuristics and induction⁴⁰. Particularism indicates focusing on a certain situation, occurrence, phenomenon or person. By this definition, the phenomenon studied would be the creation of a corporate culture within Sony Ericsson regarded as a process. Descriptivism further involves extensiveness and density to the case study. The conception of density indicates the description to be thorough and detailed, as it is supposed to contain different aspects and the interplay between them, preferably over time. After studying a certain phenomenon, the conception of heuristics provides for enhancing the readers understanding. By widening the readers experience or knowledge, or confirm what she already knows, this study claims to further deepen the knowledge of the creation of corporate culture. The case study has its foundation in inductive discussions. Using hypothesis that allows changing and re-formulating during time, it involves a dynamic working procedure.

The justification of this certain research approach lies primarily in its way of distinguishing all the different parts of a problem that together constitute a complex and specific picture. The substance of my research inquiry, consisting of research questions,

³⁹ Barbosa da Silva & Wahlberg, 1994.

⁴⁰ Merriam, 1994.

theoretical perspectives, empirical findings, interpretations and conclusions has by this definition the characteristics of a case study.⁴¹

There is a somewhat problematic situation emerging when trying to define a case study as a unique form of research. Using the criterion that case study research is not defined by a specific methodology but by the object of study, one can evade the problem.⁴² Usually, it is distinguished by a multitude of different research approaches. Stake posits that “the more the object of study is a specific, unique, bounded system”⁴³, the greater the rationales for calling it a case study.

I am aware of the fact that case studies requires the researcher as being the most important instrument for collecting and analyzing data, which demands certain qualifications for carrying out the research. I am also aware of the fact that the researcher’s role involves great tolerance for ambiguity and obscurity, good communication skills and being extremely sensitive in relation to context, information and personal values.⁴⁴ As the primary instrument is the human being, all data and analysis are filtrated through its general values, assumptions and perspective. Naturally, one should be aware of that this involves certain bias and subjective opinions depending on the researcher and interviewee’s relations to knowledge and theory within the area. Consciousness of how this relationship influences the results is the best remedy for this. However, it is also important to remember that subjective opinions are allowed, and should, influence the frames within interpretative research.

Procedures

Interviewing

Aiming to grasp the meaning of a phenomenon or a process hermeneutically requires exhaustive information on the matter. Being able to interpret a process like the creation of a corporate culture demands qualitative data, allowing resulting questions and extensive answers.

Selection

As generalization statistically is not a goal per se in qualitative research, it is not necessary or even legitimate generalizing. The most suitable strategy for selecting interviewees is therefore non-probabilistic, and the most common form a goal- or purpose-focused selection. A goal-focused selection is based on the assumption that one wishes to explore, understand and gain insight about a phenomenon or process. It is therefore important selecting in a way that guarantees learning as much as possible

⁴¹ Yin, 2004.

⁴² Stake, 1994.

⁴³ p. 237, Stake, 1994.

⁴⁴ Merriam, 1994.

about the specific case.⁴⁵ Due to the nature of the case study, it requires specific specialist-competence about a certain state and not general opinions of the same.⁴⁶ Therefore, I searched a person with specialist insights and knowledge about the process examined on an early stage.

On starting to create an empirical foundation, I initially searched for a person within Sony Ericsson who could inform me on organizational structures, roles and responsibility areas within the company. By recommendation, I approached the then HR Manager with whom I started the process of collecting information. After interviewing her about organizational facts, such as organizational structure, and discussing the purpose of the study, we both agreed on me contacting a specialist on the matter. I contacted the one person in charge of the corporate culture dimensions of the merger, Mrs. Boulwood. Boulwood acted in different HR positions within Ericsson since 1996 and within Sony Ericsson since the beginning of the joint venture 2001. Responsible for the cultural integration process and for the creation of a new cultural identity within the organization, she constituted a well corresponding target.

After attending a lecture on High Performance workforce,⁴⁷ I approached Accenture⁴⁸ resulting in two interviews with Accenture consultants. Connected to High Performance Management in general and insight in the affairs of the company of Sony Ericsson in particular, they provided an important angle given their lack of challengeable ness and dependence. Hence, I interviewed one HR Manager, one specialist focused on strategic cultivation processes and creation of corporate culture, both working internally at Sony Ericsson, and two external management consultants specialized in High Performance implementation, one of them working at Sony Ericsson. Extra focus was put on the corporate culture specialist, with whom I had contact on several occasions and interviewed twice. Assuming that five interviews would be sufficient, I hoped for that their summoned information would help me create an understanding in the matter of how to create corporate culture, and that the data therefore would show upon integration.

Making critical judgments is essential as is considering the concepts of *dependence* and *tendency*. A good narrative source is independent of influence from the outside. Best possible is when a narrator has experienced the occurrence without involving anybody, so that influence could not appear.⁴⁹

A good source shall be impartial, although it is difficult to attain when most narratives includes some kind of biased tendency. This task is as difficult to avoid, as it is to control. With the particular disposition I apply, it is complicated to avoid certain tendency or dependence due to the position my interviewee holds as responsible for the studied object, the strategic cultivation process.

⁴⁵ Patton, 1980.

⁴⁶ Merriam, 1994.

⁴⁷ Introductory lecture, Nova 100, Lund, March 17, 2005.

⁴⁸ Accenture constitutes one of the worlds leading Management Consultants with special focus on implementing strategies for High Performance Management.

⁴⁹ Thurén, 1986.

Trying to avoid the occurrence of the above, I used primary sources regarding the literal material and different internal sources as well as external parts connected to internal processes regarding the information based on the narratives.

Beside interviews, data collection has been concentrated to external material such as research articles, earlier studies, newspaper articles and annual reports, and internal written material such as pedagogic documents or information folders.

Implementation

As there is no definite method for qualitatively working up material, it is necessary for the reader to accurately be able to follow the research approach. Describing the line of action facilitates this condition. Using an interpretative approach, I analyzed the material extracted regularly and adapted new information consequently during the interview process. This implies taking on an inductive approach on interviewing, reading, information seeking, comparing and analyzing.

On creating an interview guide, the main challenge is often managing to efficiently link the questions to the purpose, in order to extract most information possible on the matter. By dissecting different interviews to focusing on different things, I created a way of maintaining a relevant abstraction level when interviewing. Doing so, I focused on general issues such as comprehensive change processes on the first interview occasions; to be more specifically analytic about Sony Ericsson processes on the later. Regarding it a developmental process, the interviews could be considered events based on each other. Aiming at raising the abstraction-level and understanding for each new meeting or interview-situation, the strategy focused on using as many occasions as needed for answering to the purpose. Repeated interviews with one person could give as exhaustive information as it would have with different interviewees, as long as the target of the interview is adequate. Naturally, I am aware of the fact that choosing one main target in a managerial position⁵⁰ might be considered less valid due to the exposed position of which she is in. It is my wish to evade this circumstance by visualizing this problem and questioning and discussing the shortcomings and biases that it can bring. Performing five different interviews, relying on the fact that they together would provide the information needed, was the purpose.

The interview process was semi-structured vis-à-vis the fact that I used 3-5 question-areas from which I extracted relevant topics concerning the current subject studied. On trying to decompose the research question into relevant subject areas, I wanted to facilitate and deepen the understanding of the issue.⁵¹ In spite of the fact that all interviews were semi-structured, the designs were different as the purpose were not the same. While the first interview, with the HR Manager, had focus upon extracting general information upon the structure, purpose and functions of the company and its operators, the others demanded more specialized conditions.

⁵⁰ Boulwood is considered a key information source due to special insight about the acculturation process.

⁵¹ Bell, 1995.

This means that the questions are relatively specified, with the addition that the interviewee has greater freedom in entering more deeply into concerned issues. The method has been elaborated to create an understanding for the perspective of the interviewee, and therefore it is of great importance to create a trusting relation.⁵²

Maintained by the key interviewee as being professionally competent within her specific area, I occasionally experienced a lack of need for interrupting her flow in describing certain issues on the matter in study. This resulted in her often driving the interview and I absorbing the information supplied.

It is important to use means supporting the purpose of the study so that tools and structure enhance and amend each other. By using recording instruments such as Mini disc or tape recorder, I attempted to create a confidence-inspiring atmosphere suitable for the semi-structured interview form. It facilitated my striving for eye contact, and helped me to clarify and follow up my questions in a more natural way. The risk of affecting the interviewee in a negative way⁵³ did not seem to appear, since they seemed to act naturally around the recording instrument.

Analysis, interpretation and creation of theory

By taking interest in the process of creating corporate culture and the work it demanded, I also wanted to portray the course of events characterizing the process. In order for me to depict the process, I chose interviewing specialists on the subject, when attempting to understand the answers and developing empirics, certain knowledge of available theory is essential. As I am making a reconstruction of the culture creation process, those decisions made during the process are therefore founded on my knowledge, and how I relate to it. Producing theory by continuously integrating different pieces of information into one demands giving a general explanation to the phenomenon explored, summarizing knowledge and creating meaning in the information at hand, as analysis are the process of creating meaning from information received.⁵⁴ My ambition involves creating a substantive theory,⁵⁵ as it focuses on a concrete virtual situation grounded in an empiric reality.

By practically structuring the information received, I intended to deepen my knowledge about the subject and relation to the content. Transcription of the recorded material into written text enabled grouping and working up the material, by dividing it into relevant time-aspects, resembling a chronological “case record”. This work was varyingly important as some of the material already had a well-laid structure from the beginning, facilitating my work substantially. Categorisation of data depends on the purpose of the study,⁵⁶ and in this case study focus lies on describing and analyzing a process of development. On analyzing the material, I therefore focused on chronological themes

⁵² May, 2001.

⁵³ Repstad, 1988.

⁵⁴ Merriam, 1994.

⁵⁵ Ibid.

⁵⁶ May, 2001.

that fit into the common perception of the concepts studied to simplify the understanding.

Comparing the data extracted from the interviewees to the theories chosen appeared to be a challenge. I gradually came to use the theories as a support for creating structure when interviewing and analyzing, identifying causal connections. Yet, focus lies on the concrete facts about the specific case of Sony Ericsson.

Providing information on the integration process, strategies and concrete developmental stages, the interviewees selected have been crucial for the result. I doubt being able to extract such substantial information from anybody else concerning strategies and implementations in this merger process, as I did from the interviewees selected.

Within the nature of hermeneutics lies the element of subjective interpretation. This includes that I cannot make any pretensions of understanding the whole truth about the issue at hand since I make an interpretation of the extracted material. The interpretative approach is continuous and involves a constant reconciliation of theory and empery.⁵⁷ I intend to apply a constant obtainment of new perspectives within the literature by taking in information through reading and interviewing. Testing ideas about the current information on the interviewees helped developing my analysis continuously; doing so implied that I adapted focus and questions depending on the information emerging.

Using both theoretical sources as in documents, research material or literary sources, and narrative sources, as in interviewees, stresses the importance of defining the origin of the information extracted. As the analysis is based on both literary and human sources, I intend separating them thoroughly on presenting the empirical account of the case study. Defining origins of sources is essential due to them constructing information structures differently. As a researcher, I have taken an active part in the production of information when interviewing. The material extracted from interviews, upon much of which I construct this thesis, involves a certain bias due to my own way of questioning, reinforcing and interpreting the information. In this way, it is to be considered valued or subjective in a way differing from the other material applied.

In the chapter discussing empirical accounts I analyze the empirical information extracted by interviews in light of the theories presented in preceding chapters. By interpreting, analyzing and valuing the information gained, I interpret how this data exist in relation to these theoretical frames.

Creating theories involves a cognitive process of discovering or manipulating abstract categories and relations between categories. Naturally, this process is ambiguous due to its speculative and contextual nature, although speculation is the key to developing new theory in qualitative research. Guesses and speculation are therefore bound to constitute projections about to what extent relations and explanations can be valid in the future.⁵⁸

⁵⁷ Repstad, 1988.

⁵⁸ Merriam, 1994.

Critique

Designing a research study the way I have done involves adopting a critical attitude toward it. This becomes even more important in a case study built upon the narratives of a few people involved in the study object in one way or another. I have interviewed a handful of persons, all related to Sony Ericsson internally or externally. The different information sources applied various inputs to the issue studied, some of them naturally biased by their positions within the organization, others more impartial due to more detached positions. In addition to this, the company addressed most of the written material about company specific matters, and it is not daring to posit that the purpose of this was to present the company in most positive terms possible. The relation implies a critical discussion on the negative consequences of a design where the study object produces both verbal and written material. In this case, their presence is nevertheless necessary due to its informative character. Describing thoroughly what information is corporate productions and what is “independent research” is an attempt for me to avoid possible bias, another is taking a critical standpoint when analyzing the information received. My position toward the company as a researcher is entirely independent, as I have no connections or other intentions other than studying a post-merged case from the inside.

Theoretical framework

Within the pedagogic field, case study methods are seldom used to test theories deductively. However, hermeneutic case studies are commonly used to construct new theory in one way or another. In this way, they are connected to theories and use them as a “catalytic converter in the development of theoretical knowledge.”⁵⁹ Applying an inductive reasoning model, I would rather analyze and explore than verify theories already existing. Yet when doing so, it is essential having a set of assumptions, conceptions and theories, to which one can return ideas and enlighten problems in order for them to develop. From the first formulation of the problem to the interpretation of the results, theories chosen influence the choices made. They serve as tools for me on presenting and analyzing the empirics. Giving account for the theories in use therefore provides for a greater understanding of the process and the results of this. Describing the theories below clarifies my “theoretical predisposing”,⁶⁰ influencing the focus that this study will embrace.

⁵⁹ Eckstein in Merriam, p. 70, 1994.

⁶⁰ Patton, 1980.

Organizational theory

Organizational metaphors used in our every day life have enduring effects on how we understand and interpret phenomenon around us. Aligning something with something else is often considered pointless unless it starts a reflection among the audience.⁶¹ The concepts of “organization” and “culture” seen as metaphors are full of implications. This involves the importance of acknowledging what to ascribe to it and how to interpret it⁶². The fact that most researchers have accepted a certain way of looking upon organizations explains their way of reasoning and why they come to certain conclusions.

Current researchers refer to schedules, rules and procedures creating guidelines for its practice.⁶³ The prevailing condition relates to organizations in terms of structure rather than processes, leading to similar approaches when relating to organizational culture. Structuralisms strong position within organizational theory has developed due to the scientific tradition of functionalism prevailing for such a long time, in order for this approach to be considered accepted, and therefore valid. Considering organizations and organizational culture as processes instead of structures stresses the organizations as being products of the actors’ communicative actions and interpretations. By doing so, it also helps analyzing this particular study object. Even concepts traditionally seen as structural, such as permanent conditions within the organizations or hierarchal systems, could be emphasized as being products of the members’ earlier actions, and therefore be seen as processes.⁶⁴ Treating them not as rigid systems but as processes inclined to change facilitates changing an organizational culture, and agrees with regarding reality to be socially constructed.

On accentuating organizations as being processes governed by the actions of its members, the concept becomes very similar to the idea of organizational culture. Equalizing the concepts of organizations and culture is no matter of course. Traditionally, culture has been regarded part of the organization or society. In this way, organizations *hold* cultures. Ascribing organizations process qualities, as stated above, signifies considering them *constituting* cultures, implying that no organization can exist without its culture. Aligning organizations with cultures is in line with a number of schools, approaches and theoretical discussions whose historical domicile is found in symbolic interactions within the frames of an interpretative approach.⁶⁵

⁶¹ Klepepestö, 1993.

⁶² Morgan, 1986.

⁶³ Scott, 2001.

⁶⁴ Klepepestö, 1993.

⁶⁵ Ibid.

Organizational culture

Organizational culture is to a company what personality is for a human being—it can be compared to the social glue, binding individuals together in organizational contexts.⁶⁶

There are a number of different definitions for the concept of organizational culture. The concept is usually applied as a model of ideas for analyzing a complex social reality,⁶⁷ and due to its abstract nature, it is difficult to define the phenomenon with justice. The word “culture” has its origin in the Latin word “colere”, meaning working up; working at, here referring to how we work on impressions, experiences and knowledge, and how we create meanings about our shared environment and ourselves.

Ethnologically, the concept of culture involves a pattern of opinions, expressed through symbols used to communicate or develop knowledge about or attitudes toward life. Culture is also defined as an inherited way of living, making people act and think in a special way. This happens in all social contexts such as families, communities or organizations. Given these frames, culture is the foundation of identity and group building as all people are socialized into a culture that offers order, prediction and meaning.⁶⁸ Group culture characterizes how the individual cognitively construct pictures of, images of, and understanding of reality, and how he or she acts upon it. In this way, it is shared by its members, created as a process⁶⁹ and focuses on function to create meaning.⁷⁰ The meeting between two organizations is not the question of well-defined, cohered rational bodies or organisms adapting to each other by any given logic. It is rather a process where individuals and groups are involved in an ongoing discussion about what is happening and how it is going to be interpreted. Considering organizational culture processes rather than structures, ambiguous rather than clear-cut and negotiable rather than foregone⁷¹ reflects the way Sony Ericsson appears to relate to the phenomenon based on the statements of the interviewees.

The culture concept that we currently refer to today could be seen as what we think, make and produce, and what we impose on new employees in the company to which we belong. The organizational culture is here regarded the “invisible game” beyond the visible and formal instructions we are served when entering a new organization. The invisible process in our working life is often harder to follow and understand, as we do not possess as clear role models there as we do within other cultural contexts, such as family or religion.⁷²

Some researchers posit that organizational culture serves to mobilize, allocate and leverage resources in achieving company goals through values, rituals, behaviours,

⁶⁶ Cartwright & Cooper, p. 60. 1993.

⁶⁷ Bang, 1999.

⁶⁸ Jacobsen & Thorsvik, 2002.

⁶⁹ Buono & Bowditch, 1989.

⁷⁰ Alvesson & Berg, 1988.

⁷¹ Klepepestö, 1993.

⁷² Holm-Löfgren, 1995.

management systems, decision criteria or visionary planning.⁷³ Others mean that corporate culture has a major impact on a company's ability to carry out objectives and plans, especially when shifting its strategic direction.⁷⁴

Researchers generally agree on the fact that it is almost an impossibility imitating or duplicating corporate culture, due to its inherent tacitness, complexity and specificity.⁷⁵ Every culture is unique in the sense that it constitutes a constantly changing pattern of interpretations.⁷⁶ Deducing all different definitions one can discern the fact that they all include the concept of "groups" and refers to what is considered common or shared between group members, such as meanings, interpretations, knowledge, norms and values.

Three analytical levels of organizational culture

Being one of the most influential researchers within the field of organizational culture, Schein stressed the importance of what could be referred to as "intra-psychological circumstances".⁷⁷ According to this, he developed a model containing three analytical levels, all consisting of different ways of demonstrating cultural concepts. This structure serves as a mean for understanding the culture, by fragmentising and categorizing its basic elements. It does not indicate that the cultural conception is to be regarded a strict, stabile norm system. As norms and values only exist as products of actions and thoughts produced by cultural members, they are used to create meaning and by doing so, legitimate action. Since actors can come to use collectively anchored perceptions to create meaning of what happens when forced to relate to a new situation,⁷⁸ justifies using this structure.

The three analytical levels of organizational culture are systemized on grade of profoundness or noticeableness within a cultural phenomenon. They concern artefacts, values and general assumption according to Schein (1985). Artefacts constitute superficial, fundamental and legible signs of a joint culture, while values and general assumptions are more invisible accepted symbols of common fellowship or togetherness. Aligning corporate culture with an iceberg seems like an adequate metaphor, as artefacts alone are visible above the surface while the rest hides beneath it. General assumptions are the most prominent indicators of a strong corporate culture, and as they are the most profound, they are assumed to constitute the foundation for it. The fact that they are unconscious makes them difficult to observe, and corporate members often find it uneasy to discuss them as they are assumed to constitute a non-questioned truth.

⁷³ Chan et al, 2004.

⁷⁴ Schwartz & Davis, 1981.

⁷⁵ Chan et al, 2004.

⁷⁶ Klepepestö, 1993.

⁷⁷ Schein, 1985.

⁷⁸ Klepepestö, 1993.

Basic cultural assumptions characterize people's perception and thinking, which makes them difficult to measure. These assumptions can include how the organization relates to qualities and phenomenon, such as how to experience the own organization in comparison to others in terms of power, dominance and cooperation, or how one looks upon the individual compared to the group as a collective. Questions are primarily of ontological character and deals with subjects concerning whether human being is originally good or bad, changeable or possible to influence. By combining a number of questions at issue, it is possible to chart the general assumptions. These involve the organizations relation to the environment and to reality, truth, time, actions or relations, and by combining these, extracting a multitude of different types of cultures is possible.

Values constitute the foundation for judgements regarding right and wrong, which implies that they also hold a moral or ethical code. Used as a base of different moral opinion, they are also associated with strong feeling. Values are usually conscious to higher extent than basic assumptions, but still generally unconscious to people within the organization. When questioned, it is usually on initiative from marginalized organizational members such as newcomers, outsiders or even unconventional revolutionaries.

While values specify what is important to the members, norms settle what kind of behaviour they can expect from one another. Interpreting this as if values are abstract ideals, while norms are firm principles or rules, expected by people to follow, is adequate. Norms refer to unwritten rules admitting members in a culture knowing what is expected from them in given situations. In practice, this concerns dress codes or whether it is accepted showing feelings in the workplace or not. All norms and values are concrete expressions for underlying basic assumptions characterizing the organization. Artefacts, on the other hand, are considered rests from the organizations cultural core, even more legible than norms and values.⁷⁹

Artefacts are visible, obvious and sonic remainders of organizational behaviour, taking physical manifest like buildings, texts, design or logotype, or behavioural ones in ceremonies, rituals or communicational patterns. They can even take verbal form in jargon, anecdotes, jokes or myths. Artefacts work as symbols by members using them to create or mediate significance for and information about the culture. It is primarily when individuals ascribe meaning to an artefact that it can be referred to as a symbol.⁸⁰ The fact that an artefact is used as a symbol does not necessarily mean that its cultural meaning is generally understandable, as meaning and significance by definition involve interpretation. Even if artefacts are easy to identify, they are far from the cultural core, meaning that a naïve person easily can misunderstand their significance.⁸¹

Organizational symbols can be considered more transparent and less material in organizations operating on a higher level of development.⁸² Members of high-developed organizations are more often comprised of the wholeness of the surroundings of which the organization belongs, and consequently they take larger impression of it. Less

⁷⁹ Schein, 1985.

⁸⁰ Jacobsen & Thorsvik, 2002.

⁸¹ Hatch, 2000.

⁸² Gustavsson & Harung, 1994.

developed organizational cultures uses physical symbols in greater amount, and focus upon short term, limited and material aspects.

The function of corporate culture

Corporate culture is considered having three main tasks to fulfil.⁸³ Primarily, it has the function of controlling behaviours through offering action models. In this sense, it constitutes a cognitive map for corporate action. These maps and models set standards and criteria for praxis, controlling and legitimating procedures for the employees. Given these frames, they state justified ways of solving organizational problems both internally and externally. Secondly, corporate culture affects its members to integration, and works stabilising over time. By defining the organizational boundaries, it produces loyalty and creates a common spirit of togetherness among its members. Thirdly, it reduces anxiety within the organization as a consequence of the functions above, through providing structure as a defence against anxiety and dread among the members.

A strong and homogeneous organizational culture is known to have positive correlation to the success within the business world.⁸⁴ Distinguished by following factors it usually affects the whole organization, from promoting and decision-making to dress codes.⁸⁵ A strong organizational culture is characterized by following statements:

- Having a clear formulation of the company's goal, vision and business strategy.
- Prevailing unity and knowledge about general assumptions shared by all members.
- Fostering significant actors with adequate power to affect and influence dominant values, ideas and conceptions within the organization. Constructive role models embody values to demonstrate their practical significance in words and action.
- Nourishing existing norms and rules supporting basic assumptions and organizational goals.
- Offering well functioning informal information channels and daily routines reinforcing the organizational values, in particular informal network supplying values and norms in the organization.

Conditions for creating culture

Cultural creation occurs when general cultural patterns develops in order to answer to new demands within the organization. Culture therefore can be seen as an evolutionary

⁸³ Bang, 1999.

⁸⁴ Deal & Kennedy, 1983.

⁸⁵ Peters & Waterman, 1982.

process, affecting individual- or group behaviour on many levels in the organization, as an effective way of creating behaviours.⁸⁶

Related research generally concentrates on the influential part that the cultural concept has on its members. Schein defines the phenomenon as:

...a pattern of basic assumptions that the group learned as it solved its problems of external adaptation and internal integration that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think and feel in relation to those problems.⁸⁷

By this definition, culture is considered valid as long as it is true and righteous, meaning that it is to be changed when the basic assumptions by any reason is proven wrong. This implies that reality is constantly under trial and those values and actions are constantly evaluated toward the culture to guarantee its justification. The prevailing culture in the group is taught to new members as the proper way of understanding, think and feel in relation to specific problems. In this way new members are socialized into the group, and learn how to react and understand their environment. By doing so, they internalize the “traffic rules” of the context and what kind of action is to be considered right or wrong.⁸⁸

All social contexts consist of a collection of signs without meaning until they have been attracted attention and interpreted by group members. The interpretation of objects, occurrences and activities is therefore the core in the cultural concept. Only when members ascribe the same meaning to confronted concepts, cultures can be considered constituted. This happens through interaction and leads to unique solutions for problems that later become symbols for organizational rules, rituals and values.⁸⁹

Intending to control or change organizational culture, a number of obstacles can occur. Instead of striving for governing and controlling the culture through organizational change programs, we should consider the cultural context when trying to perform radical change. Trying to govern organizational change, we will probably change something, even if not necessarily the one thing intended. This may result in growing cynicism toward change programs or other negative meta-effects. Not imagining culture as an entity but instead try to understand what it actually does, facilitates seeing culture as a context for creation of meaning and interpretation. This demands high awareness about the multitude of meanings and interpretations about who we are and what we do.⁹⁰

Organizations can achieve a new culture through two strategic processes. The first is the caring planning of HR practices that promote behavioural norms necessary for achieving the organization’s strategy. The second includes the deliberate selection of

⁸⁶ Bouno & Bowditch, 1989.

⁸⁷ Schein, p 9, 1985.

⁸⁸ Ibid.

⁸⁹ Frost, 1985.

⁹⁰ Ibid.

candidates, who share the desired values that reinforce the organization's cultural norms.⁹¹

Communication of visions, organizational rites, training programs or through implementing control- and reward systems that can easily be identified and understood by the individuals concerned could be such methods.⁹² Primarily it is meanings and values that demand change in a cultivation process, but changing structure and material conditions for making a behavioural change is equally important. Coordinating “grade of meaning” and “grade of behaviour, material and structure” is preferable, as change attempts not including factors of behavioural actions are bound to fail. In order for this behavioural change to take place, it should be preceded by a cultural reorganization.⁹³

Influencing corporate culture

Those possessing most power to influence the organization by their opinions of reality are generally the leaders.⁹⁴ Due to their insights about business goals and visions, their actions naturally correlate with them, and therefore they have a large impact on other members due to their influential characters. By directing attention toward certain areas, they mediate focus and thereby signal their general assumptions and values on a concrete and understandable level. Supplying their priorities by consequently connecting rewards and punishments to those behaviours they want to influence, they reinforce values and norms in practice in order for members to learn what is valued and what is not. Another way of illustrating norms and values is making criteria for recruitment, selection and promotion visible as well as procedures for dismissing and retirement.

⁹¹ Cabrera, E.F & Bonache Jaime, 1999.

⁹² Frost, 1985; Schein, 1985.

⁹³ Alvesson, 2002.

⁹⁴ Schein, 1985.

Empirical account of the creation of corporate culture within Sony Ericsson

This chapter serves as an applied version of the theoretical framework referred to in the preceding chapter. The theories used are therefore to be considered a background against which the empirical material will be analyzed. Due to the differing nature of the sources applied, it is essential to define the information of which I draw my conclusions. As the information extracted from the narrative human sources, such as interviewees, provides subjective opinions in contrast to literal documents or theoretical discussions, it is particularly important presenting them accurately. I have tried referring to the interviewees in a more legible way in opposition to the other references, in order to enforce the information gained by them. As I have taken active part in the production of this information due to my position as researcher, I wish to clarify these subjective valued statements by generally applying a direct note instead of a footnote in those parts concerned. All conclusions or generalizations drawn from information extracted are subjective opinions, based on my own interpretations of the material.

Corporate cultural profile within Sony Ericsson

In order to facilitate the reader's incorporation of the analysis, I have structured the following chapter after the three basic statements discussed initially. The three statements elucidated the importance of considering organizational type, merger type and integration grade on conducting a joint venture and are used as a structure or frameworks to which the analysis will relate.

Organizational culture typology

On analyzing the acculturation⁹⁵ process in the case of Sony Ericsson, it facilitates to structure it chronologically. I start by taking-off in my first statement where I posed that:

- 1) *Different types of organizational cultures have varying conditions for succeeding in merger situations*⁹⁶

Assuming that there are different organizational cultures and that they have different opportunities of succeeding mergers involves the notion of a prevailing condition of power and role taking within the organization. Cartwright & Cooper⁹⁷ developed a

⁹⁵ The concept of *acculturation*, or cultural meetings, describe change- or adaptation processes when two cultures meets. It is used to “describe both the process of contacts between different cultures and also the outcome of such contacts” (Abercrombie et al. in Kleppstö, 1993, p 45)

⁹⁶ Frenberg, 2003.

⁹⁷ Cartwright & Cooper, 1993.

system where they compare a merger to an “organizational marriage”, a classification based on Harrison’s typology.⁹⁸ The four types of organizational culture are:

- 1) Power ruled
- 2) Role based
- 3) Task-oriented
- 4) Person- and support-oriented

Power ruled organizations refer to organizations more individual than group oriented, autocratic with a lack of challenge focus. In these patriarchal systems, fear of punishment is often a strong motivator for the employees. These organizations further tend to work more implicit than explicit regarding rules and status, and loyalty toward superiors is here highly prioritised.

Role based organizations are bureaucratic and hierarchic, concentrating on formal procedures, written rules and clear regulations and decrees. Limits and roles are clearly identified, not least among leading positions, and the working routine is seldom unpredictable. Fast, efficient and standardised custom-relations are appreciated, unlike the quality-based custom-care found in power ruled organizations. As an individual, one can easily feel replaceable in this kind of organization, as it is the occupational role, and not the individual itself, who is considered valuable and appreciated.

Task oriented organizations take priority in the importance of the team, and they always have the comprehensive organizational goal at sight. By adapting the working process after the art of the task, they organize their work after purpose set frames. Striving for producing tailor made products for their customers; independence and flexibility are highly valued skills among their employees. This type of organization offers a creative and satisfactory working environment, but it demands high requirements from the employees.

Person- and support-oriented organizations involve working with equality and set personal development for their employees as a principal goal. This organizational type is relatively rare within the commercial business area, and is often found in non-profit organizations or idealistic associations.

Connected to the above, the concept of strategic fit is characterized as similarity between organizational strategies or complementary organizational strategies setting the stage for potential strategic synergy.⁹⁹ As the distinction between cultural and strategic fit is sublime, I choose not to separate them in this context. I will therefore discuss strategic fit as part of the cultural, which can be considered a wider concept.

Preceding the merger, extensive analyses were implemented with purpose to survey the existing organizational cultures within Sony and Ericsson. Regarding hierarchal profile, Sony proved to be more hierarchic than Ericsson, considering the latter to be rather

⁹⁸ See Appendix 1, Cartwright & Cooper, 1993.

⁹⁹ Chatterje et al. (1992).

informal. Comparing Sony to other Japanese companies, it appears far from conservative. Traditionally, Japanese companies are more hierarchical than western companies, which might be the biggest difference between the two companies. Ericsson is more informal when it comes to titling directors; independent of position every employee speaks to whomever he or she wishes within the organization according to Boulton. She states that:

..at Sony, it is more customary to use certain fixed paths when approaching people. Then another thing, I don't know whether it has to do with hierarchy or not but we made a little culture analysis where we saw that Sony is more like a family business, where you have are very strongly connected to the company, it is like your family. And Ericsson has a strong network culture. You build up relations but in the same time, you have the private, it is pretty strong to, but it depends on the number of contacts how well you do within Ericsson. Your way of making a career depends on whom you know within the company.¹⁰⁰

Boulton (2004) further posit that there also have been similarities between the two companies. The idea of the individual's role as an active subject is an example of where fundamental values are the same:

The fact that the individual has responsibility for his or her own action and development within the company is a phenomenon that would have been difficult to negotiate.¹⁰¹

Merger typology

Providing for various structures and power conditions influencing the process is also considered essential in a joint venture according to the second statement described initially. According to earlier research, various conditions play different roles in the merger.¹⁰²

- 2) *Different merger-types are differently suitable for different organizational types.*

Sony Ericsson can be considered an offspring of Sony and Ericsson. It lies in the being of the merger type to simplify the integration process since there is no hostile takeover or dominating part involved. The strategy for the merger was clear from the beginning; both companies calculated obvious advantages from the joint venture and there were complementary competencies for both companies to benefit from.¹⁰³ The goal was for Sony to introduce an entertainment alignment, providing games, music and consumer software to Ericsson's mobile phones resulting in innovative technology concentrating on both design and consumer-oriented contents. The differences in competencies

¹⁰⁰ Boulton, 2004.

¹⁰¹ Boulton, 2004.

¹⁰² Frenberg, 2003.

¹⁰³ Boulton, 2004; Larsson, 2005.

procured a non-concurring spirit between the two, and provided for a notion of the benefits gained from combining the two into a new unit according to Boulton (2004).

The fact that the activities within the companies resemble each other but not are equal, simplifies the process. This type of joint venture can be referred to as a *vertical merger*, where organizations from the same branch of trade are combined, but where the companies originally operate in different sphere of activities. A vertical merger is different from a *horizontal merger*, in which competitors from the same industry with the same type of activity join. It is likewise different from a *conglomerate*, in which merged organizations originally operate in completely unrelated areas¹⁰⁴.

Boulton (2004) raises the importance of competencies, and the advantages gained from the fact that the companies constitute from different competences. Lack of intern concurrence maintains a positive atmosphere and a relation where both parts are equally important in the process. She stresses the fact that the market nourishes the opinion that Sony handles marketing issues alone, and that Ericsson on the other hand takes care of solely technological issues. This is a misunderstanding as all issues are integrated due to a conscious integration strategy in the initial phase of the merger, when all issues were valued after competencies and not after former company belongings:

When we appointed the executives we looked upon who was most competent for this role. We worked with both companies. An external part interviewed all leaders, so that it would be an individual evaluation of all the leaders, and they rather tested their leadership.. And then we reached a fairly good balance, but it wasn't an accepted fact that a certain role were to be appointed to a leader from Ericsson etc. but it was an individual evaluation. But all together it was technique and infrastructure and the big issues from Ericsson and design and consumer experience from Sony.¹⁰⁵

The merger between Sony and Ericsson is unique in the sense that both parent companies are still intact, and that they support their offspring in different ways. The new organization consists of skills and knowledge from both parent companies, but lacks the oppressive stress of an acquirer or merger partner. Their interference in the new company was clear from the beginning: they would support it but only to a certain degree. In the beginning, there were hard times, as the company was not yet profitable. There were also hard times for Ericsson¹⁰⁶ and Sony, but due to recession, they are today stronger companies than they were a couple of years ago. Boulton does not mind the independent conduct from the parent organizations, and she comments the upbringing as follows:

Naturally, there is a comfort in having the parent companies' support, but it has always been an obvious focus to be able to act independently.¹⁰⁷

Despite the free relationship among the companies, she asserts the fact that consultation toward and cooperation with the parent companies has occurred throughout the whole process. Larsson (2005) however posits that:

¹⁰⁴ Cartwright & Cooper, 1996.

¹⁰⁵ Boulton, 2004.

¹⁰⁶ Björling in DN (2001-x-x)

¹⁰⁷ Boulton, 2004.

..the business process would have been facilitated had more focus been put upon learning from and consulting the parent companies. All problems that Sony Ericsson experiences Sony went through 30 years earlier. They should learn more from each other.¹⁰⁸

In resemblance to merger types, the proposed union will have a major impact on employee perceptions about the approach.¹⁰⁹ For the employees there is a smaller chance of negative reactions due to merger and integration problems because of its liberal and independent form. Leaving a former organization and boarding a brand-new one is less a threat than complete loss of the former. It is easier to approach something new if the old is still available. In order to be successful, leaders must match their decisions and behaviours to the specific type of merger they are managing, as leadership style and actions do influence the integration process.¹¹⁰

It lies within the nature of the merger that the new company is created according to new technological development on the market. Sony Ericsson was created answering to new environmental demands, replacing the former mobile phone producer Ericsson who instead progressed into being a software producer closely linked to the product developer company Sony Ericsson. This could be considered a win-win-solution where all three involved companies take profit, nourish and create conditions for each other's existence.

The relation to the parent companies seems to have matured gradually, as Sony Ericsson has grown into its role as an independent company. Independence appeared to be an end in itself in the beginning as the management wanted to secure their own input and strategies, but after having demonstrated their competence and created their own structure, that is not as essential according to Boulwood. Larsson on the other hand, claims the increasing cooperation to be connected to the products:

As Sony applications are more applied in today's current phones, the tighter the connection to the parental company.¹¹¹

It was important not adapting to the large-company-mentality, as they wanted to establish as a minor company driven by flexibility and innovation. Feeling more secure and established in its identity, it has been easier justifying glancing at the parent companies and benefiting more from them. The relationship among the companies is reciprocal, but considering size and experience, less consulting from Sony and Ericsson to Sony Ericsson than the opposite occurred.¹¹² Larsson points out certain dependence to Ericsson as the latter supply net to Swedish operators, and possible customers to Sony Ericsson.¹¹³

¹⁰⁸ Larsson, 2005-04-04.

¹⁰⁹ Schraeder & Self (2003).

¹¹⁰ Lind & Stevens (2004).

¹¹¹ Larsson, 2005.

¹¹² Boulwood, 2004.

¹¹³ Larsson, 2005-04-04.

Merging Japanese collectivism and Swedish individualism

Cartwright & Cooper posit that differences in managerial styles and accounting practices can contribute to tension in the integration process.¹¹⁴ The differences in managerial style could be considered ethno-cultural in this case due to significant cultural differences between Swedish and Japanese employees. Ethnical aspects are not emphasized within the company though, and the management appears to avoid focusing on diversity issue as if it was not of importance. The strategies aim upon the joint future and try not to focus on existing differences between the countries.¹¹⁵ The global environment in the organization helps in doing so, as it resembles more of a “born global” company than a Swedish or Japanese one. The conviction is using the best strategies from both cultures, and integrating all collected knowledge from all countries concerned. Sony Ericsson is a global company situated in a number of countries around the world, with leaders from many different countries. The collected knowledge creates a foundation for organizational growth. The spirit of “may the best man win” influence internal recruitment processes, resulting in a mixture of cultures represented in leading positions.¹¹⁶ This spirit is a shared basic assumption demonstrating underlying values for the organization as a whole.

Global thinking is supported by the thought that the location of a company’s operation is of greater importance than the nationality of company ownership,¹¹⁷ meaning that their specific culture is applicable in every office of their worldwide activity, and not dominated by its parent companies.

Integrating corporate culture at Sony Ericsson

- 3) *Success in a merger-process depends on the extent of integration, and the key to managing the integration lies in the possibility of creating a coherent and united organizational culture*¹¹⁸

Successful consolidations considering people and relationships to be important, call for a more thoughtful, creative and differentiated approach to integration. In contrast, a fast, decisive and highly directive (even autocratic) approach works best in situations where the two entities make similar products or share several customer segments.¹¹⁹

In the process of creating a new corporate identity, Sony Ericsson put special focus upon cultural aspects according to Boulton (2004). After studying current knowledge presented in reports of earlier mergers and joint ventures, they decided to use a self-made change program without interference from consultants operating from the outside. The change-program consisted of a process divided into three stages:

¹¹⁴ Cartwright & Cooper (1993).

¹¹⁵ Boulton

¹¹⁶ *ibid.*

¹¹⁷ Tanner & Maguire, 1980.

¹¹⁸ Frenberg, 2003.

¹¹⁹ Lind & Stevens (2004).

- 1) Cultural awareness
- 2) Culture change
- 3) Managing the new culture

The first stage *Cultural awareness* focused on creating an understanding of where the company derived from:

We wanted to develop an understanding of where they [the parent companies] came from, what did the Sony and Ericsson cultures look like, what ethnic cultures were there in the company. There were most Swedes, Americans, Englishmen and Germans represented. Here they started to ask the employees to describe their culture and how they wanted to see the new culture, what key words they wanted to apply to it. The results emerging demonstrated that it was equivalent how they wanted the new culture. Both employees and management had the same goal in this regard.¹²⁰

Parallel with the cultural awareness phase, the *culture change* phase started to develop according to Boulton (2004). The then president Mr. Ihara summoned the managerial body¹²¹ with mission to discuss strategies, visions, values and culture type. This became a difficult assignment considering the large expanse of cultural differences, both ethnic and organizational, within the company management. Discussing cultural aspects and values, they used input from employee enquiries as a foundation for further discussion. In this manner, the employees' opinions provided underlying conditions for choosing strategy and creating a vision. Visions, goals and values were therefore introduced for both employees and management, who once again were offered the possibility of adding inputs and supplements to the discussion. The process developed in this sense combining top-down and bottom-up management, and the result of the agreement concerning goals, visions, values and ambitions was communicated to all employees on the first day of the joint venture.¹²²

Elaborated material called "The Culture Change Tool Kit" was offered the managers with purpose to discuss and internalize them [the corporate values] on every level in order for everybody to feel out and decide what kind of questions they personally wanted to work with on an everyday basis. The tool kit was a mean for the managers to be able to hold seminars, workshops and discussions with their employees.¹²³

The workshops further involved opportunities to discuss strategies, visions and values among both managers and employees, and therefore became a mean for gaining approval for the visions among the employees on all levels. The tool kit was a way of addressing all individuals concerned and finding ways for them to accept and elaborate the values by deciding in what way they could work with them to make them understandable and applicable in their individual every day working situation. By setting their own ground rules and items for what the values and visions meant for them

¹²⁰ Boulton, 2004.

¹²¹ The management group was appointed 1,5 months before the merger took place. Before this date, an interim managerial body consisting of double parts from both organizations operated all managerial issues.

¹²² Boulton, 2004.

¹²³ Ibid.

personally, the employees were offered a possibility to internalize them in a more profound manner according to Boultonwood (2004).

Workshops were applied during the whole first year and together with other tools facilitating the process, every level had their own action plan for carrying them out. The strategy of directing legible goals for all individuals concerned resulted in a systematic approach to maximize the performance of Sony Ericsson and the individuals within it. The program was called "Performance Management".¹²⁴

Currently, Sony Ericsson finds itself in a phase referred to as *Managing the new culture*. This phase summons the significant qualities evolving from the company. New knowledge is gained, new values are to be considered and a new CEO, Mr. Flint started in the summer of 2004, resulting in somewhat new impressions for the corporation. Although he accepted the recently developed values and asserted not to intend putting his own stamp on the matter, he pointed out the fact that the company until then had found itself in a situation of "survival mentality". Survival mentality, significant for early evolution stages in companies' childhood, is known to be a strategy including establishing on the market and finding out whether to win or disappear.

The then legacy from both Sony and Ericsson's involved a difficult situation for their mobile divisions, and the situation was therefore hard to seize. After a year of making profit,¹²⁵ Sony Ericsson still had not grasped the fact of being successful according to Boultonwood. The high risk factor due to high technology had forced them to adopt a humble attitude toward the market and its flexibility. Being able to succeed growing demanded a new strategy, a "growth mentality" plan. The tendency of concentrating on economical growth instead of reducing costs, seem significant for the current market attitude in general.¹²⁶

The growth mentality plan was set to match the value of innovation, and it implies a more courageous attitude based on risk taking. It aims at creating an open minded working ambient assuring the employees to know that it is ok to fail, that it even might be necessary for being innovative. This growth phase also demands challenges such as strong teambuilding strategies on all levels.

In the beginning, when the survival mentality still prevailed, there was an overweight on fast actions, and the then CEO [Mr. Ihara] mainly worked hands on down in the functions, in order for every function to have their own responsibility and solutions. The new CEO [Mr. Flint] strives for working crossover borders to a higher extent, in order for everybody to help each other within the organization. Creating strong cooperation between sales, marketing, development and the rest of the business areas is essential for succeeding in Sony Ericsson according to the new CEO.¹²⁷

This cooperative spirit was further secured by concrete teambuilding operations focusing on strategy planning and planning of cross-functional projects. All levels within the company were invited to work cross functional with common goals and

¹²⁴ Boultonwood, 2004.

¹²⁵ The company became profitable in the later part of 2003 according to the half-yearly report concerned.

¹²⁶ Højman, 2004.

¹²⁷ Boultonwood, 2004.

solutions in order for the managers to secure that this certain working procedure was applied, even if it never had been used before.¹²⁸

Sony Ericsson applied an approach involving creating a strong team at the top, in order for the subordinates to identify themselves to the leaders and find role models for their organizational behavior. Therefore, they wanted to support a strong leadership according to Boulton (2004). Classical team building exercises such as building rafts or paddling canoes provided for reinforcing the management team. An extended managerial body existing of 26 managers, all directly reporting to the CEO, carried out these development exercises. Creating this extended management group helped the purpose of further strengthening the management. It also helped in procuring a broad geographical range, useful on spreading fast information or coming to important decisions. More formal decisions or comprehensive strategy planning is still operated by a smaller management committee, as it is faster and flexible.

Mr. Flint emphasizes the importance of the managers as role models. In comparison to former CEO Mr. Ihara, “he works more with long-term strategies, and strives for strengthening Sony Ericsson as an independent company” (Boulton, 2004).

The fact that the new CEO is English constitutes an extra dimension to the joint venture, especially as the English culture is relatively poorly represented within the organization.¹²⁹ In comparison to the joint venture Pharmacia Upjohn this makes sense, as their case showed that having an independent CEO, without special inclinations for either of the companies, proved to be the primary success-factor.¹³⁰

Producing corporate core values

The purpose of producing the values was primarily to create inspiration, as guidance or driving force to the daily work. Initially, the company produced five core values, complex by nature and difficult to comprehend. On evaluating and measuring them, it was discovered that the inspirational part was indeed failing. In the autumn of 2003, a group emanating from the managerial body aimed at reorganizing the value set and compiling new concepts for enhanced inspiration for the employees:

We chose to evaluate them [the values] last autumn [2003] when we had worked on our trademark and branding strategy. It is important that branding and inner values are connected so that one lives the brand internally too. What is communicated to the external market should be connected to how we work internally; we are all ambassadors for the company (Boulton, 2004).

In light of branding strategies, three new values took form. This time the values had the benefit of actually emanating from an already active culture, and the fact that a Sony Ericsson culture already existed made work more evident and realistic for the employees according to Boulton (2004). Although aiming at defining the values already existing among the employees, the committee also wanted to stretch the

¹²⁸ Boulton, 2004.

¹²⁹ Ibid.

¹³⁰ Belcher & Nail, 2000.

concepts giving each employee something worth striving for, so that each individual can have the possibility of improving oneself. The three new core values extracted became:

- 1) *Passionate* about success
- 2) *Innovative* in our thinking
- 3) *Responsive* to our customers

Boultonwood (2004) posit that these new values were well received within the organization and, unlike last time, launched with big publicity stunts in relation to product promotions. The idea was to make the employees internalize the values by presenting concrete items relating to the values in different ways, taking them to an “artefact” level. This action correlate with the current notion that affectively committed employees could contribute more to organizational success than normative committed ones.¹³¹ Displaying the values in different PR-events they appeared on objects such as screensavers or American footballs, they were also painted on canvas-pictures, where the employees themselves could paint their feelings about what their values meant to them specifically. Someone served passion fruits for breakfast, indicating the new focus on passion about success.

They [the managers] were encouraged to be creative and work with the values toward their subordinates... This was more connected to branding, that people felt pride in the process. This was more a description for the brand and how it all was internally connected.¹³²

Using the trademark was a way of demonstrating how all pieces were held together as a unit. While managers worked with the implementations to their subordinates, the company engaged them through implementing them into recruitment processes, leadership developments and introductory educations. In order for the values to be communicated at regular intervals, focus lay on not letting it be “just a poster on the wall” or a one-off event according to Boultonwood (2004).

Boultonwood (2004) further claims that existing procedures and values underlie new core values and that this is the reason why Sony applied a strategy of working with parallel projects within the company. By doing so, they intended to bring the value of passion into the joint venture. Implementing processes where employees are set to work on the same issues involved creating a competitive atmosphere and “may the best man win-mentality”. This strategy supposedly serves as a motivator for the employees, and nourishes driving forces by creating passionate and active employees. This procedure was quite the opposite from how Ericsson approached working assignments, as they initially applied a structural way of dividing the tasks among the employees in order to sustain efficiency. Issues concerning roles and responsibilities and their mutual relation are still reported vividly debated within the management, and therefore is supposed to constitute a part of the High Performance Management process. Boultonwood (2004) refers to the structuring of legible roles as being equally difficult whether clearly

¹³¹ Rashid, Sambasivan & Johari, 2003.

¹³² Boultonwood, 2004.

defined or not. The strategy was not to offer too clear frames for the employees, in order for them not to conduct behaviour not open to common obstacles or solutions by referring to them as not being part of personal working task. This behaviour would in that case contradict the goal of being responsive, innovative and passionate. The opposite, having too indistinct frames, would also affect the performance by securing tasks not to be forgotten or neglected. “By continuously connecting the tasks to the goal, to perform better, taking initiatives responding to this goal will increase”, states Boulwood (2004).

Understanding the nature of businesses in terms of similarities, differences and potential for creating synergy, is to be considered critical when about to merge or change organizations.¹³³ Defining these issues is often more difficult in service- and consulting businesses than it is for product based companies due to the impact of the human factor in the previous. Many leaders fail to grasp the significance of this, and do not strive to understand the strategic implications for combining companies that derive competitive advantage from relationships and unique talent.¹³⁴ Considering this, the position as a product-oriented company would be advantageous for Sony Ericsson.

Having clear structures and procedures to facilitate the work with the implementation of the values is often said to be crucial in post-merged organizations. One early obstacle for internalizing the values was the occurrence of disorder within the administration and management according to Boulwood (2004). This circumstance hindered employees from understanding the processes and therefore prevented or delayed the feeling of involvement and passion for the company.

Current cultural identity

The will to innovate is constantly present. We work in a fast moving industry and it is essential to ignore the limits due to preserving the innovative thought. When initiating a company it is always easier to be innovative in the beginning, but securing a process of continuing that strategy in order not to be too bureaucratic is the genuine challenge. We strive to keep the balance between entrepreneurship and order, without having too much order.¹³⁵

Innovative for ideas, *passionate* about products and *responsive* to customers, that is how Sony Ericsson regards itself today speaking in terms of current core values.¹³⁶ On describing Sony Ericsson’s current corporate culture, Larsson (2005) utilizes the words “energetic, travel oriented, international, agile and moving”. He describes a young organization, having reached success due to the skills and strengths of its employees. He further stresses the fact that fun products and innovative technology are main reasons for attracting a young and mixed team according to ethnical and gender distribution.

¹³³ Lind & Stevens, 2004.

¹³⁴ Ibid.

¹³⁵ Boulwood, 2004.

¹³⁶ *ibid.*

Claiming the company to be “a mix of economy, market and engineering”, he states the applying of agile working processes superior to rigid working forms.¹³⁷

The company emphasizes the importance of yielding fine products and takes pride in nourishing their client relations according to Boulton (2003). She further states that hierarchal systems are not generally applied; instead, innovative systems aiming at responding to the problem at stake is created continuously regardless of what can be referred to as normal hierarchy. “The working structure is team-oriented with clear organizational and individual goals at sight”.¹³⁸ Sony Ericsson set high expectations on their employees, who are reported to have a large input on their working situation, primarily through participation in the employee survey “The Voice”.¹³⁹

Based on the statements of my interviewees, I interpret the company as considering people active and self-going. This is a general assumption taking concrete form in values such as “innovation” and artefacts as rewarding task-orientation.

Internal procedures are characterized by applying mixed ethnical teams. The strategy of not accentuating Swedish or Japanese traditions, but taking on a global approach, is used as a mean of creating a unique and global position. As both employees and customers are international and English is the applied group language, this direction is regarded comparatively easy according to Boulton (2004). The concentration on a function-organization is considered more important than geographical borders, and the wish for independency considering national legacy and parent companies therefore becomes obvious when approaching the issue. Valuing function above geographical situation involves that the organization could appear inaccessible:

Our organization could appear very complex seen from the outside. “Who is responsible?” “Who is Country Manager?” We have Country Managers on certain areas, but it is rather a question of formality as we need a legal corporation for the legal issues, but it is not there that the decisions are made. They are made in the function of sales marketing or other business areas, and we have out placed people where we can guarantee the right competence. It is therefore irrelevant where it is at, that is why we have such mixed teams from all around the world.¹⁴⁰

The business areas operate across borders and hence their president could operate from one country and its employees from another. This is an example of a matter where the strategy is to set competence above logistics, and encourage rotation within the company. This rotation strategy is in line with entering the approaching growth phase, demanding rotation of competencies to work, and the strategy is complemented with a project called “across boundaries” facilitating it in practice.

It is only recently that the synergic effects have become evident, according to Larsson (2005). He further states, “Roles were more insecure toward the new culture in the

¹³⁷ Larsson, 2005.

¹³⁸ Boulton, 2004.

¹³⁹ “The Voice” constitutes an annual employee survey, a tool measuring issues of competence, responsibilities, authority, motivation, cooperation, leadership, visions and how well the company lives up to the values.

¹⁴⁰ Boulton, 2004.

beginning of the joint venture”¹⁴¹. Old patterns taken from Ericsson’s employees and product portfolio dominated in Sweden and vice versa for Sony in Japan. Today the climate is different, whereas the staffs have gradually changed and a number of Japanese employees currently are situated in Sweden, influencing the culture and products.

Larsson (2005) states the fact that new people entering the corporation often have a different view of the corporate culture, and that this in many ways helps them internalize it faster than employees coming from the parent companies. He posits that:

“The Sony Ericsson mentality is more widespread today due to a larger amount of new employees without cultural legacies from Ericsson”¹⁴².

High Performance

Present research shows that corporate culture and organizational commitments have impact on employee performance.¹⁴³ This indicates that the type of corporate culture and organizational commitment could provide organizations with superior performance, and thereby success.

High Performance implies being better than one’s competitors on a long-term basis. Constantly enhancing and striving for improvement involves a clear strategy with defined goals for what to achieve.¹⁴⁴

Performance Management within Sony Ericsson

A project group aiming at covering all different ethnical and cultural aspects, so that the material could be implemented on broad spectrum, elaborated the Performance Management program. This procedure became important for succeeding in Sony Ericsson’s ambitions to foster a culture of High Performance posit Boulwood (2004). The underlying philosophies suggest that performance is defined as “achieving objectives while behaving according to the values of Sony Ericsson”. Good performance is, by this definition, rewarded whereas poor performance is not accepted and therefore must be improved. The main principle surrounding the program is recognizing and rewarding behaviours desired as well as achievements of results. The then CEO Mr. Ihara was convinced of anchoring this vision among his employees on an early stage:

Setting clear individual goals linked to the business goals, and giving frequent feedback are crucial activities for managers at all levels. This will help monitor the performance and create motivation within our company.¹⁴⁵

¹⁴¹ Larsson, 2005.

¹⁴² Larsson, 2005-04-04.

¹⁴³ Rashid, Sambasivan & Johari, 2003.

¹⁴⁴ Larsson, 2005.

¹⁴⁵ Ihara in *Performance Management- Guidelines, Sony Ericsson*

Boulton (2005) states that working with Performance Management in a structured way, secures for every employee to know and understand how he or she can contribute to overall business success. All individual goals are to be based on comprehensive organizational goals, HPI:s¹⁴⁶ and financial goals. Hence, they can be categorized into three levels: corporate, unit and individual goals. This circumstance implies a process of both top-down and bottom-up management, as employees themselves can influence the goal setting as long as they enforce a clear connection between comprehensive and individual goals. All goals are settled once a year, and followed up both in mid-year and at the end of the year. In the evaluation-process not only goals are appraised, but also individual competencies derived from organizational values. On basis of the values, 8 core competencies and 3 leader competencies are identified, whereas core competencies are used on all employees and leader competencies only on the management.

Simplicity and globalness became means for striving for user-friendly and adaptable tools. The systematic approach aims at maximizing performance within the company by:

- Setting business aligned objectives¹⁴⁷ that are clear and measurable
- Ensuring that the behaviours in the company are in line with company values
- Providing a structured basis for organizational and individual development
- Ensuring that all performance is systematically assessed with feedback and appropriate actions
- Identifying High Performers and ensuring that they are recognised, rewarded and visible
- Clarifying roles and responsibilities¹⁴⁸

The individual Performance Management process is divided into four steps, and illustrates the different levels in the developmental cycle.¹⁴⁹ The first step is setting annual individual objectives based on company and unit objectives, in order to create focus, clarity and alignment in the business process. It is likewise important for nourishing motivation and facilitating the company delivering feedback and reward. Boulton (2005) claims that “it is of importance to work with both top down and bottom up perspectives in order to create relevant, realistic and measurable objectives for the individual so that he or she has a clear understanding of how to contribute”.

After the “objective setting stage”, a development plan was linked to the objectives. In order to make development and competence more understandable, the company

¹⁴⁶ *Human Key Index*, the company’s business ratio.

¹⁴⁷ An *objective* is a statement that delivers an individual staff member clarity on what should be achieved and when the desired result should be achieved. This should be consistent with the business target setting and the purpose of the individual staff member (Performance Management - Guidelines, Sony Ericsson).

¹⁴⁸ Ihara in *Performance Management - Guidelines*, Sony Ericsson.

¹⁴⁹ See Appendix 2.

developed a competency model to provide a structure and terminology that helps communicating performance issues and supports a framework for the definitions and assessment of competencies. Three areas were identified for structuring the framework: core competencies, leadership competencies and functional competencies, elaborated from the corporate values and norms. Core competencies are mandatory for all employees and are identified as being crucial for the business. Leadership competencies are identified constituting good leaders, and functional competencies are the ones necessary to carrying out the specific work related to the function.

Next stage in the Performance Management Cycle concerns review and feedback and is necessary as a tool for maintaining motivation, performance and identifying developmental needs. It is of importance that given feedback is helpful, specific, descriptive and timely so that the employee can internalize and understand it.¹⁵⁰

The last stage in the process cycle involves reward and recognition. The underlying philosophy is that engagement and commitment to organizational success is dependent upon more than the pay systems. Therefore Sony Ericsson aims to encourage High Performance through a broad mix of reward and recognition schemes. Satisfying the objective setting, the employee is rewarded by achievement. Better performing employees attain higher levels of reward considering salary and variable pay. Alternative schemes will also be applied as a mean to reach High Performance. Such can be developmental opportunities, career advancement opportunities or visibility to senior management. Within Sony Ericsson, it is considered essential to communicate recognition not only to employees, but also to their peers, superiors and colleagues.

Boulwood (2005) asserts that on implementing the Performance Management program, the goal was to point out and illustrate the connection between values and competencies for all individuals concerned. Employees themselves describe in what way they live the values, in order to see to that it becomes everybody's responsibility to reach goals and not just a leader task.¹⁵¹ The intention of giving the initiative to the employees was making them reflective about their own performance and contribution to company success. What does it mean to be responsive? Is passion the same as commitment? These kinds of questions were supposed to engender a more profound understanding of underlying meanings of the values.

The evaluation work within Sony Ericsson is provided for through the annual employee survey "The Voice". Measuring issues of competence, responsibilities, authority, motivation, cooperation, leadership, visions and how well the company lives up to the values. In the beginning of the joint venture in 2001, opinions were rather negative due to initial problems, low financial rates and low integration grade. Today numbers are pointing upwards and lie above benchmark. A positive trend due to better financial position, better media image, branding strategies and higher integration rates has led to a better working climate and motivation grade within the organization.¹⁵²

¹⁵⁰Ihara in *Performance Management - Guidelines, Sony Ericsson*

¹⁵¹ At turn of the year 2004/2005.

¹⁵² Boulwood, 2004.

Concluding reflections

Based on the preceding results, I hereby reflect upon their consequences, application and relevance. By summarizing the information that I regard most relevant and speculating about its further application within the field of creating corporate culture I hope to come to certain conclusions about its nature. Additionally, I will interpret the validity and relevance of the information sources, in both theoretical discourse and human informants.

Results of a case study are supposed to be versatile, holistic and able to develop over time. Studying the point of intersection between corporate culture, identity and mergers involves certain ambiguity, as it includes pluralistic interpretation. Discovering that much of the available theory existing within the research area assumes a functionalistic standpoint complicated my assignment, given the interpretative process approach it gradually took. In relation to existing theories, I intend to provide an alternative way of looking upon the creation of a cultural identity and therefore point out a need for applying a process alignment to the concept.

Buono and Bowditch regard organizations to be rational systems demanding harmony and consensus, and recommend culture to be used as a mean for gaining convergent organizations. Relating to conflicts as being potential threats also contradicts general assumptions employed by Sony Ericsson, considering their innovative and allowing climate.

Nahavandi and Malekzadeh, Cooper and Cartwright and possibly Dahlgren and Witt approach a functionalistic standpoint manifesting a more complicated conception of how to describe organizations. Supporting an outlook where organizations nourish given functions involves considering cultures to constitute subordinate phenomena. Concentrating on fix structures removes focus from processes that create and recreate meaning and demands an idea of them being free from human beings and processes existing between them. Whereas the deterministic structuralism considers human beings reactive and a product of their surroundings, process thinking posits that phenomena studied are products of our own and others conceptualizing¹⁵³. It is this fundamental philosophy that justifies applying a process approach to this case study, as it lies in line with basic characteristics of Sony Ericsson. Given the differences in basic outlook between theory and empirics, the emerging challenge for me was disregarding philosophical differences, as I wanted to adopt a process view instead of a system approach.

The interpretative, constructivist paradigm emphasizes that research is a product of the values of researchers and therefore cannot be independent of them. Ontologically, reality is socially constructed and individually interpreted. Therefore, multiple mental

¹⁵³ Kleppestö, 1993.

constructions have the opportunity of developing and perceptions of reality may change throughout the process of the study.¹⁵⁴

Analyzing the interviews, I noted the fact that Larsson has a structural way of handling problems. Unlike Boulton, who looks upon the process as a unique and complex system with unique and rare obstacles and needs, he appears to regard cultural development as being structural systems. This separates them and pluralizes the information extracted.

It is a difficult task to determine when the information extracted is actually true or only an expression for a vision or a future condition worth striving for. This circumstance is due to the method chosen, permitting subjective interpretations and personal opinions, and to a certain degree even connected to the nature of the research purpose. Concentrating on strategic matters involves in this case not being able to examine or evaluate the implementation of the process. As the management process is strategic, and the implementation process is not provided for, the analysis itself becomes difficult.

It is important to point out that my account of the process of creating a corporate culture is built on the statements of leading persons within the organization and their personal account of it. Founding a study on basis of primarily one person's information is naturally a difficult quest, and therefore involves critical thinking. Despite this fact, I judge the relevance of the interviewee to be adequate according to her strong position as a specialist and strategist within the applied organizational culture area. Her position as a culture bearer is equivalent, due to her deep insights and understanding of the corporate culture that Sony Ericsson constitutes. In addition to this, interpretative approach allows research to be subjective as long as it does not claim to generalize.

On planning mergers, one of the most common strategies seems to be that "birds of a feather flock together". This device is accompanied by thorough analysis on organizational type in order to distinguish their probable co-operational abilities and suitability for merging. Cartwright & Cooper (1993) set a structure where they in a table define possible outcomes of mergers according to organizational types involved.¹⁵⁵ This structure implies that corporations with obvious differences in cultural identities might find it harder to cooperate or communicate. Mergers and acquisitions are therefore prevented by differences expressed in the cultures of involved organizations. Concluding the above, one should avoid converging corporations constituted by widely differing culture types. Current discourse on the subject includes a more nuanced picture in relation to this by including thoughts about diversity not being the problem per se, but whether the cultures in spite of similarities fit together or are complementary.¹⁵⁶ Sharing the assumption of the need for definitions for facilitating analysis, I consider this particular structure having certain value in this context as it can be used as a source for identifying and understanding underlying influence on the process. That said, I do not argue the fact that initial similarities or differences have such large impact on probable results that consolidating widely different corporations

¹⁵⁴ Mertens, 1998.

¹⁵⁵ See Appendix 1.

¹⁵⁶ Kleppestö, 1993.

should be avoided. On the contrary, I believe multitude and diversities to be important for maintaining innovative thinking and development. Sony Ericsson is a representative example of two companies managing to merge into a well functioning unit in spite of initially having apparently different organizational cultures considering hierarchal system and basic view on the role of the company.

With strong emphasis on harmonious relationships and hierarchy, Confucian or Asian thinking does not value individualism to the same extent as western philosophies. Basic assumptions reflect the influence of the national culture onto our daily business life, explaining the general expectation of member conformity in Asian corporations.¹⁵⁷ Japanese societies are often portrayed operating along the line of an almost militaristic organization, with a strict adherence to order, rank, and authority, reflecting on both social and workplace-related relations. The need to maintain group harmony is an accepted preoccupation in Japan according to experts on the matter, and the business sector achieves harmony through absolute consensus. Constant nurturing of positive human relationships means that, once the firm as a whole comes to a final decision, the plan has everyone's support.

To be able to function side by side with a Japanese organizational culture in a joint venture, the western company must be flexible and able to adopt information-based systems, begin to relate to business in global terms, foster closer links with the educational system and develop effective internal team building programs.¹⁵⁸ This ethnical cultural aspect is applicable to a certain degree in the case of Sony's initial culture, but seen as a Japanese company, it is rather global in its approach according to western norms about formalities and hierarchy. Boulwood (2004) refers to it as being "the less Japanese company in Japan considering hierarchy". Even so, relations to hierarchy and formalities seem to be the biggest difference between Sony and Ericsson by the standpoint of the merge in 2001. One issue connecting them seems to be their interest for measuring and developing their employees, a fact providing a good incitement for applying High Performance Management.

The comprehensive management strategy seem to disregard this fact to the greatest extent possible, by focusing on the joint future of the company instead of its past. What conclusions can be drawn from this? By supporting the ethnical diversity line, one could easily state the fact that the typical Asian company is not very strong in encouraging participation of organizational members in business decisions affecting them.¹⁵⁹ This statement appears to work contradictory from the High Performance Management line, since the latter stresses the fact of innovative participation from the employees and suggests that companies with high levels of employee involvement can expect above normal performance. Fundamental values such as opinions on the role of the individual were shared between the companies from the beginning, a fact that facilitated the integration process.

¹⁵⁷ Chan et al, 2004.

¹⁵⁸ Cooney (1989).

¹⁵⁹ Chan et al, 2004.

The purpose of the merger is clear in the case of Sony Ericsson. Ericsson producing mobile phones and Sony providing consumer technology constitute a clear joint venture, aiming at expanding their market and products.

The joint venture of Sony and Ericsson could be considered a vertical merger in the sense that it involves two related companies working in the same branch of trade but not as competitors. This relationship in a merger is known to engender synergies and positive development since it does not challenge former competitors to work together under the same banner, but brings together closely related activity into new constellations. The fact that the companies operate in related areas, in this case high technology for consumers makes the individuals concerned emotionally connected to their working situation to a higher extent than they would have been if they had not been related at all.¹⁶⁰ This could arise from the fact that organizations related to each other would want a larger impact on the acquired activity than they would if the activity would not have been related at all. This leads to an extensive process of organizational development since all employees on all levels are concerned in the matter. This merger type is more dependent of human cooperation, and it harbours greater potential to generate larger economical profit than in mergers of completely unrelated organizational activities.¹⁶¹ This could be explained by the fact that in mergers of unrelated organizations, the goal is often financial diversification more than high grade of integration. In practice, this means that the employees in the former case tend to feel more secure in the fact that the activity and thus the organizational culture will be intact. In joint ventures of related areas of activities, where the impression of the purpose is to achieve higher efficiency through change and integration, the individuals are more inclined to expect a certain loss of identity, which have great consequences for how they relate to the same.

In 2001, Sony Ericsson was offered the possibility to start at a point when times were bad for their parent companies. Ericsson suffered large losses both worldwide and in Sweden with ten thousands of working opportunities disappearing.¹⁶² This could be a reason for them not wanting help from their parent companies in such large extent, and might have further nourished their wish for independence. Initially, the settlement included that Sony Ericsson was to be provided for by Ericsson to a certain extent, and gradually becoming financially independent. This agreement was initially challenging considering the non-profitable years for all parts involved, but today it is regarded positive due to good financial conditions even for Ericsson (Boultwood, 2004).

Seemingly, the most important factor for succeeding is the fact that the two parent companies resulted in a third, independent company. This strategy of creating a new company built upon the knowledge and skills of its antecedents enable new solutions and innovative working procedures, and it eliminated an array of possible negative outcomes and conflicts such as employee resistance. A process signalling positive development and growth instead of mere change emancipate new driving force and spirit to concerned employees. This form creates greater incitement for the employees to

¹⁶⁰ Cartwright & Cooper, 1996.

¹⁶¹ Porter, 1987 in Cartwright & Cooper, 1996.

¹⁶² Björling, DN, 2001-04-20.

grow with the development than it would have done otherwise. The willingness for subduing to change depends on the grade of motivation among the employees.¹⁶³

Is there such a thing as a blank and formable newborn without inherited characteristics and some type of congenital personality? In the case of Sony Ericsson, it seems as if they wanted to create their own culture and identity from the very beginning without the interference from its precursors.

Their parent companies have probably gained from the joint venture, taken their positive results on today's stock market. Boulwood (2004) claims that the earnings of Sony Ericsson supposedly affected them positively as it probably helped them in distributing other products.

Without exception, all management of successful mergers includes having a clear vision. It drives decisions, fuels enthusiasm and inspires executives. Vision not only leads successful companies to the merger table, but it also sustains the much longer integration period¹⁶⁴. Only the fact that the merger actually took off indicates strive for development and entrepreneurship. The vision in Sony Ericsson's case is clear - to perform better - and it is further implemented in the organization through the efforts of implementing High Performance Management.

When carrying out a merger and creating corporate culture it is demanded to have a detailed plan of action to support the guiding vision. When the management truly understands that to merge means to create a union, dissolution to some degree of each entity in order to become something new is inevitably required.¹⁶⁵ My interpretation when analyzing the case of Sony Ericsson is that the two concepts above play principal parts in the success of the joint venture. Framing the cultural aspects and the creation of a strong corporate culture by stressing the importance of deep-level integration contributed to the profit and long-term success. Focusing only on the financial part involves low creativity for the employees and a short-term frame for development. Solely applying an economic focus would have been a misjudgement considering merger type and core values of innovation and passion in this particular case, and that would most certainly have resulted in failure.

Regarding the concept of innovation as a core value indicates great focus on development and enterprising attitude. Several researchers have suggested that sustainability of advantage can be reasonably anticipated if firms can satisfy two criteria. First, given the dynamic environment, they need to continuously be able to identify, upgrade, rejuvenate and reinvent valuable resources. Secondly, they need to have the ability to create an environment in which they can be self-reinforcing and enhancing in value and strength, thus causing sustained major cost disadvantages to imitating firms.¹⁶⁶ Knowledge-based resources, i.e. people, are more likely to lead to a sustainable competitive advantage when the environment is changing rapidly.¹⁶⁷ The

¹⁶³ Jacobsen & Thorsvik, 2002.

¹⁶⁴ Lind & Stevens, 2004.

¹⁶⁵ Ibid.

¹⁶⁶ Chan et al, 2004.

¹⁶⁷ Pringle & Kroll, 1997

idea of focusing upon an innovative, passionate climate displays a humanistic vision, enhancing the working climate and in the prolongation also the conditions for making successful business. In a fast changing world, it is of great necessity to have a flexible and changeable organization with the human capital in focus. Since the co-workers are the one variable that cannot be copied, they should be considered most valuable in knowledge-based organization. There is evidence for the positive impact of HR-practices on high performance,¹⁶⁸ and many are those who posit that human capital management that focuses on development and motivation of employee performance will constantly have a positive impact on firm performance.¹⁶⁹

Values become important only when the members of an organization succeed in internalizing them. Establishing them in accordance to the organizational members own values makes them easier to comprehend and carry out in practice due to the connection between individual and organization. I find a certain distinction in abstraction levels when analyzing this merger process in light of the concept of organizational culture. It appears to be a well employed, albeit unconscious, strategy to apply evident issues, such as artefacts, in the beginning of introducing the new cultural lane, such as the launching of new core values. This circumstance support the theory suggesting that well developed organizations on a high developmental stage operate on a more abstract level, so that artefacts do not allot the same attention as underlying and basic general assumptions.¹⁷⁰ Serving passion fruit as a metaphor for passion might not be necessary in a well-founded and high-developed company with a profound insight of its organizational culture, and therefore it serves best in an initial starting phase. I interpret it as if the strategy employed is to start on a basic conscious level and gradually develop a more profound understanding of the underlying general assumptions.

If this interpretation is valid, it is my subjective opinion that it disadvantages its purpose as it avoids answering the question *why* something happens and merely concentrates on *what* and *how* it is done. By concentrating on discussing the reasons for the change process instead of focusing on the artefact level, one avoids the possible difficulties of remembering the value of being passionate by connecting it to a passion fruit. On the contrary, I believe that working on a basic assumption level facilitates the process of anchoring of the values, as it supports the individual internalization of the same. Considering the individual as being a responsible and active subject serves as a basic condition for nourishing a High Performance Mentality within the company. This constitute an underlying assumption shared by both parts, thus it can be regarded a joint basic assumption and therefore provides a basic condition for individual actions. In my opinion, this insight must be considered more useful than the guidance of passionate behaviour through a passion fruit. Even if artefacts are easy to identify, they are further from the cultural core, which means that their significance and existence easily can be misinterpreted.¹⁷¹

¹⁶⁸ Delaney & Huselid, 1996.

¹⁶⁹ Chan et al, 2004.

¹⁷⁰ Gustavsson & Harung, 1994.

¹⁷¹ Hatch, 2000.

Absorbing the employees' personal goals and implementing them to a comprehensive structure has created incitements for wanting to reach goals and thereby to be high performing. By integrating the employees' opinions on norms, values and goals, Sony Ericsson managed to root the corporate culture.

Initially I stated that value is preserved, or lost, through effective integration. Normally, this is a process that top executives' leave to lower levels of management.¹⁷² In the specific case of Sony Ericsson, this fact is not considered valid because of their high awareness to cultural concerns and integration aspects, which imbued the strategies throughout the whole merger process.

Interaction and communication is essential when generating experience leading to enhancement according to the ontological discussion conducted initially. Knowledge and understanding is further essential for being able to take active part and managing a developmental process. In my opinion, this relationship is necessary in order to succeed with the integration process, as it facilitates the individual internalization.

High Performance work practices need a reasonable degree of consistency over a sustained period before delivering results.¹⁷³ Hence, consistency often seems to be the critical success factor of appraisal systems. Effectively implemented, performance reviews can strengthen the supervisor-subordinate relationship and promote commitment to performance management.¹⁷⁴

Studying their strategies, Sony Ericsson appears to fulfil their ambition of being a high performing company in many ways, but considering the information gained; it is impossible for me to know to which extent. High Performance consultants Accenture highlights certain capabilities that are considered essential to High Performance,¹⁷⁵ all including elements satisfied by Sony Ericsson. They especially point out the importance of creating an organizational culture that adapts effectively to change, recognises innovative ideas, secures an effective leadership and gives employees the authority and ability to execute and act on these insights. These capabilities have all been given high priority within the integration process at Sony Ericsson. The insight of the mistake of keeping elaborated strategies to themselves also seems to have secured the company's profit.

The fact that the concept of "performance" by definition can be regarded relative and subjective makes evaluation of the integration process further complicated as it puts greater focus on definitions and determinations of the context.

Considering organizational culture valuable, rare and imperfectly imitable, one also regards it as having high potential for creating sustainable advantage. Hence, one can claim that a valuable organizational culture can have a direct impact on high performance. Chan et al (2004) assert the fact that organizational culture will be positively related to organizational performance. Thus, without the support of a necessary culture, High Performance practices will not function to their fullest

¹⁷² Lind & Stevens, 2004.

¹⁷³ Huselid, 1995.

¹⁷⁴ Chan et al, 2004.

¹⁷⁵ Højman, 2004.

performance potential. According to this, the High Performance practices should be solidly connected to the development of a corporate culture.

While appraisal systems have to be applied consistently to attain effective business performance, the context of appraisal needs to be adaptive. Appraisal systems that impose rigid performance expectations can turn into a barrier to aligned expectations and delivery of performance. Therefore, perceived flexibility and fairness in performance management systems will result in better-motivated employees and improved business outcomes.¹⁷⁶

Applying a Performance Management program is relevant in the sense that it is a concrete tool aiming at measuring whether or not the employees answer to the company goal, which is performing better. The legitimacy of the program is not yet obvious in my opinion. Performance Management could be regarded an old-fashioned behaviouristic approach aiming at rewarding and punishing people after a strictly controlled pattern. It does not correlate with Sony Ericsson's organizational type, being an innovative dynamic corporation depending on the high skills of their employees. This relation is contradictory, had the company lived their values as being passionate, innovative and responsive, they would not have to implement such a structured instrument controlling their employees' performance.

On summoning the strategy used for the process of creating corporate culture, one can distinguish a common feature, the constant sight for the goal - to perform better. By continuously connecting each stake to the goal, it is possible to steer in the right direction, which in this case would be to continuously enhance the stakes and perform better. Boulwood summarizes the process by asserting the need for distinguishing position before implementing the change process. Analyzing the situation by identifying where one is, what one is and where one is heading therefore becomes essential before taking action in any direction. Awareness about the situation is essential, especially in terms of knowing what is currently good, what has been accomplished and what can be further improved.¹⁷⁷

On asking to what extent the natural acculturation has been employed in relation to pragmatic strategies, I got the answer that it has been taken care of referring to the annual measurement survey "The Voice". Results indicate that a large piece of the organization has moved quite strongly and followed the movements of the changing process in contrast to a smaller piece that has remained. The challenge will therefore be to analyze the reasons for some people wanting to change and others not, and then correcting the failures by strategic stakes in the weaker areas. In order to do so, it is important to penetrate the problems related to weak leadership and internal matching problems. "The employees, the leaders and others joint opinions create a general impression of the matter", according to Boulwood (2004). Discussing a presumptive outcome of a free acculturation process is relevant in this context. On ascribing organizations process qualities, as I do in this case, one also considers them to constitute cultures. This implies that no organization can exist without a culture.¹⁷⁸ Believing this

¹⁷⁶ Ibid.

¹⁷⁷ Boulwood, 2004.

¹⁷⁸ Kleppstö, 1993.

to be true, then why does the need for creating a corporate culture arise, and can a culture be created pragmatically? I believe in human beings as culture bearers, implying that they constantly influence the culture to which they belong. By doing so they continuously recreate it by reinforcing positive behaviour and constantly defining its foundation, meaning that it actually is possible to create a culture. Every culture is unique as it constitutes a constantly changing pattern of individual interpretations.¹⁷⁹ This implies that cultures cannot be copied or strategically planned, but have to be anchored in the people that it includes. It is also a process conquered by challenges, and therefore it can only persist by trial, providing for it to be considered valid by its members.¹⁸⁰ The logic in this statement indicate that culture is a living process constantly changing due to the influence of its members, meaning that in order to last, it cannot be forced pragmatically.

The concept of “success” is relative depending on where it aims, thus it is dependent on its goals. When using this concept, one should always define what lies beneath it in that particular context. On referring to success in the case of Sony Ericsson, it is therefore important to relate it to the specific goal of “performing better”. As this statement too is ambiguous due to its relative nature, one should further divide this concept into smaller, more comprehensive parts.

The open-minded approach signified by the fact that the company is reported flexible to their employees and to what the market wants, makes it competitive and strong. Reorganizing the values after discovering that they did not fulfil their purpose signifies that particular open-mindedness and it signalise a keen management answering to the specific needs of their employees.

Development and innovation are present within Sony Ericsson, considering the way of updating structures and procedures when finding them not to be valid. This procedure matches the core values in this way. Also making the employees self-going and contributory is a good strategy when trying to make them passionate about success.

The joint venture has made the company successful in developing their products in a way that had not been possible otherwise. The model S700 could not have been developed merely in Japan or Sweden; it is a product of a well-functioning cooperation.¹⁸¹

My interpretation is that Sony Ericsson avoids the involvement of probable obstacles by focusing on positive development instead of probable problems. This is generally a good thing, regarding the following avoidance of self-fulfilling prophecies. Based on the way the interviewees related to my questions, I got the impression that the company is tired of constant categorizations of Swedish and Japanese cultural issues from the outside. Instead of focusing on ethnical issues, which could stigmatize and restrict the global approach or development, they wanted to focus on the joint culture of Sony Ericsson as an independent company. This relationship is generally positive, as it concentrates on the future instead of being limited by former relationships. However, on studying the process of creating corporate culture within Sony Ericsson, a picture of

¹⁷⁹ See p. 17.

¹⁸⁰ Schein, 1985.

¹⁸¹ Flint in DN 2004

what can be referred to as an independent teenager, emerges. Regardless of traditions or its parent's experience, the non-sentimental teenager finds satisfaction in managing its own business.

Consulting their parent companies largely would improve their ability to avoid mistakes in the future. All additional problems emerging in the future, Ericsson and Sony settled 30 years ago, according to Larsson (2005), implying that an extended cooperation would guarantee a mutual organizational learning.

Larsson (2005) states the fact that the organization could have been more effective if it had smarter and more structured processes. This statement contradicts the strategic choice of balancing structure and entrepreneurship in a way that provides for innovative thinking due to Boulton (2004).

Knowledge-intensive companies, such as Sony Ericsson, are known to require more extensive HR-support than others due to the high impact of the employees on their working tasks. Having employees in a constant mode of developing and re-creating the products, demands higher supportive standards for the co-workers.

There could be a possible dangerous circumstance in regarding culture to be determinate for individual behaviour in the way done by Sony Ericsson. Surveying norms and values involves being able to predict behaviour and that individual interpretations of the values are free of context.¹⁸²

Is High Performance Management a good strategy? Generally, I agree to that it is, but it demands motivated and skilled staff that can correspond to the high standards. It also demands good structures and high qualities of the leaders to support and develop their employees, in order to assure them of having the best possible conditions for succeeding.

Practical devices are additionally required for ensuring the values to be implemented. Practical routines, means and structures for offering feed back systems could be seen as an example of ensuring the value through a practical structure. In this case, the structure, as in the feed back system, enables living the value - innovative thinking - through taking care of its practical implementation.

Summary of the findings

Accordingly, the initial position for this study was to implement earlier extracted theories in a case study in order to find out whether they had relevance empirically. I wanted to investigate whether the results of a merger could be foreseen through anticipating strategies. On analyzing the subject, I gradually changed my reasoning about this research purpose, and went from a structural to a process related approach. This gradual change of focus was further reinforced on approaching the work of Stein Kleppstö, whose research on culture and identity deeply affected my scientific outlook. His positing that norm conflicts cannot be anticipated forced me to reassess the starting point for this study, and the three given statements that constituted the basic conditions

¹⁸² Kleppstö, 1993.

for its existence.¹⁸³ On reassessing my research, I discovered that the first two statements nourished a structural, or functionalistic approach, and that the third represented an interpretative outlook, as the concept of integration can be considered process dependent. As this study concentrates on the latter, but demands enlightening by the former, it is appropriate to label it “interpretative and process-oriented with underlying structural elements”.

Reverting to the first two statements, claiming that it is possible to predict the result of a merger by analyzing organizational- and merger type reveal a significant functionalism in its being. By asserting that different organizational types have varying conditions for succeeding a merger involves that one should refrain from merging organizations with different organizational cultures, an attitude that I find misleading. Sony Ericsson further proved this wrong considering their initial differences both structurally and ethnically, as in the hierarchic Japanese Sony and the Individual and task-oriented Swedish organization Ericsson. According to Kleppstö (1993), there is no empirical evidence for diversities in organizations to be exclusively important in post-merged companies. On the contrary, it is more important considering what is done during the integration phase.

On valuing the results, the reasons for analyzing in light of the initial statements become clear. As I interpret it, one of the main reasons for creating a strong, and therefore successful corporate culture, is the favourable merger type. The purpose of the joint venture is clear and involves a favourable situation due to its nature of combining two relating but yet not competitive businesses. By doing so, they create an innovative atmosphere of joint development, indispensable for succeeding.

Implementing strategies pragmatically without gaining approval from the employees, the culture bearers, is not customary in Sony Ericsson. Boulwood assures that a strategy can only work if it has the right culture to support it. She posits, “Between the two factors strategy and culture, culture always wins”.¹⁸⁴

On investigating the subject chosen, it is utmost important questioning whether it is possible to create corporate culture strategically. My spontaneous answer to that question is no, this cannot be done merely on strategic account. What I have learned from this study is that culture is a process, depending on the human interpretations involved, and that it cannot be considered a functionalistic mouldable structure ready to implement. The only effective way of creating corporate culture is by constructing it in line with prevailing attitudes and values among the members, the employees. Defining it collectively by applying all members’ opinions engenders a dynamic culture created on valid premises. As it originates from the members, this culture will be both stronger and easier to manage due to values closely linked to already existing norms and assumptions. A well-defined culture will then be easy to retain by recruiting in line with its profile.

Sony Ericsson had the benefit of starting from scratch. Their parent companies are still intact, meaning that the offspring does not have to consider or nourish their existing cultures. Neither do they have to compromise or mediate cultural aspects, but are free to

¹⁸³ See page 3.

¹⁸⁴ Boulwood, 2004.

choose whatever values or norms they wish, regardless of its origin. These relationships signify that they can create their corporate culture according to current knowledge about organizational earnings, independent of tradition.

Fundamental values such as opinions of the role of the individual were shared between the merging companies from the beginning, a fact that facilitated integration process taken the basic assumption that it constitutes.

Two main success factors promoting a strong corporate culture emerged on analyzing the case of Sony Ericsson. The first was the fact that they started independent of their parent companies, which had a great impact on its cultural identity, and contributed to a lack of merger issues such as culture clashes or identity crises. This is connected to the merger type or the nature of the joint venture, connecting two complementing businesses into a winning concept. The second is the fact that they anchored the corporate culture by applying a combination of top-down and bottom-up practices using the members prevailing values as a starting point for further evolution.

Analyzing this in light of the three initial statements of factors that influence the outcome of a merger enables me to maintain the following three statements:

1. Organizational type marginally affect the ability of creating a strong corporate culture
2. Merger type affect the ability of creating a strong corporate culture to a certain extent
3. Integration process extensively affect the ability of creating a strong corporate culture

The basic condition for creating a corporate culture is to further consider cultures and organizations as being processes and not functional structures.

In future research, it would be interesting to assume an employee perspective on the matter, evaluating how its members experience the established corporate culture and whether it correlates to the strategies chosen. As this study gives an account of descriptive and analyzing approaches, it would be interesting to complete it with a valuing investigation appointing its relevance in practise from a bottom-up perspective.

A comparing study on how the culture is anchored in varying contexts, such as different countries or local offices, would also be of interest in my opinion. Doing so would involve investigating processes governing what can be considered cultural core concepts, focusing on what distinguishes them as being accepted in relation to other concepts. The statement that “only when members ascribe the same meaning to confronted concepts, cultures can be considered constituted”¹⁸⁵ also indicates a possible

¹⁸⁵ Frost, 1985.

future challenge; to evaluate whether or not this actually is accomplished by Sony Ericsson.

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Appendices

Appendix 1

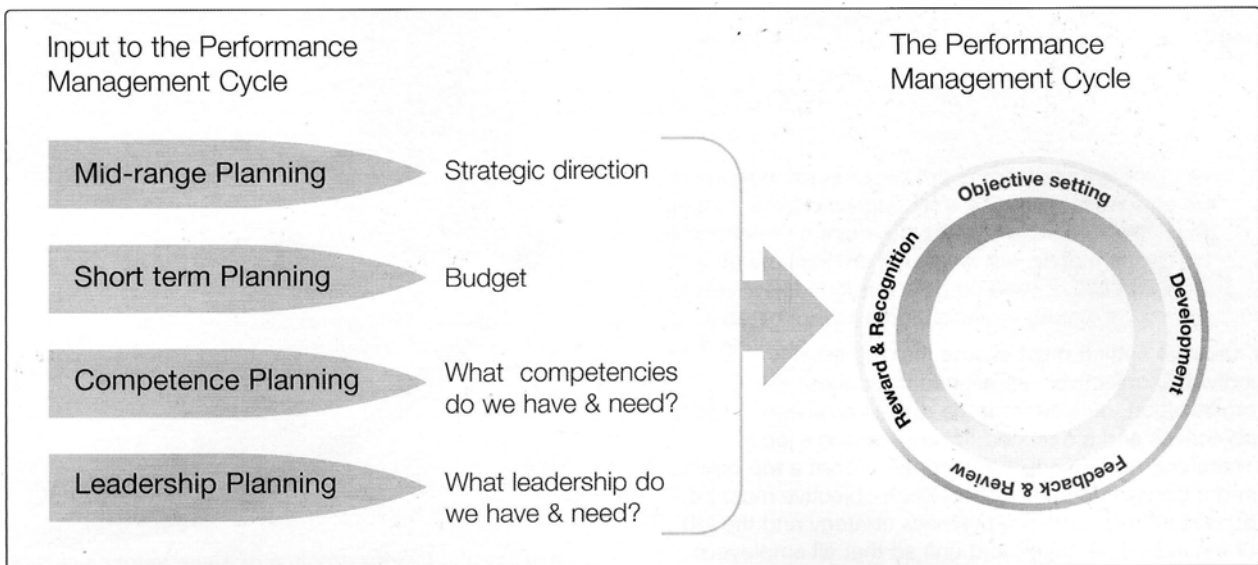
Table for the result of mergers between different organizational types.¹⁸⁶

Culture type of acquiring organization	Culture type of acquired organization	Probable result of merger	Annotation
Power ruled	Power ruled	Problematic	Success depending on the choice and charisma with the organizational leader.
Power ruled	Role bound Task orientated Person ruled	All potential devastating	Assimilation will be opposed and cultural collisions will hence be the result.
Role bound	Power ruled	Potentially good	Co-workers will probably accept assimilation since the new culture type is fairer than the preceding.
Role bound	Role bound	Potentially good	Simple assimilation will be the result in a merge as simple as this where changes will be small or insignificant.
Role bound	Task orientated	Potentially problematic	Leaders in the acquired organization would probably change from the bureaucratic culture in their own organization to the freer than the other way around.
Role bound	Person ruled	Potentially devastating	Probable anarchy. Task oriented employees would eventually accept a "higher" infrastructure, but not person ruled ones.
Task orientated	Power ruled Role bound Task oriented	Potentially good	Pliable merger process. Nice but notable culture collision. Risk of those in power to feel robbed of their status or demoted.
Power ruled Task orientated Role bound	Person ruled	Potentially problematic	Person ruled organizations would not function or cooperate with anybody than them less self-developing organizational types.

¹⁸⁶ Cartwright & Cooper, 1993, p. 67.

Appendix 2

Diagram illustrating the four steps in Sony Ericsson's Performance Management process.¹⁸⁷



The above diagram illustrates the processes and activities in the company that should be used as input to the individual performance management discussions. The performance management cycle describes the steps in the individual performance management process.

¹⁸⁷ Performance Management, Guidelines, Sony Ericsson