

Discovering the RedWave

A cultural study of *e-on* Nordic AB-Malmö

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Purpose: Our purpose with this paper is to explore the mystifying notion of organizational culture and its creation in a particular context, an international organization in the process of “internationalizing”. The exploration of how the creation of organizational culture and implementation efforts are perceived on varying levels, and accordingly the cultural impact [or lack thereof] serves as a primary focus.

Methodology: A hybrid method of qualitative and quantitative sources was used. Face-to-face, in-depth, semi-structured interviews conducted with members at varying levels of the E.ON Nordic AB- Malmö subsidiary however serve as the primary source of data. Company literature, a 2007 companywide Employee Opinion Survey, and observations were drawn upon for validation purposes of the qualitative findings.

Theoretical perspectives: Joanne Martin’s three perspective approach to cultural research: *integration, differentiation, and fragmentation*; and Hofstede’s five cultural dimensions model.

Empirical foundation: A case study of a single company at subsidiary level: E.ON Nordic AB- Malmö.

Conclusions: A myriad of interpretations are possible when studying and discussing a particular organizational culture. As culture can not be removed from its context, we illuminate the effects that the internationalization process has with regards to unifying the organizational culture in our particular setting studied. Maintaining however, that a reflexive look at this culture shows no single interpretation as being sufficient, we try to expose its richness and ambiguities through a three perspective approach.

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1. Introduction

Internationalizing an international company...paradox or sophism? Creating a unified organizational culture...possible or impossible? Does it matter? How weak or “strong” does it have to be? Are these actions interrelated? Does organizational culture play a role when companies internationalize? How are subsidiaries affected? Perplexing questions such as these require an immense amount of time and resources for profound contemplation. Even so, the prospect of ideas coalescing into one theory is improbable. Nevertheless, we aim to contribute to the contemplation process of these interesting questions with the empirical research and analysis presented in this thesis.

Much hype has been generated around the idea that culture can and should be a focal part of managerial attention, and thus the creation of “strong cultures” is highly fashionable. Our purpose with this paper is to explore the mystifying notion of organizational culture and its creation in a particular context. Exploration of how the creation of organizational culture and implementation efforts are perceived on varying levels, and accordingly the cultural impact [or lack thereof] resulting, serves as a central aspect of said purpose.

The empirical data on organizational culture presented in this study was collected at the subsidiary level of an international organization operating in the energy sector in the process of internationalizing. The choice to reconnoiter organizational culture at subsidiary level was made for the distinct reason that it is at this level where attempts to unify under a corporate culture and the internationalization process have the most impact. Corporate level studies could foster a jaded image of the organizational culture being espoused and should therefore be conducted post subsidiary with juxtaposing to follow.

Of particular interest in this case, is the evaluation of the interpretations of culture emerging from three vantage points of analysis. The use of three conceptual viewing glasses was chosen to provide a wide range of possible interpretations surrounding the member’s understandings of content themes promoted and projected from the managerial and corporate levels within the organization. With the

help of these three perspectives the questions of what kind of culture is present in the organization studied, does it matter, and how the organizational culture relates to the process of internationalization, can be examined. By delving deeply into these questions within the context described, we will be afforded the opportunity for further deliberation of the larger, all encompassing abovementioned questions.

2. Exploring Organizational Culture Theory

"It is what makes us what we are."

~Gideon Kunda~

If culture is what makes us what we are, who then, is "we" in this statement? Does the "we" refer to humans in general, national cultures, distinct subcultures, organizational cultures, collectivities, or does it pertain to individuals and how they identify themselves in the "we"? Must members of the "we" culture share in *all* attributes defining the culture? For example, would a female German engineer working in an international organization in Sweden, when referring to the "we", be referring to all other employees of the organization? Engineers? Germans? Women? Is it okay for the individual to be included in some of the subcultures to be a member of the "we" culture? And if so, how many commonalities must be shared in order for it to be branded as a distinctive culture? Is it enough to say I am working for the international organization mentioned above, to be automatically a member of the culture? And most importantly...what is culture???

It could be said that as humans, we are typically members of many cultures such as family, national, organizational, occupational etc. Though there is no single unified view on culture, rather far from it, culture is often loosely agreed upon as a system of shared traditions, meanings, beliefs, values, knowledge and assumptions that make up peoples understandings of their world, life, and work [Pettigrew 1979, Van Maanen 1988, Smircich 1985, Schein 1985, Hofstede *et al* 1990, Martin 2002, Hatch 2006]. These understandings are most commonly expressed through behaviors, verbal or non-verbal communication, rituals, and stories [Sandberg and Targama 2007, Alvesson and Sveningsson 2008].

The word culture in the English language was born of the Latin word "cultura" stemming from *colere*, meaning "to cultivate". More specifically, cultivation in this sense was related to crops and later to human beings, per British sociologist Chris Jenks [Jenks 1993, cited in Hatch 2006]. The emergence of cultivation relating to human beings came about with the early development of both the sociological and anthropological fields. With the growth and development of these two fields

[particularly when the focus of anthropology changed from human as a species in relation to other species, to groups and the distinctive features which define them [Hatch 2006: 179]] came a new way of defining culture: “a construct describing the total body of belief, behavior, knowledge, sanctions, values and goals that make up the way of life ‘of a people” [Herskovitz 1948, cited in Hatch 2006: 179].

This understanding of culture has become decidedly important in the development of theories around culture and organizational culture. Echoes of this definition can be located in scholarly works on culture in the late 20th century into the early 21st:

Table 1: Definitions of Culture/Organizational Culture

Pettigrew [1979: 574]	‘Culture is a system of publicly and collectively accepted meanings operating for a given group at a given time. This system of terms, forms, categories, and images interprets a people’s own situation to themselves.’
Smircich [1985: 64]	‘Organizations exist as systems of meaning which are shared to various degrees. A sense of commonality, or taken for grantedness is necessary for continuing organized activity so that interaction can take place without constant interpretation and re-interpretation of meaning.’
Schein [1985: 6]	‘The pattern of basic assumptions that a given group has invented, discovered, or developed in learning to cope with its problems of external adaptation and internal integration, and that have 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 these problems.’
Van Maanen [1988:3]	‘Culture refers to the knowledge members of a given group are thought to more or less share; knowledge of the sort that is said to inform, embed, shape, and account for the routine and not-so-routine activities of the members of the culture....A culture is expressed (or constituted_ only through the actions and words of its members and must be interpreted by, not given to, a fieldworker....Culture is not itself visible, but is made visible only through its representation.’
Kunda [1992: 8]	‘The shared rules governing cognitive and affective aspects of membership in an organization, and the means whereby they are shaped and expressed.’
Alvesson [2002: 2]	‘For me, organizational culture is significant as a way of understanding organizational life in all its richness and variations. The centrality of the culture concept follows from the profound importance of shared meanings for any coordinated action.’

As the topic of culture as it relates to organizations was deemed noteworthy over and over again by so many scholars, it is no wonder organizational culture found a fixed seat in organizational theory.

2.1 Collectivities and Subcultures

Subcultures defined by the ideas, values, and beliefs which result in like behaviors can emerge in societies and/or organizations due to a variety of factors linking its members. Gender, race, occupation, hierarchy, religion, sexual orientation, age, class, locale, aesthetics, background etc. can all be possible qualities defining a sub-culture and giving cause to its emergence/existence. However, a separation need be made between a “collectivity of bodies from a culture of ideas,” as Martin [2002: 329] suggests. “A collectivity is a collection of bodies bound together by interdependence, such as a nation state, an organization, an inter-organizational alliance, a level of a hierarchy, or a profession” [Martin 2002: 330]. This distinction helps to separate the simple boundaries which bond people together from the ideas and beliefs which they share causing behavioral sameness.

Subcultures can be the product of continued daily interaction, past experiences resulting in shared understandings, and values which are not held by the larger organizational or societal levels.

In the context of large international companies, subcultures often appear in the different locations, particularly when discussing different countries and regions of the world. The tendency of the expression of values held by a national culture is not to be ignored, nor should the individual groups of an organization unified by values be overlooked when discussing organizational cultural influences. For instance, though many companies are diverse in their hiring practices and their “corporate cultures” support sharing values across societal cultural divides, one must hold a degree of skepticism that subcultures in varying locations will not emerge.

Siehl and Martin [1984] take an interesting approach to understanding the relationship of subcultures in an organization. They state that subcultures relate to one another in four possible ways. The **dominating** subculture is typically the

“corporate culture”, which is often the expression of values put forth by the management, in other words, the management subculture. The other subcultures within the organizations react in different ways to the corporate/dominating subculture. They are either **enhancing** [supportive of the corporate culture], **orthogonal** [supportive of independent values which are of a neutral nature in relation to the corporate culture], or **countercultural** [going against or challenging of the values upheld by the corporate culture with values of its own] [1984, cited in Hatch 2006: 176].

In acknowledgement of Martin [2002], Alvesson and Sveningsson [2008: 38-39] state, “people hardly interpret everything in organizations similarly, partly because organizations are characterized by a rather complex differentiation of work task, division, departments and hierarchical levels that potentially foster strong differences in terms of meaning, values, and symbols.” We agree that it is essential to take into account this type of differentiation which displays inconsistencies in the form of the variety of sub-cultures mentioned above. However, it is also of interest to consider the consistencies that unite and define an organizational culture, functionally speaking. Additionally, to view it from a perspective which denounces consistencies almost entirely for ambiguity is vital as well. Perhaps another necessity is the consideration of external factors, namely the influence of national cultures, which can be involved in the construction of an organizational culture.

By presenting the reader with several questions for contemplation, we mean to create an awareness regarding the ambiguous, rich, and complex nature of culture. Defining what characterizes culture, subcultures, and collectivities takes a step towards answering some of the aforementioned questions; however, we are fully aware that there is no single all encompassing answer. The question of how many commonalities are necessary to produce a common shared culture will be addressed directly in the findings as it relates to E.ON Nordic AB- Malmö. We do not dare to propose a certain pattern or generally applicable model as we feel one study of one particular company is not enough to provide a theoretical answer to this question. However, by proposing to give an answer in this context, we hope to bring into focus the need for further research.

We feel it is highly important and relevant to examine the topic of culture and organizational culture from a variety of perspectives. In the next section we will traverse two distinct approaches to culture, thus preparing our theoretical foundations for the empirical study and analysis of the findings.

2.2 Varying Theories

Culture was always a central aspect to anthropological studies but it was not until the beginning of the 1980s that researching cultural concepts was taken more and more seriously by management researchers [Hofstede and Hofstede 2005, Alvesson 2002]. In the following section the theories of Geert Hofstede and Joanne Martin are more closely examined.

2.2.1 Geert Hofstede: Five dimensions of culture



Figure 1: Hand Gesture

Depending on the cultural background of the recipient this gesture has a variety of different meanings. In Japan this gesture means money or wealth. In the U.S., whenever somebody uses this gesture it means “Great, everything is ok”. Within these two cultural areas this sign is received as being positive. If somebody in France however uses this, he wants to imply “It’s of no use” or “zero”. It has an even more negative meaning in Greece, where this symbol is seen as something obscene [FORAREA Forschungsverbund 2007].

This raises the question if there are such enormous differences between cultures and their way of interpreting symbols or behaviors, how is it possible to compare cultures?

a. Hofstede’s cultural vista and model

One of the pioneers in researching cultural concepts is the Dutch organizational anthropologist Geert Hofstede. His research approach to organizational cultures is

derived from the conception that an organization is nothing more than a subculture of a larger cultural system [Hofstede and Hofstede 2005].

Hofstede identified four primary manifestations of cultural differences, namely values, rituals, heroes and symbols. These four manifestations are influencing and contingent upon each other, meaning that each layer of manifestations is affecting the previous lower layers. Hofstede and Hofstede [2005] picture these terms as “skins of an onion”. They state that values represent the most profound and concealed layer of culture, followed by rituals, heroes, and symbols which are more obvious and visible, with symbols depicting the most evidently superficial one. Per Hofstede and Hofstede [2005], values account for differences among cultures and have a high influence on behavior.

Hence, Hofstede identified five different cultural dimensions:

- Power Distance (to what extent disproportionate power distributions are accepted within a society),
- Individualism/Collectivism (to what extent members of a culture define themselves as part of a social structure),
- Masculinity/Femininity (to what extent male/female roles are disjoined and interpreted within a culture),
- Uncertainty Avoidance (to what extent ambiguous situations cause uncertainty in this culture),
- Long-term Orientation/Short-term Orientation (to what extent a culture values thinking in a long term).

Using these dimensions, Hofstede tries to identify specific cultural differences in order for the allowance of comparison [Schneider 2002, Dahl 2006, Hatch 2006]. With this model, Hofstede succeeded in introducing generally applicable cultural dimensions that allow the comparative evaluation of two or more cultures/countries [Molzbichler 2004].

b. Voicing potential limitations

The question must be raised whether or not these five cultural dimensions are sufficient enough to define one or even more cultures/countries. Hofstede himself acknowledges that “the four dimensions, however, are not necessarily exhaustive; they do not represent the final word on dimensions of national culture. First, it may be that there exist other dimensions related to equally fundamental problems of mankind which were not found in the [...] research because the relevant questions were simply not asked” [Hofstede 1980: 21].

Another critical point is that, even though the research Hofstede and his team carried out is referred to as international; it was definitely designed and compromised by western culture. Therefore the possibility of distortion is most likely.

Hofstede’s theory of cultural dimension is predicated on one of the biggest surveys of empirical data in history. Hofstede questioned 116,000 employees of IBM in 53 countries [Hofstede 1980]. Since the survey only featured employees of one single company it is questionable whether these employees can serve as reliable representatives of their culture/home country, particularly as they are all influenced by the global organizational culture of IBM.

Another weakness of Hofstede’s cultural dimensions is that he classifies “cultural” regions due to their spoken language. Therefore, he disregards the possibility that the values and beliefs of countries can be very much alike even though they speak a different language. Moreover, certain cultures/countries have more than one spoken language, which gives Hofstede’s categorization based on language not enough validity.

The time span in which the interviews were conducted can be seen as a further disadvantage. Some of the 116,000 members were surveyed years after the others. Hofstede and his team therefore did not acknowledge cultural changes and changes in attitudes towards certain questions. He should have noticed that cultures, regardless of level, are changing over time and individuals are constantly changing

throughout their lives. This leads thereto that the results of all interviews conducted are not 100% comparable [Mead 1998].

c. Spotlighting its benefits

Due to the addressed criticism, Hofstede's five cultural dimensions model has to be applied and practiced with caution. Nonetheless, it enjoys a greater degree of respect than any other theory based on similar dimensions. By focusing on the consistencies possible in all cultures [the five cultural dimensions] as well as the consistencies within individual national cultures, he uses a functionalist approach which makes it possible to compare and contrast the cultures of different countries.

By using Hofstede's theory we hope to develop a better understanding of emotions and interpretations given by the organizational members of E.ON Nordic Malmö in relation to their headquarters based counterparts. As E.ON Group headquarters are located in Düsseldorf, Germany the necessity to adapt a theoretical framework which allows for comparison of different national cultures was irrefutable.

2.2.2 Joanne Martin: Three Perspectives



What do you see in this picture? Do you see first the old woman or the young woman? This picture proves as an example that things are approachable from different angles and it depends on the standpoint of the viewer and his or her ability to adjust visual perspectives. The same ability is necessary for approaching the study of culture. One needs to be able to adjust conceptual perspectives in order to view culture from different angles. It is equally important that the viewer be aware of his/her

Figure 2: Pictographic Ambiguity

personal standpoint and interests in order to be able to adjust them.

a. Defining integration, differentiation, and fragmentation

Cultural theorist Joanne Martin outlines a three perspective applied approach to studying and understanding an organizational culture in her book *Organizational Culture, Mapping the Terrain*. She lists the three theoretical views on organizational culture as follows: *integration, differentiation, and fragmentation* [Martin 2002].

The *integration* perspective emphasizes the consistent interpretations within an organizational culture, or rather the consensus of such. In this perspective attention is paid to the elements of a culture which are manifested throughout, with no focus given the ironies, inconsistencies, paradoxes, subcultures or conflicts. This is the “clear” picture of a culture, in other words it highlights unified interpretations. In addition, managerial assertions are heavily weighted within this perspective [Martin 2002: 94].

An alternative angle from which to approach an organizational culture is offered with the *differentiation* perspective. As indicated earlier, *differentiation* follows the idea that consensus and consistencies in interpretations do not exist on an organizational level, but rather are manifested in the form of subcultures. “Subcultures are like islands of clarity in a sea of ambiguity” [Martin 2002: 94].

The final perspective from which to survey organizational culture takes ambiguity as its core consideration [Martin 2002]. *Fragmentation* denounces lucidity of consistency or inconsistency in cultural expressions. It regards consensus as being related or pertaining to certain issues, not on sub-cultural or organizational wholes. It takes into account irony, paradox, and flux. Metaphorically speaking, Martin suggests we “imagine that individuals in a culture are each assigned a light blub. When an issue becomes salient [perhaps because a new policy has been introduced or the environment of the collectivity has changed], some light bulbs will turn on, signaling who is actively involved [both approving and disapproving] in this issue. At the same time, other light bulbs will remain off, signaling that these individuals are indifferent to or unaware of this particular issue. Another issue would turn on a

different set of light bulbs. From a distance, patterns of light would appear and disappear in a constant flux, with no pattern repeated twice” [Martin 2002: 94].

Table 2: Martin’s Three Theoretical Perspectives Outlined

	<i>Integration</i>	<i>Differentiation</i>	<i>Fragmentation</i>
Orientation to Consensus	Organization-wide consensus	Sub-cultural consensus	Lack of consensus
Relation among manifestations	Consistency	Inconsistency	Not clearly consistent or inconsistent
Orientation to ambiguity	Exclude it	Channel it outside subcultures	Acknowledge it

Adapted from Figure 3 in Meyerson and Martin [1987], Table 1 in Martin and Meyerson [1988], Table 1.1 in Frost, Moore, Louis, Lundberg, and Martin [1991], and Martin [1992a]; cited in Martin [2002: 95]

Martin argues that a balanced look at an organizational culture can be achieved by approaching the study of such with the aid of the three theoretical perspectives, as they are complementary. By looking through three different pairs of conceptual glasses, one can see a more well-rounded picture of culture.

b. Analysis in action

To use these concepts practically in the study of an organizational culture, Martin suggests a matrix approach involving both materialist and idealist manifestations of culture. Materialist here pertains to the material elements influencing a culture, such as physical conditions of a workplace, pay, hierarchy etc. Idealist refers to the meanings and understandings that create a culture focusing on the “subjective interpretations” [Martin 2002: 56]. Each perspective is used to fill in a matrix which covers the following proposed elements: *Content Themes- External, Internal; Practices- Formal, Informal; Artifacts- Stories, Rituals, Jargon, and Physical Arrangements.*

Aptly, Martin acknowledges that conducting a study which effectively incorporates the reflexive use of all three perspectives is rather difficult, as cultural researchers tend to have, as she calls, “home” perspectives wherein they are most comfortable and naturally gravitate towards. Our “home” perspectives lean more towards *differentiation* and *fragmentation*.

Alvesson [1993] comments on the need to be aware of interests lying behind the surface influencing the research. Managerial or critical interests, for instance, could guide the research in different directions. Therefore, a series of questions are proposed by Martin to the researcher to help identify these unspoken interests: “How might I reinterpret the findings of a given study to take into account its interest orientation?”, “What is my personal orientation regarding interests?”, “Do I believe that value-neutral research can offer a mirror image of some objective reality, not serving any interest group more than another?”, “If I believe value-neutral theory is not possible, whose interests do I want to serve in my cultural research?”, “How might my interest preferences affect my research in non-obvious ways?” and “What blind spot should I anticipate?” [Martin 2002:170].

2.2.3 *Rationale behind theoretical choices*

We accept that any research attempt of a complex phenomenon such as culture can not be fool-proof or completely devoid of subjectivity, nor is a full objectivist approach our aspiration. Thus we intend to answer the above questions and acknowledge the possible short comings of our research when justifying our methodology and data analysis, as well as surfacing interests as they arise within the analysis itself.

We also mean to incorporate the use of Hofstede’s national cultural theory as an aid to the integration perspective, in combination with the three theoretical views of culture in the empirical study of the culture of E.ON Nordic AB- Malmö. This, we hope, will give a wider range of interpretations and assist in the elimination of conceptual blinders.

As Alvesson [2002: 15] states “cultural interpretation cannot be pressed into a formula or a model. This kind of work calls for careful reflection and self-critique of ones own cultural bias and what different concepts of culture can reveal but also obscure.” For this reason, we feel it would be tendentious of us to approach such a study using only one conceptual perspective. It is also important to expose our own cultural biases and conflicting interests that may have played a role in the interpretations. By using Martin’s model for studying culture we want to enrich our approach methods and therefore enlarge the validity of our findings.

3. Meet the Company

3.1 History of E.ON

The E.ON Corporation is worldwide, the largest privately owned power and gas service provider. It was formed in the year 2000 when two immense German industrial groups, VEBA and VIAG, merged. The corporate group employs around 88,000 employees and produced in the neighborhood of 69 billion Euros in sales in 2007. Its world headquarters are located in Düsseldorf, Germany [E.ON].

E.ON controls its operations in nine different market units [E.ON Spain is expected to be added in the third quarter of 2008]. These units operate on a geographical and functional basis. Each market unit consists of several business units. The market unit works autonomously when integrating and coordinating business activities. Business units deal with everyday operational business [E.ON].

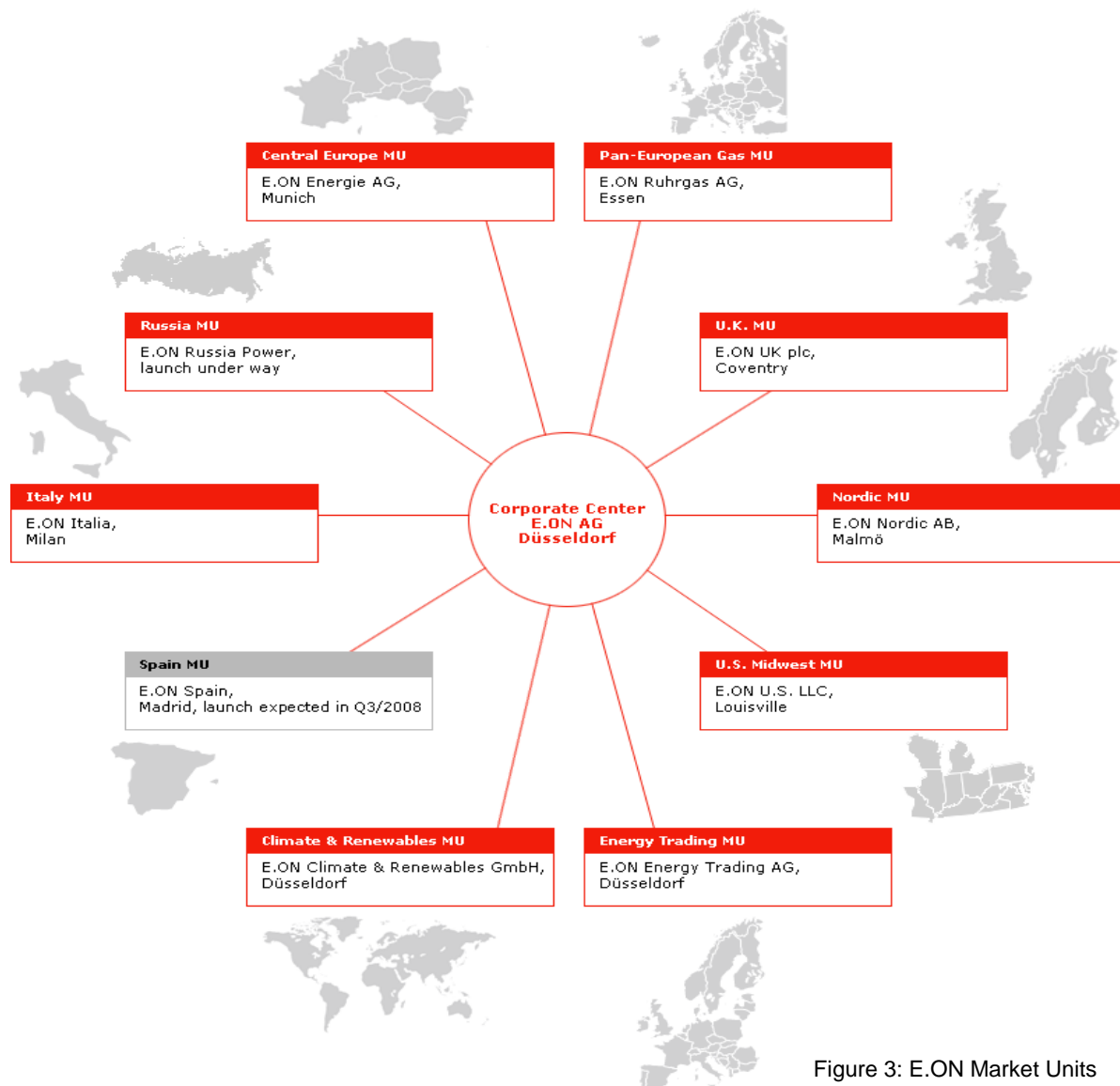


Figure 3: E.ON Market Units

3.2 Welcome to Sweden: E.ON Nordic AB

Malmö

Our research is concentrating on one market unit of the E.ON Corporation, E.ON Nordic AB in Malmö, Sweden. Headquarters for all operations of the Nordic region are based in Malmö with the main office building location being on Carl Gustafs väg. E.ON Nordic AB has 5500 employees and is generating around 31 billion Swedish Kronor in sales per year through producing, allocating and selling electricity, gas, and heat and waste. E.ON Sweden offers its services to both business and private customers.



Figure 4: Sweden

In 2001 the E.ON Corporation acquired the majority shareholding of Sydkraft, a Swedish energy provider consisting of 48 different business entities located throughout Sweden. Sydkraft was in operation for around 100 years before it became part of the E.ON Group. Remnants of the Sydkraft business were still in existence up until 2008, where finally, all entities had adopted the E.ON name [E.ON Sverige].

E.ON Nordic AB shares the same five official global corporate values, which are as follows:

1. Courage
2. Openness
3. Integrity
4. Trust and mutual respect
5. Social Responsibility

These values, as they state, are connected to five behavioral outcomes:

1. Customer orientation

2. Excellence
3. Change initiation
4. Leadership
5. Diversity and Development

[E.ON]

Activities of E.ON Nordic:

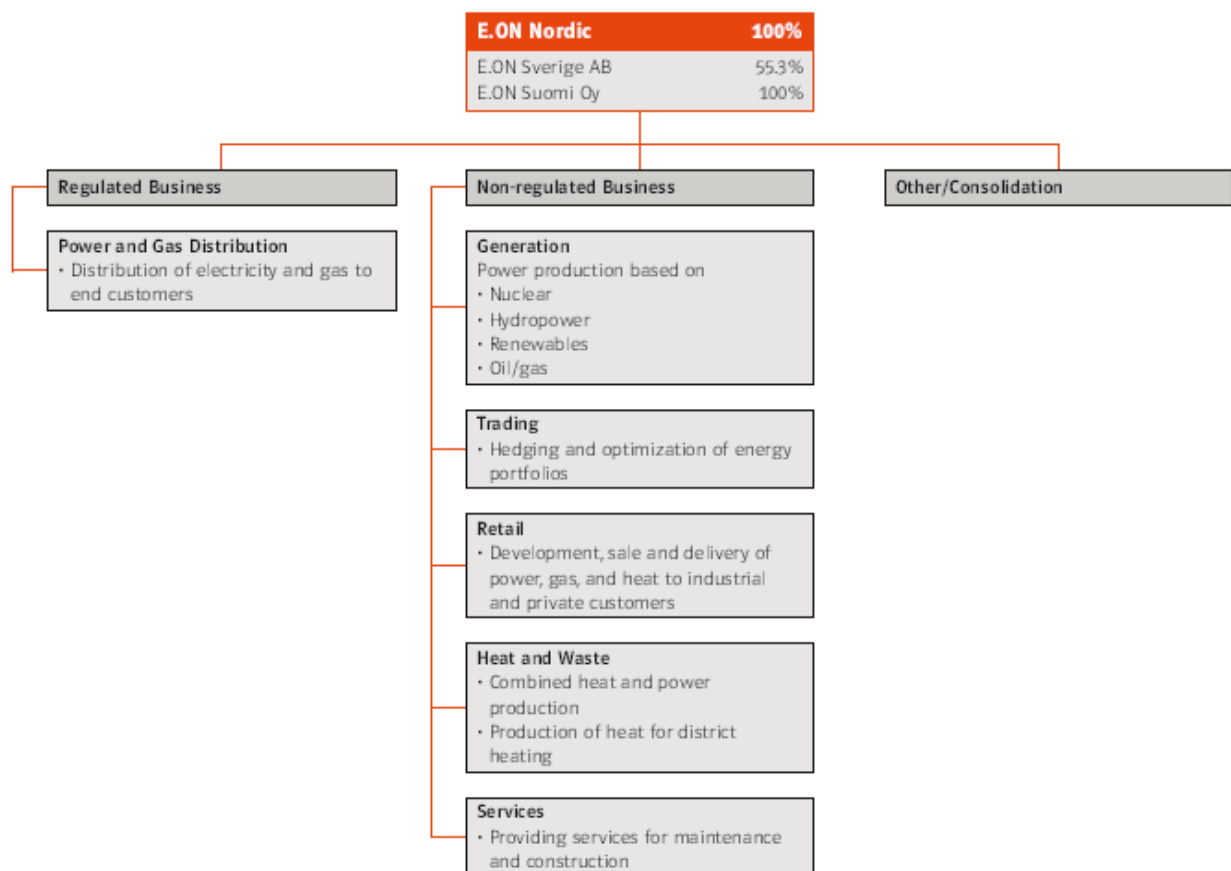


Figure 5: E.ON Nordic Activities

The locations surveyed in this study include the following business units within the E.ON Nordic Market unit: Öresundsverket [a natural gas power generation site], Värme [Heat and Waste], and Headquarters for operations of E.ON Nordic at Carl Gustafs väg [E.ON Sverige].

4. Methodology

4.1 Approaching the Research

The empirical study described in this thesis was devised to explore the organizational culture of E.ON Nordic AB- Malmö. With this research project we intended to shed light on how the members of the organization perceive the culture of E.ON Malmö, with attention drawn towards consistencies, inconsistencies, national cultures, and ambiguities. We also aimed to focus on the communication process of official values and, accordingly, how those values were manifested and perceived by the organizational members.

Furthermore, particular interest was given to the internationalization process currently underway within the larger E.ON Group. To examine affects of this process at subsidiary level is another aim of the thesis.

In-depth qualitative research served as the foundation for the empirical data collected from the one market unit studied. Our reasoning behind the adoption of this method stems from the enormous support it has been given by academic researchers. With regards to the use of qualitative methods of research, Ogbonna and Wilkinson concur, "It is commonly argued that in-depth case studies are more appropriate methods of uncovering the meanings that organizational members ascribe to their environment as well as the ways in which such meanings are constructed and re-constructed" [Martin 1992, Schein 1996, Smircich 1983, cited in Ogbonna and Wilkinson 2003: 1156]. We agree with Alvesson and Sköldbberg [2000: 4] that qualitative research "allows for ambiguity as regards interpretive possibilities, and lets the researcher's construction of what is explored become more visible."

To further validate the qualitative data gathered, quantitative materials directly contributed by the company are used as supplementary supportive data. The pillar of our investigation is the use of three varying perspectives [integration, differentiation, and fragmentation] for analysis which aimed to achieve reflexivity, argued by many as a necessity.

4.2 Data Sources

The material for our research was gathered from four different sources: written material on the culture (provided by top management), interviews, observations, and a 2007 Employee Opinion Survey conducted and provided by the company.

In-depth, face-to-face, semi-structured interviews, conducted within several layers of the organization, served as our main source of data. We chose this as our primary method because we believe when researching culture, interpersonal contact is the most appropriate method for collecting rich and intuitive data that reflects more closely what the individual's actual perceptions are [Alvesson and Sköldbberg 2000]. The organizational cross-section chosen included the following: three members of HR [one at the executive level and two at operational level], one executive assistant, one engineer, two plant operators, and one security guard. A total of 11 interviews comprising 16 1/2 hours were invested. In order to achieve the best possible results in the limited amount of time given, we intentionally opted for a lower number but more varied set of informants, to allow for detailed evaluation of the topic.

Interview guides were prepared for each interview with questions of a similar nature [slight adaptation was required due to the variety of occupations]. Although all interview questions were asked, the interviews did keep a semi-structured nature, allowing for the interviewee to elaborate and move freely in their thoughts. We felt that too much structure or rigidity could create a feeling for the interviewee of being tested and that certain answers are expected.

Since we were two people in a research team, one person mainly conducted the interviews [to provide a higher comfort level for the interviewee] and the other concentrated on taking notes of the proceedings. As a back up to the notes, a flip video camera was used, which allowed for 1 hour of recording. The video gathered was not transcribed directly as the note taken serve as the primarily point of reference, with the video as a back-up for complete accuracy.

A third unofficial source, observations were conducted in order to back up/support the data gathered in interviews. The hope with this type of informal source was that

it would provide us with a sense of the direct cultural behavior of individuals or groups without the formal parameters that confine an interview. These observations also served as a way for us to compare our interview findings with the 'natural' practice of the individuals in the organization, looking for possible breakdowns or consistencies.

The fourth source utilized was the Employee Opinion Survey generated by the E.ON Group. The survey's value added was that of a supportive nature, allowing for validation of interpretations found in the varying perspectives.

We chose strategically to use informal first name pseudonyms in the integration portion of the analysis and formal titles in the differentiation and fragmentation sections, so as to place emphasis on informality where deemed appropriate by managerial assertions. Likewise, pseudonyms were exchanged for formal titles where alternate interpretations were used. This will become comprehensible once the reader encounters that specific portion of the thesis.

We acknowledge that a probable limitation to this study lies in the number of interviewees considering the nature of the topic, a cultural study. However, in order to combat this limitation, the survey encompassing more than half of the subsidiary's employees, along with those opinions of the other subsidiaries in the group [allowing for comparison] helped to incorporate a wider range of cultural members' opinions.

5. Germany and Sweden: Bridging the Gap

We and They

"A Friend of the Family"
From "Debits and Credits"[1926]

Father and Mother, and Me,
Sister and Auntie say
All the people like us are We,
And every one else is They.
And They live over the sea,
While We live over the way,
But-would you believe it? --They look upon We
As only a sort of They!

We eat pork and beef
With cow-horn-handled knives.
They who gobble Their rice off a leaf,
Are horrified out of Their lives;
While they who live up a tree,
And feast on grubs and clay,
(Isn't it scandalous?) look upon We
As a simply disgusting They!

We shoot birds with a gun.
They stick lions with spears.
Their full-dress is un-.
We dress up to Our ears.
They like Their friends for tea.
We like Our friends to stay;
And, after all that, They look upon We
As an utterly ignorant They!

We eat kitcheny food.
We have doors that latch.
They drink milk or blood,
Under an open thatch.
We have Doctors to fee.
They have Wizards to pay.
And (impudent heathen!) They look upon We
As a quite impossible They!

All good people agree,
And all good people say,
All nice people, like Us, are We
And every one else is They:
But if you cross over the sea,
Instead of over the way,
You may end by (think of it!) looking on We
As only a sort of They!

In this poem by Rudyard Kipling, the age old dilemma of cultural differences is touched upon. His depiction of two cultures which harbor contrasting norms raises awareness of the differentiation seen from one side or the other. Interestingly, he alludes to the possible chance of becoming a “they” instead of staying a “we” if one crosses the physical or mental boundaries which encircle any given culture. Thus, it matters from which perspective one surveys other cultures and their own. What Kipling does not fully address is that although differences may appear more readily and hold more focus, similarities are likely. Similarities as well as differences are what help to compare and contrast cultures.

5.1 Hofstede applied in context

Since the market unit of E.ON Nordic is located in Sweden and the Corporate Center of E.ON Group operates out of Germany, the German culture need be taken into account. Due to limited time and resources the possibility of studying directly the German corporate headquarters relation to the Swedish subsidiary was not feasible. Being fully aware of the importance of understanding possible differences and similarities, we use Hofstede’s five dimensions regarding Sweden and Germany to boost awareness for the reader of the inconsistencies and consistencies in German and Swedish work styles. This amelioration should aid in the readers identification and understanding of E.ON Sweden’s employees’ views and emotions towards encounters with headquarters.

Although, Germany and Sweden rate closely in three out of the five cultural dimensions [Power Distance: S-31/G-35, Individualism: S-71/G-67, Long-term Orientation: S-33/G31], we can learn a great deal from the two dimensions in which a large difference in rating is shown [Hofstede and Hofstede 2005: 44, 78-79, 211]. In particular the gulf between Germany’s score of 66 in Masculinity and Sweden’s 5 in Femininity really speaks to the differences in how aspects of life are handled and looked upon in the two cultures [Hofstede and Hofstede 2005: 121]. Challenge, earning, recognition and advancement are important in Germany vs. work-life balance in the Feminine Swedish culture. This means that, typically, Germans will work longer hours in order to live up to these standards and expect others to do the same [Hofstede and Hofstede 2005: 132, 136, 142, 147].

In Germany, supposedly, a clear distinction is made between men as being responsible, decisive, and ambitious and women as being caring and gentle, while in Sweden these qualities are ascribed to both women and men alike. Feminine societies are supportive of the needy, where as masculine societies are performance oriented or in other words, supportive of the strong. Conflicts should be resolved through negotiation and compromise in Feminine societies as opposed to Masculine societies where the tendency is to use a display of strength or fighting as a solution [Hofstede and Hofstede 2005: 132, 136, 157].

Uncertainty Avoidance [UA] is the second score of great difference between Germany and Sweden. Uncertainty is seen as a natural aspect of life and things are dealt with when they arise in low UA cultures such as Sweden [score of 29] [Hofstede and Hofstede 2005: 168-169]. Where as in Germany [score of 65], uncertainty is seen as a challenge that must continually be controlled and dealt with [Hofstede 2005: 168-169]. “What is different is dangerous”- High UA, “What is different is curious”- low UA [Hofstede and Hofstede 2005, 176]. [We found this to be true of all interviewees, since when asked to participate in the study, they were not only open but extremely curious about our backgrounds, the study and why it was to be conducted.]

In Sweden, it is valued to have no more rules than are absolutely necessary; on the contrary, Germans have a strong need for rules, even though they may not abide by them. Another distinction is made between time and its importance. Time is seen as equaling money in high UA societies and just used as an orientational framework in low UA societies. The echelons of management in the two countries differ in that one [Sweden] focuses their energy on strategic endeavors whilst the other [Germany] is concerned with controlling daily operations [Hofstede and Hofstede 2005: 176, 181,189, 194].

These insights, given by Hofstede and Hofstede’s comparison survey, will be of significant relevance to understanding employee interpretations of situations and work settings in the study.

6. Discovering the RedWave: Three perspectives on E.ON Nordic AB- Malmö's Culture

Red. Psychologically speaking it is the color most associated with love, heat, and passion. Red is said to raise the heart rate and is thus linked with danger. It can also symbolize political orientations such as communism. But most interestingly, red attracts attention. Think of a bullfighter's red cape. He uses it to catch the attention of the bull he is challenging in the ring.

Riding the 171 bus to Malmö city, one cannot help but notice the presence of E.ON with their multiple red signs scattered about the cityscape. While approaching the headquarters building of E.ON Nordic for our first interview of this cultural study, the red sign displayed on its crest greeted us from three blocks away. Once inside the lobby brochures, wall panels, chairs, flags, and the company logo, all tailored in the signature red of the company introduce visitors and employees to the RedWave.

Although the red is a shock to the senses, their lobby is surprisingly harmonious and comfortable. Free coffee for visitors, free internet access, newspapers and magazines are available while you wait.

Security is big here. Visitors are instructed to sign in, not only with their name, but with the name of whom they will be meeting and their division, as well as the visitors company. Promptly thereafter, printed name tags are handed out which exhibit those details in a neat E.ON framed pin. Since it takes a security code to pass through the barrier accessing the offices, your host must come and retrieve you from the lobby. [This same attention to security is company policy and was apparent at every location visited.]

An elevator ride to the top floor [the executive suite] with the assistant to the Senior VP we were about to interview, brought us to the starting line of our cultural marathon. Before the starting shot was fired, one more security check point had to be crossed. Once inside we would begin to see the E.ON world through the eyes of management.

6.1 Integration: Selling an image

6.1.1 *Stressed Informality*

“Fredrik will just be a few more minutes”, said Birgitta, the executive assistant of the Senior VP of Human Resources. It was Friday in the executive suite of the headquarters of E.ON Malmö, and although all doors to the offices stood open, there was a hushed tone to the atmosphere. The unenclosed waiting area consisted of a round coffee table and five cozy armchairs atop a rug, perfectly matching the red E.ON annual reports and other E.ON materials lying on the table. Fresh fruit baskets and bottles of sparkling water were placed in various locations throughout the floor.

Entering the office of the Senior VP, we were greeted with simply, “Hi, I’m Fredrik.” No surname or official title was given until specifically asked for. His attire, a suit without tie, had an air of informality like his introduction, which would possibly not be expected at the executive level. His initial presentation and appearance matched the unostentatious style of the surroundings as well. He draped himself on a comfortable chair in the meeting space, furnished similarly to the first, with four arm chairs gathered around a low coffee table.

We would soon find that this projected informality was “a manifested part” of the E.ON culture throughout the Swedish branch of the company per management. Fredrik stated explicitly when asked to describe the culture of E.ON, “it’s very informal”. “We are not hierarchical and very flat.”

When asked how employees address him, there was a bit of confusion about the question. It seemed obvious that they should address him by first name. He mentioned that the formal reception and surname usage given when at Corporate Center in Germany is strange and unnatural, as he is not used to it in his work environment in Sweden. He insists that managers in Germany call him by his first name. Correspondingly, every one of the interviewees as well as their cohorts mentioned in conversation, were consistently referred to on a first name basis, which is supportive of this assertion. When asking Mathias, an engineer, how he would address the CEO if he were to meet him, he commented:

“I would call him with his forename, Håkan. I guess if you had some kind of presentation I would say my full name, then he would say his, but after that I would call him Håkan. In Sweden it is common. I think it would be more odd to just use his surname. We never use Mister. Even though he is the Chief Executive Officer, it is still Håkan.”

a. Valued low hierarchy

The low hierarchy cited becomes more apparent for cultural members when discussing encounters with their German counterparts. A story regarding an employee who transferred from Germany was told by Fredrik to reference this difference and emphasize the low hierarchy:

“I told her [the German transfer] that whenever she has a problem she can call me. She was really surprised and said, ‘Call you? Shouldn’t I talk to my boss first?’ And I told her no, if it is a problem you can call me, or Håkan. She said Håkan?? But he is the CEO. And I said, but if there is a problem.”

It’s possible to think that this type of statement would be more likely from an executive, but a parallel expression of this sentiment was later given by Emma, an employee in HR.

“I presented Håkan the idea of giving away a day with the CEO as first prize in our annual student competition. And he was excited about it and thought it would be interesting to spend time with students.”

Echoes of the informality and low hierarchy claim surfaced on all other levels of the organization studied. An exact representation of this was mentioned by Mathias who was interviewed later: “E.ON Sweden is less formal”, “I don’t really see that we have any ‘high’ managers here.” Birgitta, the executive assistant stated, “We are very open with the way of doing things.” A supervisory operator, named Oscar said, “I go down and help my guys if they need me. It’s a relaxed atmosphere.”

b. Visible manifestations

Offices and workspaces were neither pretentious nor shabby, but rather aided in the creation of the casual effect. In line with the casual style of the environment was the dress code. There is no official dress code for the company therefore appearances were consistently inconsistent, with the exception of safety attire where needed.

Generally speaking, the manifestation of informality at E.ON Nordic AB- Malmö coincides with the managerially espoused view of the culture.

6.1.2 “Caring Company”

Leaving the executive floor and headquarters building at Carl Gustafs väg, we thought we were leaving behind the land of fresh fruit and free coffee for all. However, as our marathon took us through the various locations of E.ON Malmö we found that this was not so. Operators at the Värme power plant and the engineers at Öresundsverket benefit from endless supplies of coffee and fruit delivery two times a week as well.

a. Benefits

Of course, available fruit and coffee are not absolute synonyms for a “caring company”, even if they are free. Perhaps it takes more than that to earn the title of “caring”. Of course they also boast flexible work hours which supposedly contribute towards a work-life balance, and benefits which include health care, dental, vision, a wellness allowance, language classes, and extended parental leave pay. The *Academy Online* is available to everyone in the company for personal and professional development. Performance appraisals and incentives are given throughout the company. Some form of Christmas celebration is sponsored each year.

These benefits represent the materialist expressions of generosity and “caring” for the employees. [E.ON employee opinion survey 2007: 81% of the Nordic

subsidiary answered yes to the question of overall satisfaction with the benefits provided by their business unit; 5% answered no, and 14% were undecided]. One could conclude from the overwhelming positive response to this question that there must be values and actions which support the declaration of “caring” in addition to the tangible offerings.

b. “Trust and Mutual Respect” as an official value

The company maintains that they go beyond obvious rewards to treating employees with “trust and mutual respect”. One example for their declaration of trust surfaced when speaking with Emma from HR with regards to work hours:

Interviewer: “How are the hours kept track of?”

Emma: “We have a system where I enter the hours.”

Interviewer: “So you type them in manually?”

Emma: “Yes.”

Interviewer: “And nobody is checking them?”

Emma: “No...well my boss signs it before sending it off to payroll. [...] They don't check from day to day. It is your responsibility.”

This was also the case discovered in later interviews with employees at different locations.

Other displays of trust and respect representative of the “caring” nature of the company could be extracted from the following statements as well:

“There are not so many rules here.” ~Mathias [Engineer]

“Yes, yes they care about you and your family.” ~Oscar [Operator]

“It feels that they care if we like it here.” ~Birgitta [Executive Assistant]

“They help to get your personal life organized.” ~Lars [Operator]

c. Official Value: “Openness”

In association with the value of trust and mutual respect, they also avow a value of openness. They want to give the impression that the decision making process is

an open one and more egalitarian. Fredrik conveyed that in comparison with his experiences in Germany, he feels they [E.ON Nordic] are “not so good” in the decision making process, and typically decisions are open for negotiation. He elaborated further by mentioning that they *make* decisions rather than *giving* them. It would seem employees have the ability to influence the outcomes that will affect their work environment. In that, particular emphasis was attributed to this “human style of leadership”, as it was so described.

Especially in this case, the emphasis on their alleged human style of leadership was of particular importance for Fredrik in distinguishing E.ON Nordic from the entire E.ON Group. Collaboration with headquarters was said to have made this difference more apparent. This distinction can also be seen in Hofstede’s findings.

It could be argued in reflection of these statements and benefits that ample support is provided towards the managerial assertion of being a “caring company”. They maintained that the relatively low turn over rate experienced in the company, averaging below 5%, is an indicator of this assertion. An eighty percent yes response to the question of overall satisfaction of working conditions on the 2007 employee opinion survey [5% no, 15% undecided] could also be considered supportive as well.

6.1.3 *Headquarters Relations*

Another consistent content theme emerged when interviewing. Headquarters relations were repeatedly referred to by all members of the organization met. Management referred to relations between headquarters and their correspondence in a positive light showing agreement, collaboration, and cooperation. Other members described the relations in terms of functional cooperation such as the supplying of data or reports when requested. The frequency in which Nordic members interact with Corporate Center in Germany was said to be steadily increasing as centralization of various processes evolves and also as mobility of managers from Corporate Center increases.

“Now we have to write more reports, and they are starting to go directly to Germany...otherwise we are pretty much in our own little world.” ~Oscar [Operator]

“Yeah, we are corresponding more and more with Germany. They are centralizing some functions and people from Germany are coming to work here.” ~Mathias [Engineer]

6.1.4 *Promoting Internationalization*

As hinted in the previous citation, the push for centralization in the internationalization effort of the larger E.ON Group is almost tangible across E.ON Nordic. These quotes, directly from top management, exemplify this movement:

“We are on a journey to becoming more aligned, standardized, and so on; but we are still very independent as a market unit. So Håkan, my boss, the CEO, he reports to the supervisory board, *still*. But the impact is becoming more and more because last year E.ON Group decided on a new governance model for the company. Not like black and white, coming from decentralized to centralized, but we are going in the direction of becoming more centrally steered.”

“We have a huge focus to be more international. We have boarded the internationalization train, but it hasn't fully left the station yet.”

Directly thereafter he stated in the interview that English was made the official corporate language one year ago in order to catapult the internationalization process further. Accordingly, E.ON Nordic offers their website in English and *some* literature as well.

As another step towards internationalization the OneE.ON initiative was introduced. This encompasses five corporate values and five behaviors which supposedly unite all E.ON organizational members. Once a year all “E.ONits” gather together across all the locations of the Group to celebrate the birthday of E.ON to strengthen their understanding of the values, hence strengthening their culture and promoting the feeling of unity. This day is called the OneE.ON Day. Other OneE.ON events throughout the year serve the same cause, but the OneE.ON day

is the largest and is celebrated worldwide on the same day. Correspondingly, on this day they also have a “125:25” program, where 125 organizational members from around the globe travel to one of 25 locations in the E.ON Group to be cultural ambassadors and bring awareness, togetherness to the greater E.ON community.

“That is one way of getting the message out. The top management will be present and talk about their understanding of the chosen value and behavior for that year. People will interact and mingle.” ~Gunnar [HR specialist]

Management profusely emphasized the importance of the day. They want to ensure people have the possibility of coming, so it is held in the evening. Certain units within the Group were reluctant to join during the day as they would lose valuable hours of production.

The affect the internationalization movement will have on the existing culture of E.ON Nordic is yet to be seen so say management.

“We have a lot of cultures here, to unite them...that is the journey.” ~Fredrik

6.1.5 *Diversity: An Official Behavior*

Multiculturalism is only one possible interpretation of what it means to have diversity in a company. Gender, age, ethnic and racial backgrounds are the most common indicators for a diverse workforce. From the top management of E.ON’s perspective, officially diversity is an espoused behavior most directly resulting from their core value of openness.

Although, their workforce at present in the Nordic subsidiary is 75% male and 25% female, they argue that this imbalance is common to the energy sector. Adjusting to the times, and also in attempt to mirror the customer base adequately, they have established an official target policy for the promotion of females in to management positions. As such, for every promotion opportunity presented *at least* one female must be interviewed for every two men interviewed. This two to one ratio

is seen as the appropriate action towards the goal of seeing that more women reach the top of the organization.

This policy was consistently referred to by other members of the organization in discussion as a positive initiative with which they consented and supported.

As for the range of age representation, currently 20% of the organization will retire within the next five years. They see this as challenge in terms of knowledge management, but also an opportunity to revitalize the organization and for alignment with values.

Interpretations and views on ethnic and racial diversity at various levels of the organization displayed noticeable openness to the idea. Particularly management promoted the benefits which ensue from ethnic variety.

“It is great working together with people from other cultures. Often the combination of the best from each culture produces the best results.

We had an international team of managers working on a project together. It was seen as one of the highest performing teams. But what was interesting was that by using the strongest points of each culture to product the best outcome the other culture got better in their weaker respects. The Americans learned to be more team oriented, the Brits became less focused on the processes, and we [the Swedish] got better at decision making as a result of the dynamics.” ~Fredrik

Management believes that through cultural exposure, awareness of one’s own culture as well as that of the visiting culture is created. Due to this belief, it was stressed that manager mobility within the company is encouraged.

Implementation of a global people strategy will work to align strategic initiatives which focus on performance, change, talent management, diversity, health and safety, demographics, and employability for the entire Group.

Arguably, the beliefs stated above demonstrate a manifestation of the organization’s official strategic focus on diversity.

6.1.6 Conclusion

The integration perspective of E.ON Nordic AB- Malmö's culture helps us to understand the content themes in which top management and official management propaganda are keen in projecting to employees, the community, and stakeholders. In alternate terms, the selling of the RedWave.

Factual data regarding the company in the form of survey outcomes, figures, company materials, physical arrangements, benefits, etc. aid in the representation of the corporation's visible manifestations of culture. Interpretation at this level is shown in relative consistency across the organization. Using only this one dimensional view however, would be like buying a car without driving it first. Extracting pieces from a vast array of interpretations and cultural assumptions given by all the employees interviewed which are consistent with the espoused managerial image of the company, is particularly difficult considering, again as Alvesson and Sveningsson [2008: 38-39] state, "people hardly interpret everything in organizations similarly, partly because organizations are characterized by a rather complex differentiation of work task, division, departments and hierarchical levels that potentially fosters strong differences in terms of meaning, values, and symbols."

6.2 Differentiation: A Closer Look

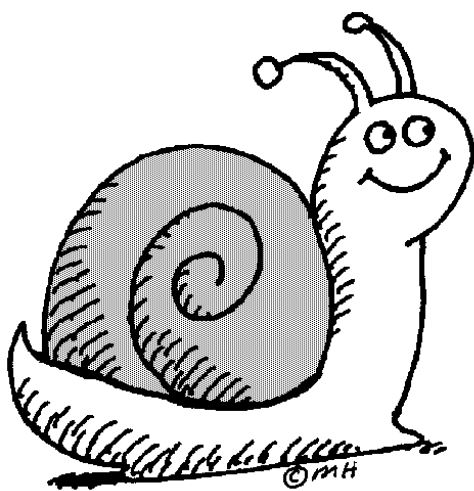


Figure 6: Original

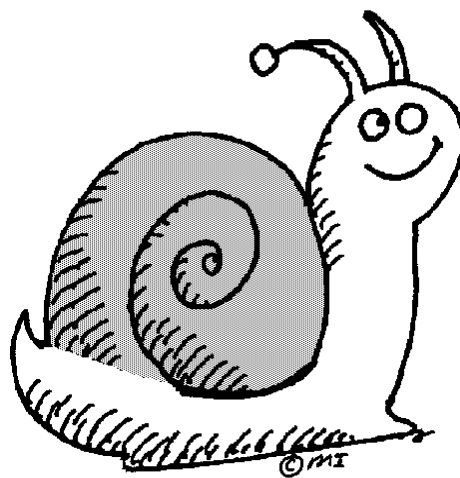


Figure 7: Find the Differences

Following Alvesson and Sveningsson's aforementioned statement, interpretations of culture will vary throughout an organization. Therefore, the image projected by management both internally to unite and control its members, and externally to create an attractive aura [Christensen & Kreiner 1984, cited in Martin 2002] surrounding the company, is not necessarily consistent with the actual perceptions attributed by organizational members to cultural manifestations. On most fundamental levels it is possible that perceptions will align to some degree; however, differences in values, understandings, and meanings ascribed to the organization due to collectivity and sub-cultural membership could be considered natural and inescapable.

Consider the original snail picture as symbolizing the integration portrait of a culture. To the external audience this image is intact, clear, and consistent with one's expectation of what a snail would look like. The second portrait of the snail represents the differentiation perspective. Although we can deduce that this is snail, and the basic forms and lines match, there are certainly differences. Additions and subtractions occur, with some being more obvious than others and others significantly harder to detect.

Even though cultural members may interpret the overall image advocated by the organization in its basic form, underlying assumptions will most likely harbor differences.

Approaching the content themes introduced in the integration perspective from a differentiation angle, consistent themes begin to blur when varying interpretations are applied.

6.2.1 *Informality Inconsistent*

Informality? Such a relative concept requires the explanation from which standpoint and orientation the viewer is looking upon the subject. In comparison, for instance, to the formality inherent in the work-style in Corporate Center perhaps the E.ON Nordic subsidiary *is* informal. However, this is dependent upon having adequate exposure to be able to compare both work-styles. What may be very

informal for Swedish *managers*, due to their constant relation and contact with the heightened formality as they see it in Corporate Center, may be very formal for operators working at a power plant, as their only contact with Germany consists of submitting reports. Likewise, said operators could view the proceedings at Malmö Headquarters in comparison to their work surroundings as particularly formal. Several variations which challenge the claim of informality arose throughout our research.

a. Low hierarchy relative

The characteristics attributed to the supposed “low hierarchy” of E.ON Nordic by its managers, were as follows: addressing by first name, no emphasis on titles, and no strict channels of command to navigate. The members interviewed consistently agreed that low emphasis is given to titles and first names usage is the cultural norm in Sweden. However, the chains of command are not as freely navigated as projected.

“If there is a problem I talk to my boss and *he* talks to Carl Gustafs väg. That’s how it works.” ~ Operator 2

“I’ve been working for the company for 28 years. I never talk to them [managers at Headquarters] directly. I guess I have only been to Carl Gustafs väg 3 times in my whole time working for the company.” ~Operator 1

It is possible physical locale and occupational collectivity are factors which create borders and distinctions between the different levels of the organization. Though these levels may well be accepted, and not in opposition of one another, it is difficult to claim a low hierarchy in an organization fraught with occupational striation [Van Maanen 1991]. These differences were downplayed by management so as to be able to claim being a flat organization. Here, the low hierarchy emphasized is of a conceptual nature attributed to behaviors exhibited by its cultural members; however, some basic and rather visible factors reinforce the opposite.

A noteworthy distinction marking the difference in hierarchy is the physical artifact of the business card. When conducting interviews we asked if we could contact interviewees for follow up questions. The Senior VP offered without asking his business card in an automatic response to our posed question. We found when asking the same question to other employees at the offices of Carl Gustafs väg, business cards were handed out without hesitation when asked for. However, when visiting the engineers at a power plant, business cards had to be located after being requested as they were not readily available. Operators at another power plant excused themselves for not being able to offer one at all, as they are not provided with them.

The business cards which were provided made a further distinction between managers and employees. Executive business cards are emblazoned with a gray E.ON logo, which emphasizes the Nordic belonging, and are devoid of the Red of the RedWave, whereas all others, backs are displayed in Red as well as showing a Red E.ON logo.

b. Unofficial dress code

Even though there is no official dress code for the company, hierarchal distinctions in ways of dressing can be found. As observed in the various locations where interviews were conducted and observations held, dress code proved progressively less formal the further down the corporate ladder we traversed.

“Upstairs here we absolutely dress up because we have the executives.”

~Executive Assistant

An engineer involved in the erecting of a new power plant had the following to say with regards to the Malmö headquarters:

“We have no dress code here, but if I go to headquarters, I have to comb my hair and put on a shirt”.

Correspondingly, though dress code was consistently inconsistent as was seen in integration, producing the claim of informality with the use of no dress code is here challenged by the interpretations of employees in their different perceptions of what would be appropriate at the varying levels of the organization.

6.2.2 Degree of “Caring” Variant

At first glance, the E.ON benefits package could appear unified, fair, generous, and consistent. However, with further investigation, inequality in their distribution and accessibility surfaced.

a. E.ON’s online training

Take the case of E.ON’s *Academy Online*. As stated by management, it is provided as a benefit for all employees allowing for personal and professional development. “Choosing an English or German course is not dependent on your job involving these languages. You choose the course simply because you would like to improve your abilities!” [Benefits Brochure of E.ON Sverige AB] This may be true for employees that have the “luxury of” their own desk with a personal computer for accessing the *Academy Online*. Completion of these courses proves rather difficult for plant operators who are toggling between a common computer work station and the plant floor. It could be argued that personal and professional development should be completed outside of the working hours, but wouldn’t this detract from their caring towards a work-life balance? Other courses which are available on the system require approval of a supervisor.

“More specialized leadership courses, like for example an MBA, if you want to do that it is not open to everyone. It is too expensive. It wouldn’t be logical for someone who is an assistant that is planning to stay an assistant for the rest of her career to do it.”

~HR employee

Also, access to courses is dependent upon your possibility for advancement with the company per your performance appraisal. This could indicate that your possibility is contingent upon the interpretation of your work performance by your

supervisor. [E.ON survey 2007: E.ON provides me with sufficient opportunities and training programs to advance both professionally and personally. Nordic response: 58% Yes, 14% No, 28% Undecided]

b. Performance appraisals

"If you perform well, you have great career opportunities." ~ HR Specialist

This statement could signify that through performance appraisals one should have the possibility to climb up the ladder in the company. However, managers are assessed at placement conferences either once a month, at top executive level, or every two months, at senior management level. Contrary to management, employees have the opportunity to be assessed once a year, with the mere suggestion of a second being a standard, not a practice. Maybe these inconsistencies in performance appraisals and possible promotion opportunities are indicative of their inequality in their approach. The low response in the E.ON employee survey 2007 gives cause to believe that employees are unhappy with their possibilities and therefore challenging whether this is truly a *benefit* for all. [E.ON survey 2007: The better my performance, the better my chances for further advancement (training, more interesting tasks, new responsibilities, promotion etc.). Nordic response: 50% Yes, 22% No, 28% Undecided]

In addition to not being rated as frequently as managers, employees are incentivized up to 52% less [employees have up to an 8% possible raise versus management that has up to a 60% possible raise]. [E.ON survey 2007: I think that my pay is appropriate for my responsibilities and performance. Nordic response: 41% Yes, 29% No, 31% Undecided]

c. Flexible working hours

Delving deeper into the concept of flexible working hours promoted as a benefit to the work-life balance and casual work atmosphere, we found that working hours may not be so "flexible".

“Assistants are *expected* to be in the office from 8:00 to 16:30.”~Executive Assistant
“Flexible hours, no, we work in shifts, 24 hours a day, and 7 days a week including Christmas.” ~Operator 1

Therefore, flexible work hours are only a benefit if they apply to your occupation. The work-life balance could also be challenged by Corporate Center depending on your position with E.ON Nordic and the hours your counterparts work.

“They will quite often give you a task in the afternoon and they will want a response by the next day. In that way, working close to the headquarters in Germany, you get to do more stuff in the evenings. Corporate center sets what time counts. They work later.” ~HR Specialist

In sum, the relative nature of caring and the claims which support it such as low hierarchy, work-life balance, benefits, and incentives, have the possibility to create an adverse affect on the interpretations of employees if they are not distributed and managed with care. Interpretation of the survey results *may* indicate that employees outside of the management tier can sense the differences in treatment as they become more visible.

6.2.3 Headquarters Relations- Cooperation or Submission?

To some extent each member interviewed implied differences in work style from Sweden to Germany. These cultural differences become apparent when working more closely together. Although Hofstede’s insight into Swedish and German culture is albeit a homogeneous one of the shared cultural manifestations, the differences in masculinity and femininity appear to be applicable in this setting per the comments and assumptions of interviewees. Organizational members studied expressed the awareness of differences with their colleagues in Central Europe going along with Hofstede’s assertion that for members of the German culture, time is money and should therefore not be wasted. Also reoccurring was the understanding that as centralization increases, so too increases the direct controlling of daily operations by Corporate Center in Germany. To some degree these cultural behaviors oppose the Swedish style of doing.

“There is a strong German influence and they want it done their way. If I don’t go the ‘right way’ they don’t answer, and I don’t know why.” “They want to organize E.ON Sweden like Germany, and I don’t think this is necessary.”

“They force...mmm, ask us to do it the ‘German way’ and we do as we are told. We just accept it.”

~Executive Assistant

“People who have personal relations with headquarters feel good. But it will always be the case in large organizations that some people they will always think the headquarters aren’t doing anything useful but some think that they are trying to do their best for the organization.”

“You see we are at the bottom and they are at the top, so we have to comply. We *have to* provide them with information.”

~HR Specialist

“Germany is making the decisions and action plans and Sweden has to sort it out. They are *telling* you what your part is.” ~HR employee

Attitudinal variations towards headquarters are seen once beyond the border of people that have close personal relations to them [top management subculture]. Resistance and confusion are laden in these statements. The earlier cooperative and collaborative spirit projected by management meets a more submissive relationship as the possibility to object diminishes. Sometimes, it is even hard for top management to object with avail. Take the case of this years OneE.ON day mishap.

The purpose behind the OneE.ON day is of a powerfully symbolic nature as branded by Corporate Center. It is one day, where 88,000 employees have the opportunity to celebrate the birthday of their company together and better understand the mission which unites them. However, this year, when Corporate Center set the date for the birthday celebration, they didn’t take into consideration that June 20th in Sweden is mid-summer, possibly the biggest holiday of the year for the country. Thus, Swedish top management strongly voiced their opposition to the date:

“I rebelled it a lot. There are so many bank holidays throughout the Group around this time, but in years past they worked it out.” ~ Senior VP

As a result, E.ON Nordic decided to move the celebration for the Nordic subsidiary to June 17th because as one engineer stated so eloquently:

“Yeah it’s a threat to mid-summer. That would be almost impossible in Sweden. If you had it then, it would be very empty. I think it is a clever idea to move it from Friday [June 20th] to Tuesday [June 17th].”

It would seem that the change is certainly supported by employees in Nordic, but it could be argued that this detracts from the overall symbolism adhered to the day.

6.2.4 *Internationalization: Becoming One?*

a. OneE.ON Concept

Different interpretations came into focus when employees began to open up about their feelings and concerns surrounding the issue of internationalization including centralization. For some, in occupations which do not have strong collaborative relations [mainly in the lower strata], the concept of becoming OneE.ON held threatening implications.

“I realize that there are a lot of benefits to centralization, but on the other hand if you centralize too much power and economy and you shift them to Düsseldorf it would for sure damage my enthusiasm for working for E.ON”, “Too much centralization is not my cup of tea.” ~ Engineer

“Top Executive is the newest department coming from Germany; because we needed that in Sweden.....they think.”[annoyed] ~ Executive Assistant

The following quantitative data provided in the 2007 E.ON Employee Opinion Survey reflects the responses which emerged frequently throughout the study regarding the issue of centralization and sentiments towards overall identification with the OneE.ON concept: OneE.ON has a positive impact on my everyday work life. Nordic Response: 32% Yes, 31% No, 37% Undecided; I identify with the E.ON Group: Nordic Response: 50% Yes, 19% No, 31% Undecided.

The relatively strong emotions engendered by this topic which were observed, raises the question as to whether they are not afraid of an internationalization of the company, but rather a Germanization. The cultural differences in work style seemed to be apparent to all, even management, though the reactions were obviously different.

b. OneE.ON day

The initiative set on making the company grow closer together promoting sameness, was the OneE.ON day. This too harbored mixed reviews.

Interviewer: What do you think about the OneE.ON day?

Operator 1: I guess it is a good thing.

Interviewer: Are you looking forward then to the event?

Operator 1: I don't go.

Interviewer: Aren't your coworkers going?

Operator 1: I don't think so.

Interviewer: What does the OneE.ON day mean to you?

Operator 2: [shrugging] Ah, I don't go.

Interviewer: Why not?

Operator 2: Why should I?

Interviewer: Do you identify with E.ON?

Operator 2: [casually] Sometimes

"I guess it is a good initiative [OneE.ON day]. It is a good day to gather everyone together and remind them of the mission and objectives of the business [reciting]. I was there last year and... I liked it, although I don't know if I will participate this year and I won't cry myself to sleep if I don't go. But once a year it is okay." ~Engineer

"I heard that you were maybe shot if you didn't participate. Sorry [laughing]. I heard that it is almost compulsory and you must have a really good reason not to attend. But I haven't investigated this further. I don't know, here [Öresundsverket] you can always come up with a reason if you want to, it is also easier if you are working on this project than if you are at the headquarters." ~Engineer

All interviewees located permanently at the Carl Gustafs väg headquarters building correspondingly stated that they were attending the OneE.ON day. It would appear from this statement that reasoning for attendance at the event may not be based solely on voluntary will or interest however.

c. English as the corporate language

Also included in the internationalization attempt, as we stated before, was the official order to make English the corporate language.

“It has been for one year in action.” ~Senior VP

Wouldn't this entail that it is spoken widely on the job, or that all members of the organization are at least aware of the official language?

“That's just official talk.” ~ HR Specialist

“There is no action plan for moving towards English.” ~HR Employee

Interviewer: “What is the corporate language?”

Operator 2: “Swedish.”

Interviewer: “Actually, the official corporate language was changed to English last year. What do you think about that?”

Operator 2: “[disinterested] Hmmm yeah, I guess I read it somewhere on the intranet.”

“We speak Swedish in Sweden.” ~Operator 1

“Students who apply have to speak Swedish, it will change, but it definitely needs some time. Almost all our recruitment materials are in Swedish.” ~HR Employee

There was considerable agreement that they would welcome English speakers however the idea surrounding changing the spoken language from Swedish to English was, as seen from the previous statements, another story.

Welcoming non-Swedish, English speakers and transitioning into *speaking* English as the official language is rather hard considering almost all pamphlets, brochures, company memos, and literature are produced almost exclusively in Swedish [with few exceptions]. Additionally, job advertisements are posted in Swedish and recruitment of students takes place at Swedish Universities, mostly encouraging Swedish speaking recruits [Tested by researchers before cultural study began- told that if you don't speak Swedish there is no sense in applying for the traineeship.]

The goal for E.ON Group is to attract a more diverse workforce supporting and valuing the official behavior of diversity and to encourage increased internal mobility. If this be the case, then at present, the convenience of Swedish as the spoken language standing beyond the top managerial push, contradicts the internationalization effort.

By planting the English only speakers as seeds acting as catalysts for change, not only would the issue of converting the language into what it officially is stated as, this could also possibly aid also the movement towards a more diverse workforce.

6.2.5 *Lack of a Holistic View on Diversity*

Diversity is stated as an official behavior of the organization. A pivotal question worth contemplation arose as to how employees outside of the corporate and Nordic top managerial subcultures in the organization interpret this? Is it truly represented as a behavior?

As we saw before in terms of gender, the company is divided as 75% male and 25% female. The first step in the internationalization process seeks to promote women into leadership roles. Ethnic diversity [7% first and second generation ethnical diversity] as can be seen in the following statements takes on a different persona:

“I don't think that the company is so diverse in terms of ethnical backgrounds. The IT department is young and our average age is around 40.” ~ Executive Assistant

“I don’t know if there are enough employees in E.ON Sweden with a foreign background. I don’t think that share is large enough.” “There is a huge share of older male engineers.” ~ Engineer

Interviewer: “How do you feel about the diversity here?”

Operator 1: “Diversity? What does it mean diverse?”

Interviewer: “Lots of different backgrounds, nationalities, females, males.”

Operator 1: [long pause] “I don’t think so. No, no. Most are Swedish. We have one woman, one Turk and one Ukrainian, but they speak Swedish.”

Interpretations among employees as opposed to management seem not to gloss over the arguable “reality” of the situation. It would seem such varying views in how employees see diversity and attitudes towards how to achieve diversity [or even its worth] would not be found in a company where diversity is a stated official behavior.

The stand on diversity from the management perspective is that diversity within the company should mirror the customer base. Does this mean that 75% of E.ON’s products are purchased by men? Or that ethnic diversity only represents 7% of the population? Perhaps not. The movement towards broader diversity is a goal for them; however, upon reflection of the previous comments, alignment of interpretations of diversity amongst their employees may prove to be a challenge if not an impossibility considering the degree of variance.

6.2.6 *Conclusion*

Reflecting for a moment on the two images of the snail brought forth for contemplation at the beginning of this perspective, we can consider the first image as representational of the espoused managerial perspective projecting a unified picture of the E.ON Nordic culture and its consistencies. Once the interpretations of the employee subculture and the various collectivities internally and externally are applied to the “original picture”, we find that they do not match. Inconsistencies surfaced within the main content themes. Parts surrounding these concepts are added and subtracted by members outside of the management subculture in the second snail image. Additions represent aspects of the culture not mentioned by

management in the first picture, whereas subtractions denounce or oppose the projected image of the culture.

Although differences occur, commonalities in interpretations, whether pertaining to material or ideational phenomena, do occur as well, creating the recognizable silhouette of the snail, bridging the gap between the integration and differentiation perspectives.

6.3 Fragmentation: Breaking the Mirror

In this perspective, culture does not focus on the consistencies and inconsistencies of the overall culture or that of subcultures, but rather exchanges them for ambiguities and issue specific interpretations. The original snail picture and the altered picture are here removed and traded with multiple pictures created from the interpretations of particular issues arising within the organization. This doesn't mean that members within the organization from specific subcultures will and do interpret situations consistently in the same way as others within their specific subculture, as typically people are members of many different overlapping cultures and their perceptions surrounding an issue do not necessarily have to fall in line with other members of any one given collectivity/subculture/culture [Martin 2002].

Imagine a football team. One coach, eleven players plus reserves all involved in a game. Although there are different individual positions, the goalie for example, as well as defensive and offensive players, they are all likely to have the same goal which they are working towards, winning. However, there are infinite ways in which to play the game to achieve the desired outcome.

They have been trained together, so they should have some idea of how they are supposed to react. In the training sessions the coach tried to give them a common understanding of how to work together. Once in the game however, players may interpret situations differently, perhaps not in alignment with their training but rather what they feel is right that day.

If a player is passed the ball, for example, he may play as he is supposed to, or he may feel that he has a good shot at the goal even though he supposed to defend. Another player thinks that he won't get the ball so he is not prepared to take it. A different player that is signaling he wants the ball because he is certain he has best shot may be interpreting the situation differently than the player who is in possession of the ball.

From one moment to the next, situation to situation, the interpretations surrounding how things should be done may differ regardless of training and influence of the coach, position played, and the actions of the opposing team.

Two players that know each other well may share an understanding that is different from the coach in a particular situation. A rookie player not used to the dynamics of the team may have a completely different idea about this specific situation. Being on the same team doesn't mean that all the defensive players have to have the same understanding of the situation either. A defensive player and an offensive player may play well together because they have the same values and basic assumptions surrounding the game and how to react in certain situations.

Transferring the football metaphor to an organization, one can see that depending on the particular issue or situation, different members [players] of the organization [team] may interpret things similarly therefore exhibiting shared understandings [perhaps given from training, national culture, occupational subculture etc.], or in totally different ways, regardless of position, training, or group membership. What is important to understand, however, is that member interpretations will vary depending on the situation occurring within the context.

The fragmentation perspective eliminates boundaries focusing on individuals and their interpretations surrounding a topic and the topic itself.

6.3.1 *Internationalization: Opportunity or Threat?*

Internationalizing an international company? Considering the size, 88,000 employees, across 25 different countries this concept may seem a bit odd. It throws

into sharp question how exactly this can be done and also what constitutes a company as being “international” in their practices. 40 countries? 100,000 employees? Tripling current profits? Having everyone speaking the same language “in action”? What is the mark to be met in order to reach the status of an international company?

It was stated before by top management that they are on an internationalization train but it hasn't really left the station yet. Can you leave the station without a clear path to your destination? What is at the destination? Maybe they are already “international” and that is why the train hasn't left the station.

For some interviewees, internationalization equaled centralization which was positive or negative depending on their interpretations, others think it would be great having more international contacts and working more closely together with other cultures therefore supporting “becoming more international”, and everyone else voiced an indifference to the concept as long as it didn't affect their jobs directly.

Perhaps for those who see centralization in a negative light, the push for internationalization is simply a disguise for centralization or enhanced monitoring and control. Isn't it easier to sell a wolf in sheep's clothing, disguising your intentions?

a. OneE.ON concept revisited

The OneE.ON concept associated with internationalization also fostered ambiguous feelings. Certain members interviewed always, when referencing E.ON, made the explicit distinction between E.ON Group and E.ON Sweden:

“Of course when I am talking about E.ON, I mean E.ON Sverige [Sweden].”
~Engineer

Several members discussed E.ON in terms of the Group as a whole, whereas others didn't associate the name of the company with the place where they worked at all, as it had changed several times in the time they had worked there.

“For me it doesn’t matter under what name we are operating, I have my work and my guys.” ~Operator 2

The OneE.ON concept also included a OneE.ON day to boost the feeling of togetherness and becoming “one”. When the issue was broached with interviewees, it could be interpreted that there was no consensus of opinion concerning the topic. Indeed, they often even contradicted themselves when discussing it.

“I guess it is a good initiative [OneE.ON day]. It is a good day to gather everyone together and remind them of the mission and objectives of the business [reciting]. I was there last year and... I liked it, although I don’t know if I will participate this year and I won’t cry myself to sleep if I don’t go. But once a year it is okay.” ~Engineer

This could be due to the context in which the question was asked. It is possible that some interviewees felt it was their duty to answer positively, whereas others may truly believe in the initiative due to their involvement, or feel disconnected from the topic entirely.

b. Parameters of corporate language

Considerable confusion emanated from the notion of English as the corporate language “in action”. This conception is of important notice for any organization on a path to globalizing its operations. Clarity of the definition for the operative uses requires that certain important questions are posed and answered. Does English as the corporate language most simply mean it is stated as an official feature of the organization?

“That’s just official talk.” ~ HR Specialist

Does this indicate that companywide, all current employees and new hires must have the ability to speak the official language as an addition to the language spoken in the subsidiary location? Should all employees who have customer contact be fluent or company materials to the external market/customers be unified in the official language only? Isn’t one positive advantage to establishing one language for the

organization in an internationalization effort that of being able to use the economy of scale [example: printing all brochures, company literature in one language]? Must it be the spoken language in the work setting organization-wide? What is the mark that determines competency in the language, reading it, writing it, speaking it? Do you hire more people that cannot speak fluently the language of the country the subsidiary is located in but that can communicate in the official corporate language? Does it mean it is only used in intra-market unit/corporate interactions? What advantages will be achieved in the event of implementation of each?

Obviously for E.ON the topic holds a great deal of perplexity. It would seem from the following statements that the questions posed above present no unified answer, and the asking of said questions to this point is debatable:

Senior VP: "One year ago we decided English is the Corporate language it was decided before, but in action it was decided one year ago.

Interviewer: Is this primarily what is spoken here?

Senior VP: Its its...when we meet in international meetings and so on, now it is English. We still have translation though, I have to admit."

"Students who apply have to speak Swedish, it will change, but it definitely needs some time. Almost all our recruitment materials are in Swedish." ~HR Employee

"Not many people feel comfortable to express themselves in English." ~HR Specialist

Perhaps corporate center made the decision without defining an action plan for its market units. Promoting English as the official language could be related to external image branding due the pressure of globalization. Appearing as an international company nowadays could require one consistent corporate language, which includes the possible advantages of increased mobility and talent management rewards, economy of scale, ease of communication etc. If this be case, official branding is not enough to reap the benefits. However, it was emphasized that it is "in action". "In action" here is rather ambiguous and undefined for most members. Management in

the Nordic unit viewed it simply as an issue of training and development for years to come.

“We don’t have any problem sending employees for a two week intensive training course in the UK.” ~Senior VP

When asked about the feasibility of this endeavor for operators for instance, considering sending a mass of employees to the UK for training would be rather costly and perhaps a bit unrealistic, no answer was offered.

The relative, subjective, and ambiguous nature surrounding the concept of internationalization apparently creates some confusion due to the multitude of interpretations possible. It seems that top management itself had some problems in defining the direction or establishing a consensus. If they are able to establish that, they might be able to leave the station.

6.3.2 *Headquarters Relations*

Can masculine and feminine cultures have a truly collaborative relationship vs. a relationship of domination and submission? At what point does the relationship become dysfunctional or abusive; or more ameliorable, to move from an **orthogonal** subculture status [supportive of independent values which are of a neutral nature in relation to the corporate culture] to a **counterculture** [going against or challenging of the values upheld by the corporate culture with values of its own] [Siehl and Martin 1984, cited in Hatch 2006: 176]? In the extreme circumstance, at what point do the parties decide the relationship must end?

When we examine the relationships between headquarters and the Nordic subsidiary the power of Hofstede’s findings are inescapably illuminating. For the German culture “what is different is dangerous”, considering this, they will most likely try to impose their way of doing. As the theory states, Swedes in general feel that “what is different is curious”. This being so, the relationship should have potential. However, at what level does curiosity exit and aversion enter? Sensing these potential problems in the relationship, Swedes would try to find a compromise or

negotiate to resolve conflict, but this would prove rather difficult since the German culture per Hofstede, would approach this matter by flexing its muscles and fighting in opposition. This would be enhanced by the fact that the Germans rule the Corporate Center.

Each interviewee in a minute way had a different interpretation of headquarters relations. Views range from seeing them as threat, as useless, some would like to have more relations, some think relations are good and beneficial, and others think they are fine now but if they increase centralization more anger or stunted enthusiasm will follow. The quotes cited in the differentiation perspective with regards to interpretations surrounding headquarters relations exemplify this variance in emotion. The variety of understandings towards the topic may also be influenced by headquarters attempts to push the internationalization and centralization efforts further.

6.3.3 *Diversity in Question*

In recent years, due to a globalization of markets, diversity has become a factor of organizational life which cannot be overlooked, especially when conversing about multinational companies. Companies are pressured to consider the total picture of diversity including not only age, but gender and ethnic variety. Not acknowledging diversity or not at least claiming to value it is becoming practically taboo. However, truly having said diverse workforce [represented in hard figures], versus a public declaration of valuing diversity, is cause for investigation.

Claiming diversity company-wide could infer varying meanings for most if not adequately defined. For instance, what does the claim of diversity on organizational level mean for the practices of the subsidiaries? Does this mean that every subsidiary has to be diverse in the aforementioned three aspects of the word; or does this mean by being an international company, represented in 25 different countries, that the contribution made must focus on gender and age solely as ethnicity could be seen as already accounted for across the Group? Or should ethnic/cultural diversity be an aspect focused on at subsidiary level as well for the diversity claim to be valid? Should a deeper internalized value of diversity be manifested in

all employees throughout the entire organization? What processes and practices help to align the thoughts regarding this issue?

Glancing at these questions in reflection of E.ON Nordic, a fragmented view of the answers emerged. Though clearly, they see diversity as an issue of concern on subsidiary level, the puzzlement often seen in the faces of the interviewees when asked to define and talk about diversity, leads one to suppose that certain questions above may not have been posed thus far. Perhaps they have not reached the point in their development where these questions have been pulled into strategic focus.

In asking the Senior VP his opinion and values with regards to the direction of diversity in the company he expressed great interest and value for ethnic diversity primarily, but also an awareness in gender and age [example- refer to the high performance team story in the integration perspective]. This story could show he believes that there are exemplary benefits to having cultural diversity. For the CEO, for instance, the first priority towards diversity in their level of the organization is a focus on gender. As his first order of business regarding diversity, after his appointment as CEO, two females were promoted into executive positions and the 1:2 policy was implemented.

Lack of consensus could be found with regards to the understanding of what constitutes diversity, how to create/support it, and further the necessity of a diverse workforce. Most interestingly, however, was the ambiguity encircling the borders enclosing and encompassing ethnical diversity. Consider the following quotations:

“In terms of diversity, we are 75% men in this company, that is of course because of the business in the energy sector. You will find diversity within certain sectors. At E.ON Sverige we are evenly spread between women and men. But gender is only one aspect of the diversity issue. When it comes to cultural differences, and having people from the Mideast or whatever, most people at E.ON Nordic are Nordic originally. More and more, when it comes to diversity, we have people coming from Germany and the UK. But that’s not so diverse.”[...] “We don’t have a set target when it comes to diversity.”[...] “I mean, why should an energy company need people from other parts of the world? That is not that clear, it is much easier when you talk mobile

phones or something that is fairly big. We produce in Europe and deliver in Europe. So, there aren't that many people in Asia or wherever that will actually be better at building nuclear plants than we are. Knowledge within the energy sector is in mostly Europe and the U.S.?"

~HR Specialist

"Most of the people who join us that have foreign backgrounds, they are people that already work for E.ON in Germany or UK. I can't really say about the rest. We focus on people that have Swedish language skills. For a lot of people diversity is about ethnical differences. We talk about that a lot when it comes to recruitment. But we have the problem that nobody applies with a different background. They don't apply here. Why is that, if we want to attract a different type of engineer, do we need to post in English or maybe Arabic. When it comes to language, we are a German company, the language is English, but we are still very much a Swedish company. This becomes an obstacle when having new Swedes come to work here."

~HR Employee

For these two employees the notion of diversity held different meanings, surprisingly when recognizing their close proximity in occupation and level. In the case of the HR Specialist, it could be argued, that ethnic diversity related more to terms of continental divides [Asia, Europe, U.S., Mideast], with other Europeans [Germans, and British] being seen as "not so diverse." On the other hand, the HR employee associated more heavily language and nationality with expressions of ethnic diversity. These individual views contrast that of the Senior VP who, as seen by the previous examples given, could be said to view the primary feature of ethnic diversity as values, beliefs and behaviors ascribed to a national culture rather than simply nationality of the person or language.

Managerial alignment in thought and direction for practices correlating with diversity could possibly help to sync the understanding and perceptions further along in the company, but more than likely totality of unification in understandings regarding the topic would be an unrealistic aim. Clarity in official practices and target goals will communicate what aspects of diversity are important to the company helping to align at least a common direction in which to proceed. Therefore, E.ON

Nordic's 1:2 policy in the promotion of females into leadership could be considered a step in the right direction.

6.3.4 *Informality Undecided*

The most obscure feature of the affirmation of informality lies in the low hierarchy assertion. As stated before the characteristics attributed to the supposed "low hierarchy" of E.ON Nordic by its managers, were as follows: addressing by first name, no emphasis on titles, and no strict channels of command to navigate. But, do these characteristics qualify as low hierarchy? Just because one does not address a manager by his/her title or last name does not signify that he/she does not behave as a manager or that one does not treat him/her as such. As we saw in differentiation, the employee subculture challenged the leniency of the chains of command.

One could argue that an organization that can boast a low hierarchy sees its managers in a weaker position and seat of control [Alvesson 2004]. In some Knowledge Intensive Firms for instance, occupational homogeneity assists in the down-play of hierarchy, and managers serve as advisors, coordinators, or coaches rather than authoritative controllers [Alvesson 2004, Martin 2002]. This definition of low hierarchy is one interpretation of many; however, it assists in throwing into question whether managerial projections of low hierarchy are perceived accordingly at E.ON by all members. Obviously, E.ON Nordic has a rather heterogeneous occupational standing therefore, this claim does not hold true if we are to use Alvesson's definition of low hierarchy. The question of whether managers are in fact in weaker positions can be answered with the following quotes:

"Well, we have internal politics on a lot of levels, if you are going to present a presentation, most often you have met the **most important guys** before, and you have shown the presentation to them, so they basically have been involved in producing the presentation. So that when you go in there they are already with you. If you don't do that, you are in trouble." ~HR Specialist

Operator 1: “My boss talks to headquarters.”

Interviewer: “Did he [boss] discuss with you before they changed the organization structure?”

Operator 1: “No, no, no. He **told** us what our jobs will be.”

This also questions the strength of E.ON’s organizational culture. As Peters and Waterman argue, “*strong cultures* are based on intense emotional attachment and the internalization of ‘clearly enunciated company values’ that often replace formal structures” [Peters and Waterman 1982, cited in Kunda 2006:10]. If their theory holds water, then here formal structures and hierarchy are necessary to serve as a control mechanism because heretofore evidence of the lack of emotional attachment and internalization of the values has been uncovered. It could be said that in a low hierarchy the tool of normative control is sufficient to direct and influence the masses without the necessity of formal structures and rigid external control [Kunda 2006]. As normative control and the internalization of values are debatable in the case of E.ON Nordic, so too are their claims of low hierarchy.

Presumably some confusion is caused by using low hierarchy and informality synonymously. The factors which support the claim of low hierarchy are more so attributed to informality, as seen by the previous definitions.

6.3.5 Degree of “Caring” Ambiguous

Wouldn’t it be great working for a company where everybody received the same benefits? From executives to shop floor employees with the same equal possibility of promotion, earning, and incentive? Unfortunately, here we leave the land of fairytales and enter the real world. But the question is, how much inequality is acceptable in order for employees and managers alike to still view a company overall as a “caring” one that considers the livelihood and well-being of its employee? Isn’t “caring” generally defined by the individual, and benchmarked by the masses?

One could aver that E.ON Nordic’s degree of caring can be measured by their turn over rate. However, the percentage of turn over doesn’t necessarily serve as an absolutely indicator for a companies successes in employee treatment. It is also

dependent on the industry opportunities, economic growth, unemployment rate etc. We were told that lately the turnover rate has begun to rise as well.

a. Performance incentives and performance related pay

For personal development reasons, conceivably performance appraisals at management level, as often as they are [once a month for executives, one every two months for senior managers], could be positive. However, this could be also viewed as an enhanced control tactic from corporate center and executive level.

The combination of performance related pay, market value hiring, and incentives, leave a possibly huge gap between the employees, not to mention the possible gap between employees and management with a 52% possible difference in incentives. 60% of a high managerial income in comparison to 8% of a lower employee income is cause for speculation towards the “caring” label.

The Senior VP interviewed argued that the low percentage seen in the survey response with regards to satisfaction in pay [41% Yes, 29% No, 31% Undecided] was surprisingly high compared to the previous companies in which he worked.

“That is actually quite high in my experience. I think it’s good, because if people are not satisfied with their pay that means that there is motivation for improvement.”
~Senior VP

One possible interpretation in the opposite direction was that of a despondent nature voiced by an operator [no mention of performance incentives was given at this level].

“My salary went up but it would have anyway even if it had still been Sydkraft, it was for government reasons, you know inflation.” ~Operator 2

b. Intrinsic and extrinsic rewards

It is viable and noteworthy however, that intrinsic rewards are the stimulation for the label of a “caring company”, with variations in extrinsic rewards being inconsequential [Salaman, Storey, and Billsberry 2005]. A fragmented array of responses hinting towards intrinsic motivations could be found. When operators were asked to describe what they find rewarding about their jobs the following responses were given:

“I’ve been here a lot of years. I like to work with my guys/group. I like what I am working with.” ~Operator 1

“I like my work. It is fun to solve problems. It changes everyday.” ~Operator 2

These statements hint at intrinsic motivation, however, when specifically asked about the company’s part in their roles, one responded as follow:

“I am working and they [E.ON] are paying.” ~Operator 1

Interviewer: Do you identify with E.ON?

Operator 2: [casually] Sometimes

The distinction made between E.ON as the provider of the extrinsic rewards and the rewards of the work [intrinsic] shows a possible detachment.

“Caring” could also be considered relative in comparison to what an individual’s previous work experiences are.

“I think they are taking care of the employee, much better than the company I was previously with. Fairly good salary and benefits. I don’t know what makes it stand out. I guess it is a more friendly atmosphere compared with what I was used to.”
~Executive Assistant

One final challenging and ambiguous factor regarding E.ON’s label of “caring” could be that of its reputation. Per Hatch and Schultz’s [2002] adaptation of Mead’s

“I” and “Me” model, image, culture, and identity are all interrelated and therefore should be balanced. The image of E.ON to its external markets per its internal customer [the employee] was shown to be in low standing from the survey results. Less than half of the employees questioned believed E.ON to have a positive image. This, as stated by Hatch and Schultz [2002], can reflect back on the culture and its relationship to the external image projections as being dysfunctional. Of course reputation can relate to a variety of factors such as customer satisfaction, CSR, financial standing, local economy, employee opinions spread via word of mouth etc. but the fact that employees believe the company image projection to be poor and only half of employees answered yes to whether or not they identify with the company, could speak to how convinced employees are of overall “caring” image of the company. If a company of this size cannot succeed in creating a convincing internal branding, the external image projections could be affected.

6.3.6 Conclusion

Returning to the football metaphor, although most likely no two players share identical understandings of a situation or will react in the same way, they are still able to play together with the same goal at hand. Perhaps for the coach it is interesting to know the strengths and weaknesses of each player, to adjust the training methods to achieve better results.

In this section lofty questions that challenge the vague concepts put forth by the members of E.ON Nordic in the attempt to describe their culture were posed. The complex and rich nature of said concepts makes for difficulties in the alignment of interpretations and paradoxical manifestations as a result evolve. Yet, if we acknowledge that every individual brings his/her own “pre-understanding” [Sandberg and Targama 2007] with which to define his/her understanding of the organizational culture manifestations, fragmentation subsequently represents possibly the most illuminating look at a culture.

7. Concluding Remarks

After being exposed to elements of the organizational culture of E.ON Nordic AB-Malmö, the position from which to survey the implications of culture, internationalization, and their connection has been presented. No one perspective would be sufficient to capture the intricacies of the complex phenomena of culture, thus, in order to conduct a more thorough analysis, three perspectives were chosen [though an infinite amount are possible] [Martin 2002]. This approach allowed for recognition of the varying voices encompassed in managerial, employee, and individual levels with focus on consistencies, inconsistencies and most interestingly ambiguities.

In the integration approach we donned the rose colored glasses of management. Once on, content themes of significant projection became visible. Here the physical arrangements, official rewards, formal practices, and other cultural manifestations converge to form a harmonious unified look at the subsidiary culture.

Differentiation revealed a discordant visualization of E.ON Nordic's culture. Here formal practices, official rewards, and other cultural manifestations became subject to interpretations, action, and scrutiny.

Last but definitely not least, fragmentation challenged clarity and clear consensus within subcultures or collectivities, exchanging them for contradictions among concepts, members, member groups, and individuals [Martin 2002]. Here we illuminate upon the paradoxes seen when discussing diversity, "caring", low hierarchy, and internationalization.

After evaluating all three perspectives of E.ON Nordic's culture, fragmentation crystallized into being the most compelling of the three because as Martin [2002: 110] states, "ambiguity is the hallmark of contemporary life". Differentiation did assist in exposing the weaknesses in E.ON Nordic's culture and possible hurdles for management; but fragmentation, although it aims to blur the picture with the use of contradictions, brings into sharp focus the fundamentals of concepts which hold

larger implications for the cultural impact. These concepts are of importance to a management which seeks to build, change, or influence organizational culture.

The internationalization of an arguably already international company in this case could be seen as a means to move towards a strong organizational culture, as seen by the OneE.ON concept, values, and OneE.ON day. However, considerable attention was paid the coupled centralization process falling under the umbrella of internationalization with ominous undertones. If internationalization means pursuing enhanced bureaucratic mechanisms of control and monitoring rather than eliciting commitment through normative means by promoting cultural membership through the “shaping of norms, instilling beliefs, inculcating values, and generating emotions”, then perhaps this path will be laden with obstacles [Kunda 2006: 10]. As the path is not yet fixed the possibility to veer in either direction is still open, acknowledging the fact that E.ON Nordic is a relatively young addition to the E.ON Group.

Overwhelmingly inherent in organizational culture academia is the notion that organizational culture can and should be a focal part of managerial attention. As Alvesson [2002: 1] states, “the cultural dimension is central in all aspects of organizational life” and “it is tempting to emphasize the significance of corporate culture for performance, growth, and success.” The identification, motivation, responsibility, and commitment which result from established “strong” cultures [Peters and Waterman 1982, Martin 2002, Kunda 2006] could all be seen as beneficial attributes, which also allow for positive external images/reputations which can contribute to the success of a company. Thus, organizational culture conceivably does matter, and the stronger, presumably, the greater the benefits.

The path towards creation of a “strong” organizational culture versus bureaucratizing via centralization could be, although benefits are possible in both, the path which meets the least amount of resistance as it is typically [if done with caution] a subtle means of adjusting the organizational control. It could be argued that “internationalizing” via these means will help to exchange national cultural norms for organizational cultural norms which can make it easier for the company to enter different cultures in attempts to expand in the ever growing global market [this however, is of course context specific]. This will foster minimized resistance, as

identification with the organization is more of a blanket effect thereby creating the feeling that the organization has, to some degree, sameness, as opposed to creating a feeling of “we” and “they”. However, all is contingent upon the organizations ability to establish effective means of communication, rituals, norms, and processes which are far reaching in their cultural impact.

As culture must be examined within context [Alvesson 2002], E.ON Nordic AB-Malmö’s culture may merely serve as an illustration for contemplation of grander questions which relate to organizational culture in the context of internationalization in general. While our thesis may not *necessarily* establish fixed answers to the more perplexing questions posed, it does contribute to the deliberation of such observable phenomenon.

7.1 Afterthought: Reflections on the Three Perspective Theory

Having intensively deployed the three theoretical perspectives advocated by Martin in this cultural study, we still concur that it is an effective tool for approaching cultural studies reflexively. However, in the midst of the analysis process possible flaws which lead to deviations on our part became evident, which we feel should be voiced.

Ironically, Martin’s explanation of how to apply the fragmentation perspective is highly ambiguous. Perhaps this is because boundaries created by the content themes around the cultural manifestations make it difficult to deploy a perspective that should be otherwise borderless and fraught with ambiguity. Framing a fragmented view of a culture is possible as we demonstrate; however, the way in which Martin outlines the application of said perspective is vague. Therefore, we decided to go beyond pointing out ambiguous and paradoxical interpretations of content themes by organizational members, as Martin suggests, to heavily questioning the constitutive attributes of the concepts themselves in attempts to generate awareness and point towards the grander implications in the universal organizational arena.

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