

Case study: Revitalizing corporate values in Nokia

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INTRODUCTION

In this chapter, the authors aim to explore the story of an Appreciative Inquiry-based intervention, focusing on revitalizing the corporate values in Nokia.

THE ORGANIZATION

Nokia's long and diversified story started with the wood pulp mill established by Fredrik Idestam in 1865 (Nokia, 2007). The turn of the 20th century also saw the birth of two other companies, the Finnish Rubber Works and Suomen Punomotehdas Oy, a wire and cable manufacturer. Nokia Ab also started generating electricity during the early years, and the various businesses were merged during the early years of the 20th century. After the Second World War, the company started to export cables into the newly created USSR and by the 1960s

it had started to work in consumer and industrial electronics. By the 1980s it had established itself as one of the leading firms in the emerging telecommunications market.

In 1989, the Company President, Simo Vuorilehto, started the transition from diversification to focus. Vuorilehto shifted from acquisition to selling, from international to domestic consolidation and within just a few months, 10 per cent of the company's revenues were gone. Whilst the financial communities were applauding Vuorilehto's divestment of failing units, internally people were increasingly unhappy working without the compelling vision of a growing, European Nokia championed by Vuorilehto's predecessor, Kairamo. By 1990 Finland's GDP was also in the red with the collapse of the lucrative Soviet trade. The company hit rock bottom – even rivals Ericsson were not interested when Nokia's leading shareholder tried to sell them his stock. A major change in direction and approach was required. It happened in the 1990s, under new CEO Jorma Ollila, who led and established Nokia as the global leader in mobile communications it is today, and championed the articulation of Nokia's values.

THE ORGANIZATION CHALLENGE

The largest increase in number of employees throughout Nokia's history took place between 1996 and 1999, when the company recruited over 20,000 new employees around the world. In 1998 Nokia was the world's largest supplier of mobile phones. By 2000, it had just under 60,000 employees in over 50 countries, and sales had increased to 31 billion euros. The Nokia Values created in the early 1990s had guided Nokia people through this period of extraordinary growth.

However, by 2000, the Group Executive Board (GEB) was feeling that it was time to revitalize them. They discussed the challenge – how to refresh and revitalize the Values, keep the incoming ideas and diversity alive and yet honour and continue the fundamentals that had supported Nokia's success over the last decade? Internal and external conversations led the Board to the conclusion that training everyone in the Values was not a good enough solution; a different approach was called for.

SELECTING THE APPROACH

Ashridge Consulting met with Nokia to explore alternatives. Ashridge suggested to Nokia that they think differently about the concepts of values, identity and meaning, drawing from Social Constructionist ideas, as articulated by Berger and Luckman (1966) and Gergen (1999). From this different mindset, values cannot be objectified or externalized (for people to organize themselves 'around'). They form in the interactions between people and gradually become institutionalized and routine within the prevailing cultural orthodoxy. They come to be recognizable, through repetition and storytelling, as being 'what is important around here'. Identity and shared values are therefore constructs formed, negotiated and continuously updated through ongoing, dynamic relational processes. This positions the Nokia Values as something that are both formed by, and forming, employees' sense making and behaviour at the same time.

Therefore, all knowledge, including the basic, taken-for-granted common sense of everyday reality into which we are constantly acting, is derived from and maintained by what goes on between us in the everyday experience. This knowledge includes the values and identity that people think of as 'the organization' and as 'who I am as an individual', which are merely externalized and internalized versions of the same ongoing conversation and storytelling in which people participate (Mead, 1934). 'In the end, we become the autobiographical narratives which we "tell about" our lives' (Bruner, 1987).

This challenged the notion of 'training in' the values at Nokia, as it asserts that values cannot be imposed from 'outside' the local interactions between people in their everyday workplaces. No amount of workshops, posters, mugs or mousemats, reward schemes, top-leader videos or websites would turn a set of ideals into something that people hold to be the lived reality of what is 'of value' in that organization. It would therefore be inappropriate to attempt to find a way of revitalizing a set of values centrally and 'enrolling' people in them. This, however, can be a difficult message for highly agentic and accountable company executives to take on board. Does this mean that one can do nothing formally to develop a common set of corporate values?

In our view, it is still possible to be proactive in developing shared values. Mead (1934) also proposed that meaning created and re-created through local interaction leads to what he described as 'significant symbols' – those things that have become understood in the same way by all parties in the interaction and which then guide patterns of behaviour.

In Nokia's case, the consultants' task was to create a structured process (to contain anxiety sufficiently to act) that would enable people to engage consciously in this conversation and storytelling in the workplace. This process should allow employees to connect up and explore the implicit and unofficial beliefs and values already present in their everyday experience, alongside the explicit and official espoused values. The assumption was that, from this interaction, new, shared 'significant symbols' would arise which would be understood to be the new emerging Corporate Values. The difference was that the directors would not be 'in control' of the values, but would be participants, alongside others, in co-creating and living them.

DESCRIPTION OF THE PROJECT EXPERIENCE

The Nokia GEB considered a proposal which would involve cross-sections of the entire organization in structured conversations focused on real, concrete stories of success and Nokia values in action. The proposal generated a positive response, and four members of the GEB volunteered to be part of a pilot workshop planned for November 2002. This would give them an experiential understanding of the approach before making any final decision about a large-scale summit.

Definition workshop

They convened a group of 20 employees drawn from a worldwide cross-section of businesses, functions, geographies and organizational levels. This group would experience the approach (based on the AI '5D Cycle' shown in Figure 12.1), and become the 'Core Team' who would co-own and sponsor the rest of the project. They felt that this first workshop should be facilitated by one of the established, worldwide 'gurus' of AI and Summits. So Dr Frank Barrett was brought in from the United States to work with Bruno Dalbiez (one of Nokia's internal consultants in Organization Development & Change) and the group of 20.

In November 2002, the group met for a two-day workshop. The objectives were to:

- Gain an understanding of the AI approach by experiencing it for themselves, and make the final decision whether to proceed.
- Turn what was a broadly described idea ('revitalizing the values') into some more precise topics of inquiry for the whole organization

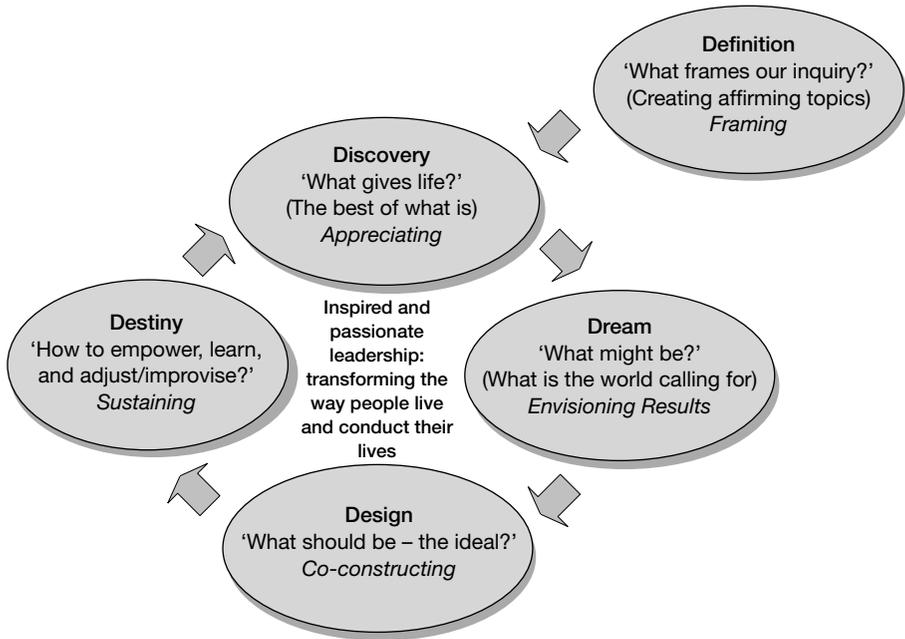


Figure 12.1 The AI process

to engage in. (On the 5D model, this was, for them, a Definition phase.)

- Plan the next steps and take ownership.

The workshop was not without ups and downs, which had to be worked through with skilful facilitative support. By the end of the workshop the group intellectually understood the relevance of the approach to their issue, and emotionally 'felt' the power of it on their own energy and behaviours. They agreed to go ahead with an inquiry process, leading to a large scale Values Summit based on the remaining 4Ds in the 5D model (Figure 12.1). This would be a three-and-a-half-day event for about 200 people in Helsinki.

The two-day workshop had successfully acted as a definition process, resulting in a clearer articulation of the topics they wanted to inquire into through the remaining 4Ds of the process.

The appreciative topics they created were:

- inspired and passionate leadership: transforming the way people live and conduct their lives;

- making a difference;
- exceeding our own and customers' expectations;
- pride in working for Nokia.

The AI interview protocol (set of appreciative storytelling questions prepared for use in the pre-Summit inquiry, and during the Summit itself) was created and agreed.

Pre-Summit inquiry

Through the winter months of 2002–03 a planning team worked together – both virtually using telephone conferencing, e-mail and internet technologies, and in face-to-face design meetings. This team was made up of representatives from the 20-person 'Core Team' from the November workshop, Bruno and an internal facilitation/support team, Caryn Vanstone from Ashridge Consulting and Dr Frank Barrett. The date of the Summit was set for April 2003 and the venue selected.

It is also fair to say that the Core Team and the Nokia GEB showed a good dose of 'sisu' (a Finnish term meaning a mix of long-term strong will, determination, courage, acting rationally in the face of adversity) in engaging and sticking with something that was very different from their normal ways of working. They did commit to a 3.5-day Summit experience, supported the team actively and made time to engage in the AI 1:1 interview process which preceded the Summit itself.

Every member of the 'Core Team' carried out AI Discovery interviews with between 1 and 15 Nokia employees each, worldwide, using the topic-based protocol. This was an important phase of the work. With hindsight though, it was too low profile in comparison to the investment in, and 'wow' of, the Summit experience. By going out into the everyday workplace, engaging people in conversations and storytelling processes (focusing appreciatively on stories of values in action, and value-based leadership) they were already starting to 'seed' the workplace with new patterns of discourse and meaning-making interactions. On later reflection, we came to realize that this IS the most important aspect of working with AI and Corporate Values/Culture, and we did not give it sufficient focus, time or resources in the Nokia project. In projects since, Ashridge Consulting have increasingly downplayed the event-based Summit approach, focusing more and more on a 'viral' method of inquiry at local level.

The Summit

The 200 participants in the Summit in April 2003 were personally invited by CEO Jorma Ollila, as a highly diverse representation of the organization around the world. The summit was facilitated by Caryn Vanstone and Dr Frank Barrett.

It followed the remaining 4Ds of the AI cycle, with 1:1 AI Discovery interviews, sense making and positive core articulation, before proceeding through Dream expressions and Design propositions. The final day was based on the principles of 'Open Space' (Owen, 1997), which allowed people to connect together in a self-organizing manner to identify and work on initiatives and experiments they felt passionate about.

The 'Core Team' and the facilitation team both remember moments of doubt, high tension and pressure, as well as extraordinary positive energy and joy during the Summit. During evening meetings with the Core Team and GEB, the consultants found themselves fielding questions and anxiety-laden demands – especially in the first couple of days which, to action-oriented executives, can seem slow and ponderous.

Of course, it is possible at any time for someone in a position of authority to believe that they have seen the 'right' pattern or themes, and to short-cut the group process by offering their answer. This is often what leaders are asked to do in organizations as it reduces the anxiety of emergent group process, makes them feel in control and suggests speed and 'moving on'. However, 'moving on' without the wider group having discovered their own answers will result in slower or no action later.

When, as an AI facilitator, you hold back leaders from a premature articulation of emerging themes and patterns (by holding to the process of discovery), they often feel frustrated and disempowered. The group can also feel at a loss for a while, and can turn to the facilitator to 'fill the gap'. Part of the skill of facilitating such events is the presence of mind to refuse such seductive invitations – from leaders and other group members alike – but instead to hold the whole group to the task of finding their values, identity and meaning for themselves.

'Removing the mantle of scientific authority and fostering democratic participation has been a chief aim of constructionist inquiry' (Gergen, 1999).

In addition, it was important that time allowed the 'norms' and embedded 'positive core' to be fully experienced, told and retold in different combinations in the room. This IS the process through which

those 'significant symbols' (or organization Values that they wanted to foster) emerge in the group as a phenomenon within the relationships, behaviours and interactions between people in the room.

Post-Summit process

For several months after the Summit, Bruno and the Core Team continued to support the work, in an informal way. There was only an internal webpage to share news and progress and several face-to-face meetings of the leaders of specific initiatives. The assumption was that empowered and enthusiastic Summit participants would create their own conversations and energy locally.

OUTCOMES SO FAR

The ongoing change from a Summit takes two forms – the formal changes (projects, initiatives, etc) and the informal changes (personal, emergent, localized).

Formal outcomes

On the final day of the Summit, 18 action groups of volunteers formed around projects co-created in the Open Space process. These projects met the original brief of the work to develop and bring to life the core values of Nokia – they were the Values in action, being renewed and expressed in everyday actions and interactions.

Some examples of successful projects which delivered results included:

- 'One Nokia to the customer' (collaboration across functions to benefit customer experience).
- 'Relight the Fire' (refreshed articulation of the company's existing Values with what had been discovered collaboratively at the Summit).
- 'Positive performance management' (applying AI principles and elements to development and performance reviews). Today, Nokia's personal development process includes an appreciative coaching approach.

However, many of the other formalized initiatives started during the last day of the Summit died away. The consultants were clear with the Core Team and GEB beforehand that this could happen to as many as half of the initiatives from the Summit. This is a natural way of separating those projects which have genuine long-term energy and relevance and those which are little more than a manifestation of the energy of the event itself. Again, if people are to experience the Values in action they must be free to express what they, personally, find 'of value' in the way they volunteer into long-term action. Closing the Summit, Nokia's CEO spoke of this, stating that volunteerism and self-direction were at the heart of the ongoing process.

Nonetheless, it was felt that the challenge of normal workload pressure meant that some really good ideas didn't have enough chance to be realized. This experience has resulted in significant changes to how Ashridge Consulting now designs the final day of an AI Summit and what happens in the months that follow. There is a clear need to balance self-organized and self-directed action with sufficient structure and support to enable action to be sustained.

Informal outcomes

The generative, viral spread of learning at individual level has been extremely high, and has been a powerful enabler of localized, positive change – the most powerful outcome of the work. The Values in action and the appreciative, collaborative mindset from the Summit experience has found its way into many leaders' and teams' ways of working, processes, customer relationships and innovation processes throughout the Company. Subsequent AI-informed pieces of work have sprung up repeatedly since 2003 in places as far apart as the Far East, the United States and Latin America. Nokia has continued to use AI elements across HR and OD functions worldwide.

The original objective of the work was delivered in a lively and relevant output – a rethinking and re-articulation of the Corporate Values in today's world. More than an espousal or poster campaign, it is a genuine recommitment through localized, increasingly appreciative and affirming interactions and conversations. That, in itself, is an expression of what it means to be in Nokia.

REFLECTIONS AND LEARNING

Working with the informal, everyday interactions

Summits create a considerable amount of initial energy and buzz, but if they are either too early in a process of change, or are too 'stand alone' as a change intervention (as this one was in Nokia), the energy dissipates fast on return to 'business as usual'.

Projects led by Ashridge Consulting since have featured much more investment in developing 'positive deviancy' and 'radical incrementalism' at local level, early in the change process. This means working within the ordinary workplace – shops, call centres, offices – as opposed to taking people out of the workplace too soon to attend some extra-ordinary event. By focusing attention on the relationships, behaviours and choices being made daily between managers and staff, the consultants now support provocative action and conversation, leading to greater engagement and change.

Ashridge Consulting continue to use large group interventions such as AI Summits, but now locate those events in the middle of a change process which might be, in total, a two-year project (for an organization as large as Nokia). Designs of such work now allow for up to a year working informally and locally, creating change and successful empowerment experiences, before the Summit. Then a support system is put in place for the year after the Summit to give the initiatives and new relationships formed the best possible chance. Much of this work is done by internal change teams themselves, with coaching and support from the specialist consultants. This means that the organizational 'ground' (within the workplaces) is ready to receive the more radical and challenging projects that emerge at the Summit itself, as well as providing a 'fertile' environment for the informal shifts in behaviour that each individual Summit participant brings back with them.

Leaders need a 'good enough' structure in order to feel safe enough to 'play'

The AI 5D process has proved a useful framework and methodology. It provided a good enough holding structure to enable the Nokia executives to step into a highly emancipatory and participatory approach to change – containing their anxiety by providing a recognizable infrastructure. Without it, the inquiring, emergent aspects of the work would have been too different from the dominant project-based approaches to change.

As Barrett *et al* would put it, 'For the agent or idea to be persuasive, it must already present some ideas that members believe and see as legitimate. There must be some appealing principles that uphold current beliefs before it can pose a challenge to other beliefs.' (Barrett, Thomas and Hocevar, 1995).

Nevertheless, the challenge of living with emergent change as it actually starts to happen can be stressful for managers. Executives can struggle with their own feelings of wanting to be in control. This was most noticeable in the middle of the Summit, as has been noted earlier.

This is a paradoxical experience for them – because they are also aware that if they were 'in control' they would be limiting the degree of accountable, adult participation of others. These types of emancipatory, all-in-it-together change processes bring these paradoxes, often uncomfortably, close to the surface.

Therefore, in later projects Ashridge Consulting have insisted upon more in-depth coaching and learning for senior executives during the 'informal' first phase of the work, throughout a Summit and afterwards as they experience the increased 'empowerment' of the workforce, resulting in wonderful successes, and 'learning incidents' alike.

The introduction of AI tends to lead people to 'repress' negativity or problem-talk

The consultants were mindful of the compelling research of Dr Barbara Fredrickson of the University of Michigan (*et al*) which makes a direct link between the experience of embracing positive emotions with well-being, health and strength. Fredrickson and Losada (2005) assert that for 'human flourishing' (defined as 'to live within an optimal range of human functioning, one that connotes goodness, generativity, growth and resilience') we need to experience a 3:1 (approx) ratio of positive to negative interactions and emotions.

In addition, the research has shown that by focusing on the positive, Fredrickson's study groups demonstrated more flexible and complex behaviours, and dealt with paradoxes and dilemmas in a more sustainable way.

Based on this research and personal experience, the consultants therefore felt that AI was the right approach to Nokia's wish to reinvest in their values.

However, Fredrickson also found that without 'appropriate negativity' the experience became ungrounded and ineffectual. Consultants have to appreciate the full human experience. It is important to make

a clear distinction between appreciative work (which embraces and supports human experience, possibility and growth, from a position of thorough inquiry in the present) and positive thinking (which projects forward utopian visions and requires people to ignore or repress negative feelings or experiences).

We find that when AI is brought into organizations as a kind of 'religion' for people to enrol into, it can have the impact of repressing appropriate challenge and negativity. We find that the most useful stance is to help people to explore all aspects of their experience, and the skill is in finding the most helpful time to encourage reframing (ie approaching the problem they are exploring from the 'opposite side') or letting go. What we try to avoid as AI practitioners is amplification or dramatization of problems, labels and critiques so that they 'grow' and become more stuck than before.

Repressed negativity did not prove to be a real difficulty in the Nokia work, as the dominant culture is one of rigorous critique and problem solving – common in technology and engineering companies. However, it is something that the consultants were constantly on the watch for.

AI itself can become an orthodoxy, or dogma, which is not congruent with social constructionist thinking

Tim Haynes, Director of Leadership and Organizational Development at GlaxoSmithKline, and recent participant in the Ashridge Masters in Organization Consulting, sums up very well some concerns about the emerging dogma within the AI community:

AI itself creates some binary distinctions which I read as constructing notions of 'good' and 'bad'. For example, Watkins and Mohr (2001) develop Cooperider and Srivastva's distinction between Paradigm 1 and Paradigm 2 action research assumptions to suggest there are two different metaphors for organization change which I would paraphrase as being to view organizations either (a) as 'problems to be solved' (a Newtonian perspective) or (b) as 'possibilities to be realized' (a constructionist perspective).

I think AI strongly advocates the latter over the former – that it is 'good' to think of organizations as possibilities rather than as problems. This in itself creates a binary distinction which Gergen (1999), from a constructionist perspective, warns against – 'When we attempt to make firm distinctions, we crystallize the arbitrary and we create totalizing worlds.' Therefore AI is,

in my opinion, in danger of creating its own totalitarian monologue which privileges certain perspectives over others. (Haynes, 2006)

The consultants worked throughout the project to challenge and support each other in noticing those moments when it was appropriate to 'hold the line' in terms of both the appreciative stance and the methodology, and when it was appropriate to see, think, speak and act from a different stance.

SUMMARY

As the practice of AI develops, the challenge is to move beyond the seductive methodologies and compelling orthodoxy and to remain mindful of the risks of splitting and polarization. The authors of this chapter believe that social constructionism and the underpinning philosophy of appreciative, emancipatory inquiry has much to offer the world of organization change. As David Cooperrider himself acknowledges, there is much more to be learned and explored here, we have only just begun.