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Renewing core values to drive strategy execution

Action research on a Finnish MNE and its stakeholders

Master's Thesis
in International Business

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Abstract

The renewal of core values is an important strategic process for multinational enterprises (MNEs). The targeted impact of the process is that core values would shape the company's employees' daily behaviour, decision-making and ways of working, thus also forming the basis for the company's corporate culture and more efficient strategy execution. The definition of core values and corporate-level strategy development are process-wise closely linked with each other.

This thesis examines how the renewal of core values can drive strategy execution in multinational enterprises by exploring the connection between the renewal of core values and strategy execution. Action research was conducted in a Finnish energy-sector MNE that recently went through a core value renewal process in 2024–2025. The research combines a literature review on the importance of core value definition as part of strategy together with qualitative data from the case including eight semi-structured interviews, document analysis on meeting notes and post-launch workshop observations.

The study finds that multinational enterprises should consider renewing their core values when strategic, internal or external changes create a clear organisational need for the strengthening of strategy execution. In the case firm studied, both market shifts and internal restructuring acted as catalysts for a need to renew core values and to align the existing strategy with the new core values. The introduction of three renewed core values simplified the previous set of complex guiding principles, involved and energised employees, and also signalled to the whole organisation the beginning of a new strategic era. An intentionally inside-out implementation approach strengthened internal buy-in of the renewed core values before external communication, thus laying the foundation for improved stakeholder trust and engagement. The renewed core values also created a clearer visionary line between everyday decision-making and longer-term strategic objectives, thus importantly enhancing strategy execution.

This thesis contributes to international business and strategy development literature by bridging the importance of value-based organisational change with strategy execution. The renewal of core values is seen as an important and integral phase in the process of efficiently executing the company's strategy and in strengthening the company's competitive advantage. The action research design provides novel empirical insights into the topic and the findings provide practical guidance for managers on how to renew core values in a way that reinforces the company's strategy execution, the achievement of strategic targets and stakeholder relationships.

Keywords: Core values, value renewal, strategy execution, strategic alignment, stakeholders, organisational culture, multinational enterprise (MNE), action research

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Tiivistelmä

Ydinarvojen uudistaminen on tärkeä strateginen prosessi monikansallisille yrityksille. Prosessin tavoiteltu vaikutus on, että ydinarvojen määrittely ohjaisi yhtiön työntekijöiden päivittäistä käyttäytymistä, päätöksentekoa ja työskentelytapoja, luoden samalla perustan yhtiön yritys-kulttuurille ja strategian tehokkaammalle toteutukselle. Ydinarvojen määrittely ja yritystason strategianmuodostus ovat prosessimielessä tiiviisti yhteydessä toisiinsa.

Tämä tutkimus tarkastelee, miten ydinarvojen uudistaminen voi parantaa strategian toteuttamista monikansallisissa yrityksissä analysoimalla ydinarvojen uudistamisen ja strategian toteuttamisen välistä yhteyttä. Tutkimus toteutettiin toimintatutkimuksena suomalaisesta energiasektorin monikansallisesta yrityksestä, joka uudisti ydinarvonsa vuosina 2024–2025. Tutkimus yhdistää kirjalliskatsauksen ydinarvojen laatimisen tärkeydestä osana strategiaa sekä case-yrityksestä kerätyn laadullisen aineiston, johon sisältyy kahdeksan puolistrukturoitua haastattelua, projektimuistutkimuksia sekä työpajahavaintoja arvojen lanseerauksen jälkeisestä koulutuspäivästä.

Tutkimuksen tulokset osoittavat, että monikansallisten yritysten tulisi harkita ydinarvojensa uudistamista silloin, kun strategiset, sisäiset tai ulkoiset muutokset luovat selkeän tarpeen organisaation strategian toteuttamisen vahvistamiselle. Tutkitussa case-yrityksessä markkinamuutokset ja sisäiset uudelleenjärjestelyt toimivat katalyyttinä tarpeelle uudistaa ydinarvot sekä yhtenäistää strategian toteutus yhdessä uusien ydinarvojen kanssa. Kolmen uudistetun ydinarvon käyttöönotto selkeytti aiempaa monimutkaista johtamisperiaatteiden kenttää, osallisti ja energisoi työntekijöitä sekä viesti koko organisaatiolle uuden strategisen aikakauden alkamisesta. Tietoisesti ”inside-out”-periaatteella toteutettu arvojen uudistusprosessi vahvisti työntekijöiden sisäistä sitoutumista ennen ulkoista viestintää, ja loi siten perustan parantuneelle sidosryhmäluottamukselle ja -sitoutumiselle. Uudistetut ydinarvot loivat myös selkeämmän visionaarisen linjan päivittäisen päätöksenteon ja pidemmän aikavälin strategisten tavoitteiden välille, mikä tärkeällä tavalla vahvisti strategian toimeenpanoa.

Tutkimus täydentää kansainvälisen liiketoiminnan ja strategianmuodostuksen kirjallisuutta yhdistämällä arvoperusteisen organisaatiomuutoksen ja strategian toteuttamisen näkökulmat. Ydinarvojen uudistaminen nähdään tärkeänä ja integroituna vaiheena prosessissa, joka tähtää yhtiön strategian tehokkaaseen toimeenpanoon ja kilpailuedun vahvistamiseen. Toimintatutkimusasetelma tuottaa uusia empirisiä havaintoja tutkittuun aiheeseen, ja tulokset tarjoavat käytännön ohjeita johtajille ydinarvojen uudistamiseen tavalla, joka vahvistaa yhtiön strategian toteuttamista, strategisten tavoitteiden saavuttamista sekä sidosryhmäsuhteita.

Avainsanat: Ydinarvot, arvojen uudistaminen, strategian toteutus, strateginen yhtenäistäminen, sidosryhmät, organisaatiokulttuuri, monikansallinen yritys, toimintatutkimus

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1 Introduction

In today's dynamic global business environment, multinational enterprises (MNEs) are faced with the growing pressure to stay relevant and aligned with evolving stakeholder expectations while managing authentic and coherent values. This thesis aims to explore how renewing the MNE's core values – a practice often overlooked – can be used to drive strategy execution. This is explored through a real-world case study of a Finnish MNE which renewed its core values in January 2025. Moreover, the alignment of strategy is analysed to better understand what impacts renewed core values have on internal and external stakeholders. This thesis combines academic insights with action research on a case firm to offer practical implications for other MNEs seeking to renew their core values to enhance long-term stakeholder engagement and strategy execution. The following sections 1.1 and 1.2 provide a comprehensive overview of the background, key concepts and aim of the thesis.

1.1 Background and key concepts

Values are central in understanding organisational and individual behaviour. In the context of multinational enterprises, values can be defined as enduring beliefs that guide the employees' actions and decisions. Therefore, values can be seen as the true backbone of the whole firm which is built upon shared values of individuals who comprise the MNE. Values also influence the process of decision-making and serve as the anchor for actions. (Pant & Lachman 1998, 197; Gelle-Jimenez et al. 2023, 176–177.) However, there are differences between the terms “values” and “core values”. Core values are positioned in the very centre of multinational enterprises as they guide all aspects of business (Tan & Wang 2011, 376). As a group-level phenomenon, core values can be understood as an aggregate value structure – a set of shared meanings uniting employees' beliefs into an organisational framework (Hitlin & Piliavin 2004). This means that core values are intended to unify employees around the same guiding principles.

When core values are crafted, they are tightly connected to the strategic goals and mission of the organisation to hopefully positively motivate and influence the firm's employees to use their creativity to further build upon the growth and development of the organisation (Gorenak & Kosir 2012; Gelle-Jimenez et al. 2023, 176). Moreover, acting, thinking and behaving in accordance with these established core values is crucial for the firm's strategy, mission and success (Gelle-Jimenez et al. 2023, 176). In academic research, there is also a definition of *espoused values* which are directly created and implemented by managers and communicated to the employees to achieve the

firm's strategic goals (Diskienė & Goštautas 2013, 94). This highlights that there is a clear difference between the cultural organisational values that are defined naturally by the organisational culture without external disruption and the espoused values which are implemented into the organisation's culture defined artificially by management (Daly et al. 2004, 324). Understanding this difference is incredibly important since values are a very subjective concept and this field of research is often overlooked (Bourne et al. 2019, 146).

The difference between naturally formed organisational values and strategically decided core values is something that makes this field of research very exciting and interesting. As the best-case scenario, the core values become the MNEs true organisational values that naturally reflect and guide organisational practices and strategic decision-making making the core values the norm and standard set of beliefs that everyone aligns with. This is also something that most MNEs are striving towards (Diskienė & Goštautas 2013, 97). Moreover, it is stated that building an excellent and visionary company requires only 1 percent vision and 99 percent of alignment of the core values that guide the MNE (Khandelwal & Mohendra 2010, 20). This phenomenon of core values becoming the firm's organisational values is also something that makes renewing core values very challenging yet rewarding if done right. *Renewing core values* or *core value renewal* is defined in this thesis as a multinational enterprise updating and potentially improving its existing core values which are clearly distinguished in the firm's websites, annual reports and as a key part in shaping employee beliefs and decision-making (Kabanoff & Daly 2002, 89). However, this is not just a website update but rather a company-wide effort to change how employee behave, work and make decisions which makes renewing core values a unique and challenging yet potentially rewarding endeavour. (Jonsen et al. 2015, 332–334.)

Since organisational values are deeply rooted in the MNE's desirable end goals, the core values are not often updated unless there is a clear need for it, making values very stable, lasting and seldomly replaced (Bourne et al. 2019, 135). Moreover, in the current economic world filled with change and uncertainty, the importance of core values has increased significantly making core value renewal processes quite uncommon (Khandelwal & Mohendra 2010, 20). Due to this, core values need to be revised only at times in response to substantial changes in stakeholder expectations, market dynamics, growth challenges or other challenges that the firm needs to solve to remain socially responsible, respectable and competitive. (Gelle-Jimenez et al. 2023, 176.)

Core values are deeply ingrained in beliefs that guide organisations and individuals in determining what is socially and morally acceptable. From the perspective of multinational enterprises, core

values play a crucial role in guiding strategic direction and daily business operations. Core values are built based on what the organisation wants to achieve and showcase to its employees and external stakeholders. In this thesis, stakeholders are defined and categorised into 5 different groups which are (1) employees, (2) customers, (3) company communication teams, (4) associations and (5) media (Barchiesi & Fronzetti Colladon 2021, 1). From these the two most crucial ones are employees and customers since both these stakeholder groups are directly impacted by the renewed values from either internal or external stakeholder communication – about what the values are and how those impact business operations. These are also the ones that this thesis is focusing on. Stakeholder theory suggests that stakeholder value creation is defined as a collaborative effort in various relationships that benefit the focal business and its different stakeholder groups. Stakeholder value creation can be separated into two categories. With core value renewals, these two categories are employees who contribute towards creating stakeholder value by living up to the values and customers who receive stakeholder value from the employees based on what the core values stand for. (Freudenreich et al. 2020, 3–4.) This also emphasises that stakeholder value creation must have a joint purpose but also an appreciation towards stakeholder's active contributions (Dentoni et al. 2016, 38). Therefore, stakeholder value creation cannot be a transaction-oriented encounter but more a joint effort (Freeman 2010, 7–9). In fact, the MNE is expected to lose its business partners and legitimacy if stakeholder value creation is not mutually beneficial (Freudenreich et al. 2020, 6). This highlights the importance of acknowledging different stakeholder groups when core values are being renewed. The two most important stakeholder groups should be taken into consideration during this process, hence the impacts on employees and customers are explored in this thesis.

Every successful multinational enterprise should know what it stands for. This also applies to the core values and how these are shaped to best fit the MNE's corporate culture of the organisation. In fact, most executives believe that improving the corporate culture would increase the MNE's firm value (Graham et al. 2022, 552). When MNEs operate in various types of complex and challenging business environments which create both opportunities and challenges, organisational change and renewal are inevitable for these types of firms where adapting to new market conditions and cultural changes is part of daily operations (Dahlquist & Lehnert 2023, 13). In fact, multinational enterprises are bound to not succeed if they are unable to adapt to internal and external factors robustly (Meschi & Cremer 2005, 308). Due to this, MNEs often develop various intricate firm-level strategies that guide all decision-making and business operations across its home and host countries. For many organisations these can be called strategic priorities, strategic goals or strategic guides that all serve

the same purpose which is to ensure that all employees understand the fundamentals around the core purpose and vision of the organisation and what their work is contributing towards.

One of the main perspectives of analysing the process behind renewing core values is its impacts on stakeholders and this driving strategy execution – something that has seen little prior research (Freudenreich et al. 2020, 7). The stakeholder groups in this thesis include employees, customers, suppliers, investors and communities (Hult et al. 2011, 44; Bischoff et al. 2025, 33–34). Here values play a role in legitimising the MNE's existence and how stakeholders perceive the firm (Pant & Lachman 1998, 197). In practice, stakeholder value creation means that the MNE is not only pursuing to please its shareholders but rather create value to all stakeholders (Freeman et al. 2010, 28). However, for multinational enterprises this value creation becomes even more challenging due to the need to balance global integration with local effectiveness. Finally, research shows that stakeholder value creation contributes to not only the ethical legitimacy but to competitive advantage. This is due to stakeholders' perception to create value and how their willingness supports or goes against the MNE's initiatives. (Luo & Zhang 2016, 454.) This means that if the MNE is pushing forward initiatives that stakeholders are willing to support, this creates value for the firm and its supporters, the stakeholders. Based on this, this thesis analyses what impacts core value renewal can have on driving strategy execution.

Core values exist to support long-term adaptability within the multinational enterprise while influencing the corporations' responsible behaviour (Andersen 2017, 485). However, increased diversification and MNEs' large global expansions can dilute the benefits of core values (Andersen 2017, 485). Even though this is the case, MNEs can also have the ability to create competitive advantages that are based on innovations, and renewing core values can be one way of doing this (Teixeira & Werther 2013, 333). This also means that renewal of core values can serve as a strategic mechanism for multinational enterprises. Furthermore, using attributes such as foreignness and economic ties in creative ways can create additional competitive advantage (Saka-Helmhout et al. 2016, 7). In fact, there is good previous research about connecting employee, individual and organisational behaviours and strategic alignment. One of key backbones for this type of research is the descriptive concept of organisational alignment. This can be defined as an extent to which the strategy, culture and structure together combined create a synergistic whole which makes it possible for the organisation to achieve goals in line with its organisational strategy (Sender 1997, 27). Firms should create a "line of sight" which can be defined as employee understanding the firm's objectives and how to contribute towards them (Boswell 2000).

Besides this, MNEs need to distinguish a flow from purpose to the accompanying strategies and from there to the necessary values and specific employee behaviours (Maddox 2008, 34). Moreover, previous research has stated that it is needed to understand what role core values play in driving positive or negative changes in employee behaviour to achieve the firm's strategic goals. It has been understood that not a single strategic change, alignment or vision will achieve its expected firm-level goals unless the MNE's employees are truly behaving daily towards the outlined strategy. This is especially true for top leadership which should be committed to articulate the values and strategy clearly while role modelling accordingly (Gring-Pemble et al. 2025, 34). Moreover, the role of innovating strategy should be articulated since it is often related to MNE's long-term profitability (Gatignon & Xuereb 1997, 78). Furthermore, developing and refining new work habits based on values or strategy is an incredibly long process and not an overnight fix which makes this field of research vital for the MNE's future success and competitiveness (Washburn et al. 2018, 1427). Coming up with a solid firm-level strategy is often not enough since these high-level terms can often feel out of reach for the normal employee. Due to this, MNEs have been forced to develop various mechanisms that help them adapt these internal and external strategies into the core of all business operations but choosing the appropriate mechanisms can be challenging (Meschi & Cremer 2005, 308). One of these mechanisms is introducing core values that support the various strategic initiatives the firm is aiming to achieve. In fact, almost all MNEs possess a set of core values that define the guiding principles and fundamental beliefs of the organisation. After the core values are once described, firms may need to renew their core values to withstand the test of time and changes that have happened in the firm's operations.

Integrating these new values into the MNE is incredibly challenging since value-based leadership – leading based on core values – requires constant dialogue, patience and reflection among leadership and employees (Gring-Pemble et al. 2025, 34). That is why organisational behaviour has been defined as a field of study which investigates the impact that individuals, structures and groups have on behaviour within the organisation for the purpose of using this knowledge successfully towards improving the organisation's effectiveness (Robbins 2005, 9). This behaviour and practices play a key role in reinforcing values which is why these need to be studied (Gring-Pemble et al. 2025, 34). However, prior research also suggests that there is much to understand with how core values and organisational behaviour are connected to each other (Bourne et al. 2019, 146).

Multinational enterprises operate in turbulent markets which impact the renewal of core values. This section has defined some of the key concepts related to values, core values, culture, strategy and strategy execution that all form the foundation for the more detailed theoretical discussion in

Chapter 2. Before this, the next section 1.2 clarifies the scope of the study. Also, the aim of the thesis is discussed, and the main and sub-research questions are formulated.

1.2 Aim of the thesis

Even though renewing core values is quite a rare practice, its role in driving strategy execution remains underexplored in academic research (Bourne & Jenkins 2013, 496). The novelty of this research revolves closely around how MNEs can specifically drive strategy execution with renewing their core values from a strategic perspective. Research around this has been very limited for MNEs and in the field of international business. For example, Hambrick (2007, 337) has pointed out how the difficulty of obtaining data has created the lack of research in the field of executive stakeholder values and organisational change, closely related to core value renewals and strategy execution. The challenges of MNEs operational environments are also very apparent since there are various cultural, country and institutional influences that intervene with the relationship of values and organisational outcomes such as change (Washburn et al. 2018, 1425). Moreover, MNEs invest money and time into renewing their core values but prior research does not describe why and how these core values have emerged in the first place. Due to this and given the complexity of MNEs operational environments, it is crucial that these firms understand how value-based change should be navigated. (Bourne et al. 2019, 145). The research and sub-research questions are structured in a way to close some of these research gaps and challenges around understanding core value renewals on a deeper level.

The aim of this thesis is to examine *how can the renewal of core values drive strategy execution in multinational enterprises?* Answering this question is completed by examining 1) *why do multinational enterprises renew their core values?*, 2) *how can multinational enterprises align strategy and renewed core values effectively?*, and 3) *how does the core value renewal influence employees and customers?* The aim of the thesis described connects various separately well-researched topics into one by connecting core values, strategy execution, values-strategy alignment and stakeholder perspectives together. All these have seen previous research but studying the impact renewed core values have created for the MNE has been limited. For example, organisational renewal linked to organisational behaviour and business strategy is a well-accepted theme in academic literature but core value renewals and its linkage to strategy execution have often been neglected (Meschi & Cremer 2005, 308). Also, prior research has emphasised the current limitations in the present conceptualisation of core values – meaning that there is not a clear literature based upon understanding the term. In practice, this means that the literature is fragmented

with different “forms of values” and not built on a single and coherent understanding of what core values actually are. (Bourne & Jenkins 2013, 511.) Furthermore, prior researchers emphasised the need for future research on how additional value creation concretely happens to different stakeholder groups, a concern that can be linked to this thesis’s focus on strategy execution as well (Freudenreich et al. 2020, 14). Therefore, this thesis focuses specifically to core value renewal rather than all kinds of processes around the topic of core values such as the first-time creation of these values which often happens during the earliest stages after a company is founded. Moreover, strategy execution and the impacts of effective values-strategy alignment are analysed based on action research, especially for employees and customers – the two stakeholder groups most directly impacted by the core value renewals.

This thesis focuses specifically on the previously highlighted *espoused values* which are described from now on as the “**core values**” of the multinational enterprise. This means that core values are referred to as the guiding principles formed by the MNE and described clearly, for example, on the company’s website or in annual reports. In practice, this means that academic articles focusing on “espoused values” or also “shared values” and are opened and discussed in this thesis as only “core values”. This decision in defining key concepts was done to maintain simplicity and better comprehensibility in the final thesis. This scope and definition of core values was chosen because prior research has highlighted the concept as a rich area for future academic research. (Bourne et al. 2019, 145.)

This study focuses specifically on a Finnish multinational enterprise operating in the energy and resources sector which recently renewed its core values to kickstart a new era in the firm’s global business operations after drastic market changes and company restructuring. This single case study is conducted as action research where the researcher has spent time with the project team behind the preparation and launch of the newly renewed core values which were launched in January 2025. By analysing the intricate preparation and launch of this transformation process around the core values and linking them to the MNE’s strategy, it gives new and valuable insights into how core value renewal can actually drive strategy execution. Furthermore, by having a real-life example of a recent value transformation, connecting the dots between the data analysis and academic literature provides novel insights into the field of value renewal processes. The action research is supported with a set of semi-structured interviews of eight project team members who worked closely within the preparation and launch of the renewed core values. Moreover, various meeting notes, materials and workshop contents are used to create well-structured action research around the case firm.

This thesis is specifically targeted at MNEs that are renewing their existing core values to drive strategy execution. Moreover, due to the large concept of executing the MNEs' corporate-level strategy, this thesis focuses most specifically on various strategic alignments that renewed core values can create in the overall company structure and culture, and the impacts these have on employees and customers. To answer all these interesting questions this thesis' main contributions evolve around examining a Finnish MNE which recently went through a substantial core value renewal process. This case firm was chosen as it offered the researcher an opportunity to examine and analyse a very recent and fresh core value renewal process and launch of new core values in January 2025. These findings and reflections from the process are linked to a literature review. The target of combining these two approaches is to shed new light on the challenges and best practices around strategy execution and core value renewal, and the effective alignment of the two. The research question was also motivated by the researcher's unique position and access to the case firm's core value data. A further motivation was that previous research on core values has seen clear limitations in the access to core value statements and the process behind renewing them (Bourne et al. 2019, 146). In the present case, having access and prior understanding of the end-to-end core value renewal process, the researcher saw an opportunity to bring novelty into the discussion on the importance of core value renewal in strategy execution.

The main and sub-research questions are answered through completing the entire study that has a clear structure. The following chapter 2 focuses on the literature review and theoretical background of renewing core values. Chapter 3 focuses on the methodology and conducted action research on a Finnish MNE. Chapter 4 explores the findings of the research and focuses specifically on the aspect of driving strategy execution through core value renewal. These impacts are analysed based on conducted academic research and chosen data collection methods. Finally, chapters 5 and 6 focus on conclusions and summarise the main contributions and implications of the research.

2 Theory on core value renewals

This chapter reviews the existing academic literature that forms the theoretical foundation for understanding how the renewal of core values can drive strategy execution in multinational enterprises. Core values are being examined as the fundamental part in guiding employee behaviour, strategic direction and organisational culture. Furthermore, it is explored why MNEs renew their core values in the first place. Both internal and external key reasons are analysed to better understand the various triggers that create the need for the core value renewal process. The alignment of strategy and core values is also addressed to understand how this improvement in alignment can increase legitimacy, organisational coherence and eventually improving strategy execution and by that also employees and customers – the two selected stakeholder groups this thesis focuses on. Lastly, a synthesis combines the key perspectives from the literature review with a theoretical framework that links core value renewal and strategy execution together. All together, these perspectives establish the conceptual basis to understand the complex mechanisms behind renewing core values and how these drive strategy execution and effective values-strategy alignment.

2.1 Role of core values in multinational enterprises

Core values are as their name suggests in the very core of any organisation's culture, influencing actions through informal guidelines and shared beliefs (Deal & Kennedy 2000, 21). On the other hand, corporate culture is defined as the comprised cultural norms and values that characterise the structure of the firm (Graham et al. 2022, 553). On the other hand, organisational identity is defined as the very central, distinctive and enduring characteristics of the organisation (Albert & Whetten 1985; Van Rekom et al. 2006, 179). In this thesis, only the word "culture" is used and should be interpreted as the umbrella term meaning that renewing core values shape both the organisational culture and what the company is known for. For example, Apple is known for its simplicity-driven culture in designing and manufacturing the best high-tech products, both hardware and software and this is also resonated in their core values. Building a successful corporate culture means that the MNE's should also clarify how their core values truly stand out in day-to-day work and how these impact its employees. This term is also known as the value system which is defined as a set of consistent ethical measures and values that are used to create ideological or ethical integrity (Schwartz 1992, 4). In practice, the value system acts as a guiding framework that influences the MNE's leadership style, internal policies and culture. It is known that core values create a sense of corporate culture which can make the employees feel special (Khandewal & Mohendra 2010, 20).

Because core values play such a vital role in shaping especially employees' ways of working, there needs to be a clear alignment on how values are described before the role of core values can be properly understood.

There are many definitions of values, one of which states a value as “enduring beliefs that a specific mode of conduct is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence” (Rokeach 1973, 5). Besides this, there are many other definitions for values such as “a conception of the desirable” (Kluckhohn 1951, 395), “standards or criteria of preference” (Williams 1968) or “well-organised structures of conditions” (Michener et al. 2004). From these, the concept of value stated by social anthropologist Clyde Kluckhohn is probably the most famous and it is used in this thesis as well (Rokeach 1973, 5). Values are a conception of the desirable – something that one wants to become or achieve. Therefore, values are something desirable which implies that values are conceived as normative ideals and mental constructs rather than unbiased artefacts. (Askeland et al. 2020, 21.) Also, adhering to values indicates that someone is appealed and enticed to these and hence directing the judgements and decision one makes (Gelle-Jimenez et al. 2023, 176). Furthermore, it is valuable to understand that this positioning makes the concept of value more linked to ethics' “should” rather than psychology's “need”. Due to this, values can kickstart the notion of what should be acted upon, happen or be used as a baseline for valuation (Askeland et al. 2020, 21). Therefore, values are often associated with organisational performance in the context of the management of multinational enterprises (Gorenak & Kosir 2012; Gelle-Jimenez et al. 2023, 176). However, there are important differences in definitions between what values and core values really are and their true meaning for the multinational enterprise.

Core values are as their name suggests in the very core of any organisation's culture, influencing actions through informal guidelines and shared beliefs (Deal & Kennedy 2000, 21). These values are crafted to represent the moral principles of the organisation, its management and employees, and are an essential part for corporate responsible behaviour (Andersen 2017, 486–487). Core values are created to inspire and guide everyone within an organisation to search for any type of solutions and opportunities. Furthermore, core values can be described as the guiding principles that form the “glue” that hold the MNE together as it expands, grows, diversifies and decentralises (Van Rekom et al. 2006, 175). Therefore, good core values enhance the reputation of trust, reliability, and accountability, and facilitate sustainable collaborative solutions to any emerging issues that the organisation might be facing. (Andersen 2017, 496.) Since core values encompass the basis for most decisions, they should be introduced and integrated into all processes within the multinational enterprise. In practice this means that the role of core values and their importance should be deeply

rooted into the MNE's cultural foundation, influencing employee's actions. With this in mind, core values need to be tailored very carefully to create their intended company-wide benefits in the multinational enterprise. (Gelle-Jimenez et al. 2023, 176.)

Core values define the multinational enterprise across all aspects, not just how the firm operates. Well-structured core values define the MNE's identity and drive commitments among its employees. Therefore, core values play a critical role in developing the culture of every multinational enterprise. (Gelle-Jimenez et al. 2023, 177.) For any type of organisation, it is crucial that its workforce and each individual commits to the organisation's goals and vision (Hatch & Schultz 2008, 12). Both are often reflected also in the core values. In fact, organisational commitment can be enhanced through nurturing involvement and identification with strong core values (Mayer & Allen 1991, 75). Moreover, core values influence the leadership principles of the whole MNE by getting the employees moving to deal with the firm's internal and external challenges and problems in line with these core values. This indicates that core values might be best structured vertically from top-to-bottom since the leaders are in the forefront being role models to others. In practice this means that the new core values do not become influential just by posting them on the company website but rather through leadership embodying them visibly in daily communication and decision-making. (Schein 2010, 32.) However, defining and creating powerful and influential core values is challenging.

Multinational enterprises deal with various additional challenges due to diverse geographical locations, multicultural diversity, multinational working styles and potential challenges within its subsidiaries. Furthermore, the sheer number of the MNE's workforce can create challenges where one set of core values may not suit to all individuals. All these create challenges adhering to the MNE's core values. (Andersen 2017, 485.) Therefore, having strong and reputable core values should be one of the most important strategic focus areas that each multinational enterprise should pay specific attention to. If not, MNEs may face value-related issues when communicating core values and the firm's strategic vision becomes more and more difficult to execute due to geographic dispersion (Taylor et al. 2008, 502). However, if the MNE is able to communicate the importance of core values and their impact on day-to-day actions, it can motivate employees and improve their work ethic (Van Rekom et al. 2006, 176). Therefore, MNEs must prioritise core values that reflect the whole organisation, not just the home country's offices but rather all the host countries' subsidiaries as well.

MNE's are often faced with the challenge of balancing local responsiveness and global integration. This emphasises the need for sufficient core values providing consistent support for decision-making ensuring that ethical considerations are well-integrated to day-to-day business practices across the firm. Moreover, MNEs must navigate the potentially conflicting organisational values when expanding into different institutional and cultural environments which can differ from the set of renewed values. These environments arise especially when MNEs do any type of foreign direct investments abroad, most notably with mergers and acquisitions. For instance, acquiring a firm abroad and integrating the new core values might look and feel simple on paper but in reality, it is common to still see the previous organisational values that are actually in place in the subsidiary. This is highlighted by the fact that MNEs are often limited with the number of new routines it can introduce due to the country-specific differences in languages, norms and values. (Dunning & Lundan 2010, 1240.) Due to this, core values need to be sometimes renewed so that these routines and ways of working are aligned and simplified across the MNE. Core values shape how firms operate, and it is not uncommon to have situations where firm's values clash with the expectations abroad (Tan & Wang 2011, 377). Even if the MNE is able to align the core values effectively in all the countries where it operates, there are still various other challenges that highlight the role of core values.

The role of core values and how these are expressed is also closely related to the MNE's branding and what it wants to signal to all stakeholder, both internally and externally. For example, in recent years sustainability, innovativeness, climate change and global warming are central in many conversations in politics, business and any individual's life. Therefore, many MNE's have integrated sustainability related topics into their branding, financial spending and even core values to do good for the planet or at least showing some effort towards it. This can be seen in the rankings of "Fortune's 100 best companies to work" where expressions such as "innovation" and "corporate citizenship" were used among the most used core value statements (Dominick et al. 2021, 75). This is because MNE's know how valuable core values are in building organisational culture and how each stakeholder sees the firm from inside and outside.

MNE's need to be cautious about how various stakeholders see the firm. Therefore, branding is another perspective that needs to be considered during the core value renewal. In fact, the MNE's culture from a branding perspective is built by connecting strategic vision and stakeholder images together (Hatch & Schultz 2008, 12). In practice this means that the firm's vision and culture should be easily differentiated from the competitors while also inspiring all home and host countries. Furthermore, the MNE should obviously practice and live by the core values it promotes. Also,

stakeholders must be considered in building the firm's vision and core values which also gains the support from the external stakeholders. In return, this builds a positive image for stakeholders about the MNE, which improves interactions and hopefully also on the client level where they see the MNE's vision and core values as attractive. (Hatch & Schultz 2008, 13.) If the MNE is faced with too many misalignments between these two areas, it might be crucial to consider the current state of corporate culture and start renewing it perhaps with the core values. The role of branding and its linkage to the value statements is just one instance on the role of core values in MNEs operations and visibility employees and customers.

Due to the unique business environments MNEs are operating in, there are multiple theories that underpin the importance of core values. The role of core values for multinational enterprises is multidimensional since the core values should guide all aspects of the firm's daily operations. The two specific key theory discussed in this thesis are stakeholder theory and institutional theory which can both be used to get a better understanding of the theoretical perspectives that explain the strategic and cultural role of core values in multinational enterprises.

Stakeholder theory is one of the most used and main approaches in core value related research. The core of this approach is in putting stakeholders to a position where they are managed through process-oriented, network-based and relational perspective of MNE-stakeholder engagement (Barchiesi & Fronzetti Colladon 2021, 1). Moreover, stakeholder theory can be applied to better understand the nature of different stakeholder groups and how these external stakeholders affect the MNE's operations and strategy (Frynas & Stephens 2015, 492). In practice, stakeholder theory revolves around not just maximising profits for shareholders but rather to all internal and external stakeholder groups. This same applies for core value renewal where internal and external stakeholders should be considered for effective transformation.

Institutional theory is also known as one of the key theories that is used to explain how shared cultural rules, norms, routines and understating influence and shape the MNE's decision-making, practices and processes which all impact strategy execution. MNEs often operate in fragmented contexts where they face various institutional pressures which further emphasises the need for institutional theory (Saka-Helmhout et al. 2016, 2). MNEs often interact with various institutions and organisations which creates institutional change across the firm in home and host countries. The core idea behind institutional theory is that formal rules such as policies and regulations and informal rules such as shared expectations together establish the guidelines for behaviour. These are often encapsulated in the MNE's corporate culture and core values as well. (Dunning & Lundan

2010, 1229–1231.) Furthermore, institutions often have a supportive role which can sometimes lead to improvements in the MNE’s competences. For MNEs, understanding this concept and role of institutions are valuable when core values are renewed since changing these behavioural guidelines about working have a direct impact on the whole MNE’s behaviour. In fact, institutional contexts should be seen as potentially increasing the MNEs competitive advantage which further highlights the importance institutions as one of the key stakeholder groups during core value renewals. (Saka-Helmhout et al. 2016, 3.)

In the best-case scenario, a MNE can create an environment where its employees are deeply driven by the firm’s core values, which drive strategy execution. Great examples of these types of firms include Hewlett Packard and Johnson & Johnson with their unique value-driven approaches as open organisational cultures, “HP Way” & “Credo” (Teixeira & Werther 2013, 337). For both firm’s the core values have been deeply embedded in the roots of the organisation, guiding decision-making and day-to-day actions which helped them build a resilient company with deep confidence in future success and growth, truly driving strategic change and strategy execution (Pant & Lachman 1998, 196). For these firms, it is clear that the role of core values has been substantial in the success and growth of these MNEs. To create this type of environment where the core values are driving strategy execution, the values should be structured and reflected by considering a multitude of different factors that are described in Table 1 (Dominick et al. 2021, 84).

Table 1 Organisational values reflection framework (adapted from Dominick et al. 2021, 84)

Reflection Level	Relationships (relationships and self-regulation)	Performance (outcomes and results)	Change (innovation and continuous development)
Intrapersonal	What guides our personal conduct toward one another?	What guides how we perform our work?	What guides our approach to learning, change and uncertainty?
Intra-organisation	What matters most about how we will work together? What principles guide our personal conduct? What matters most about how we will care for one another and ourselves?	What do we want our internal processes and procedures to stress?	What matters most when it comes to fostering individual and organisation development? What does innovation and creativity mean for us?
External	What matters most about how we will interact with our customers, community, and other stakeholders?	What do we most want to achieve in our marketplace? What do we want to be known for?	What matters most when it comes to tracking opportunities, trends and changes in our environment?

In Table 1, the reflecting is broken into three levels which are intrapersonal, intra-organisation and external and these are connected to themes of relationships, performance and change. It has been highlighted that both top management and human resource management should make special effort and be involved in supporting the processes around building, iterating, preparing and launching a set of renewed core values (Diskienė & Goštautas 2013, 106). These types of questions were also applied when the well-known open organisational cultures such and values-driven approaches such as the HP Way were first developed, ensuring that both internal and external considerations were addressed (Teixeira & Werther 2013, 337). This demonstrates that core values can serve as the foundation for creating an environment where strategy is executed through values-driven approaches in their various business units and operations.

This section clarified how core values relate to corporate culture and stakeholder perceptions in multinational enterprises. Understanding the role of core values is crucial for explaining how the renewal of core values is actually related to driving strategy execution. This examination is continued in the next section 2.2 where the reasons for renewing core values are discussed. Here it is examined under what conditions MNEs actually decide to renew the core values and how both internal and external motives impact this decision-making.

2.2 Reasons for renewing core values

There are multiple reasons why multinational enterprises renew their core values. The coming sections focus on analysing the most relevant ones which all connect to the broader topic of driving strategy execution through core value renewal since core values are known to be critical for organisational coherence (Van Rekom et al. 2006, 176–179). Firstly, it is crucial to understand the concept of corporate renewal which is an umbrella term and also an element of disturbance and critical appraisal. This means that corporate renewal requires MNEs to break their traditional ways of operating to reassess their whether or not their current strategies are relevant and remain visible. To add, MNEs are faced with various pitfalls with all types of corporate renewals which can even lead to failure. However, fascinatingly it is even riskier to not strive for any types of renewals which systematically lead to decline of the multinational enterprise. Even though this is the case, corporate renewals appear as risky which leads to not making change on time. (Meschi & Cremer 2005, 308.) This leads to eventual decline once the MNE is unable to adapt to various internal and external changes that affect the business and its people. Based on this, MNE's need careful consideration and planning to fully understand why they want their core values renewed. However, this also

highlights that at times, renewals are necessary yet a risky process which should be taken cautiously across the MNE.

Core values are being renewed for a large variety of different reasons. There have been plenty of studies, especially from the perspective of human resource management (HRM) where core values have been tried to link with business performance and various MNE's success factors. These include, for example, (1) employee's productivity and performance, (2) job satisfaction, (3) lower turnover and (4) loyalty. These things are often also considered as the potential reasons for renewing core values. However, core values are known to have an impact on MNE's success factors but more often than not these correlations can be very weak. Moreover, there is often a lot of variety in the level of impact created between various MNEs. (Diskienė & Goštautas 2013, 93.) Besides these success factors, many MNE's might renew their core values simply to improve their image and with it, its internal work culture (Khandelwal & Mohendra 2010, 19).

MNEs often undertake the renewal of core values to improve the linkage or "*values congruence*" between the firm's goals and employees' personal values. Values congruence is defined as this linkage between the firm's core values and employee's personal values. Improving this connection between individual-level and core values has been shown to contribute and improve the MNE's effectiveness. (Gelle-Jimenez et al. 2023, 176.) In fact, the more core values are related and connected to the employees' actual ways of working, the more promising they seem to be (Van Rekom et al. 2006, 175). This highlights one of the key reasons for core value renewal if the current core values are not aligned with what and how the firm's employees work, act and behave. Practically speaking, understanding this linkage between the firm's goals and employees' personal values is very challenging and subjective since MNE's often have hundreds if not thousands of employees, all with unique personal values. This again highlights the difficulty behind knowing when the MNE should actually renew the core values. However, this clear misalignment between firm's goals and personal values is often a clear starting indication that something should be changed. Since improving the fit between personal and core values can be an essential mechanism to enhance employee commitment and reduce negative turnover. (Gelle-Jimenez et al. 2023, 176.)

2.2.1 Corporate renewal and core value renewal process

Before MNEs actually renew their core values due to a large variety of internal and external factors and reasons, the firm needs to have a proper understanding of how the renewal process works. A successful change includes a three-step renewal process which was first introduced by Kurt Lewin. Here the process moves from unfreezing to moving to freezing again. (Lewin 1947, 34–35.) This

model is one of the most influential and classic frameworks in change management and fundamental in managing change (Cummings et al. 2016, 33; Bhandari 2025, 87). In this thesis, the “core value renewal process” is used as a term to describe all the steps the MNE takes to renew its core values across its home and host countries. This core value renewal process is distributed into 3 distinctive phases based on Lewin’s renewal process which are (1) pre-launch, (2) launch and (3) post-launch phase. Lewin's model is built based on moving from a current state to a desired future state. This is currently connected to the three phases of core value renewal with moving from the old values in the pre-launch phase, to the launch of the new core values and finally to the future state of post-launch phase where the new core values are integrated into day-to-day work across the MNE. (Bhandari 2025, 87.)

Decision behind this naming is that it is often stated that core values are “launched”, meaning that they are published and shared to the MNE’s employees and other stakeholders. One crucial aspect to acknowledge with core value renewals is that the MNE and its leadership should have very strong and clear motives of it since misalignments or other difficulties with the existing core values are often common even before the whole renewal process is started which can result in negative implications for performance (Pant & Lachman 1998, 209). This is vital since changes in organisational culture and core values have a large impact on the whole MNE. Moreover, renewing core values often includes various internal changes that are subject to resistance which is why MNEs need to have very clear evidence about when, why and how core values should be renewed. (Dutton & Duncan 1987, 110.) Lastly, these specific phases of the core value renewal process are used since both this, and Lewin's original change management model is known for their simplicity and clarity (Bhandari 2025, 87).

The three-step process was chosen to describe the core value renewal process based on the researcher’s own experiences as a consultant working in one of these transformation projects. Unfortunately, there is very little directly correlating academic research about the process behind renewing core values, but there are other renewal processes that have been used to create this 3-step process explained in this thesis. To support the structure behind this core value renewal process Table 2 was used to support some of the claims made in the 3-step core value renewal process. Table 2 itself illustrates what are the stages of core value actualisation process and what these mean for leadership actions. These are important to understand for any type of core value renewal project since the engagement of senior leadership plays a vital role in setting the tone and direction for implementing new values with their role modelling and values-based behaviours (Gring-Pemle et

al. 2025, 31). Furthermore, research indicates that senior leadership and their view on core values often has the strongest effects on strategy as well (Pant & Lachman 1998, 199).

Table 2 Stages of core value actualisation process, adapted from Byrtek & Dickerson 2013, 3

Stage	Leadership Actions	3-step core value renewal process
1. Articulation	Meaningful and inspiring expression of value by leadership	Pre-launch phase
2. Definition	Establishing a common understanding of value meaning and expected role in decision premises	Pre-launch phase
3. Active modelling	Intentional leadership behaviours to demonstrate the meaning of the value in action	Launch phase
4. Engagement & empowerment	Employee (and stakeholder) education, development, and participation in value implementation efforts	Launch phase
5. System alignment	Eliminating obstacles, challenging existing processes, creating value-facilitating mechanisms, and integrating value into human resource management practices	Post-launch phase
6. Reinforcement	Integrating value into recognition and rewards, and celebrating value actualisation in the context of community	Post-launch phase
7. Creation of measures	Articulation of objective measures of progress in value implementation	Post-launch phase
8. Measuring & monitoring	Recurring cyclical process of assessing progress in value actualisation. This measuring is known to help MNEs refine their approach (Gring-Pemle et al. 2025, 34).	Post-launch phase

From Table 2, it can be clearly seen how the 3-step core value renewal process is linked to this core value actualisation process. Some of the key connections include stages 1–2 with the pre-launch phase, stages 3–4 for the launch phase and stages 5–8 for the post-launch phase. In fact, this Table 2 actually represents a broad segment on the leadership’s responsibility with a given core value and moving this from conceptualisation into full actualisation where the core value is functioning as it should (Byrtek & Dickerson 2013, 3). Top leadership of the MNE should always be committed to lead by example and by clearly articulating what is being changed (Gring-Pemle et al. 2025, 34).

2.2.2 Internal and external motives for core value renewal

Besides the obvious need for corporate renewal, multinational enterprises often renew their core values for various operational and strategic purposes. These reasons are important in ensuring that the MNE’s organisational principles remain and continue to be relevant even when the firm’s goals

and other targets are changing due to all kinds of disruptions in external environments. There are certain key external and internal motives and reasons that often lead the MNE to renew their core values. These include (1) adaptation to changes in market and operational environments, (2) alignment of sustainability and corporate social responsibility (CSR) goals, (3) reputation management, (4) enhancement of organisational resilience, (5) cultural post-M&A integration and (6) talent attraction and retention. These six key reasons are opened to get a better understanding of why multinational enterprises renew their core values and how this drives strategy execution.

(1) Adaptation to changes in market and operational environments

Multinational enterprises operate in diverse and rapidly evolving markets where they need to adapt and transform to maintain competitiveness. This adaptability is vital for avoiding public crises among various stakeholders and improving the MNEs fit in new social environments, for example after entering or retaining from certain international market (Zhao et al. 2014, 849–850). MNEs often rely on their successful strategy execution which keeps the firm ahead of its competition. However, not a single strategy can withstand today's dynamic markets in any industry forever. Therefore, renewing core values can be seen to facilitate strategic renewal which enables MNEs to react and solve external challenges effectively (Floyd & Lane 2000, 156–157). In fact, some core values are seen to cultivate fundamental behaviours that are necessary for successful strategy implementation (Pant & Lachman 1998, 201). With this, the firms can sustain their performance which can also lead to sustainable growth and improvements in market position. Furthermore, renewing core values is seen to create change through indicating the firm's employees about new ways of working. As an example, the MNE should consider renewing its core values if (1) the market dynamics and operational environment have seen drastic changes and (2) execution of strategy needs new ways of working. By adapting to the changes, MNEs can retain their legitimacy, trust and strategic relevance across its stakeholders. (Dahlquist & Lehnert 2023, 5.)

(2) Alignment of sustainability and corporate social responsibility (CSR) goals

In recent years, various topics related to sustainability have risen to more crucial roles amongst multinational enterprises and academic researchers. One reason behind this are stakeholders and how they prioritise sustainability and corporate social responsibility more than ever before. In fact, many stakeholders feel that MNEs sustainability approaches are insufficient for their needs (Silva et al. 2019, 204). Due to this, many organisations have been pressured to update and renew their core values more in line with the firm's sustainability goals to become more ethical and socially responsible. Moreover, almost all customers are expecting and changing their purchasing

preferences based on how well the MNE can operate and grow sustainably. Therefore, MNEs are almost forced to indicate its sustainable efforts in its external communication and as part of the firm's core values. Besides the customers and external communication, it is also the firm's employees who want internal coherence and clear signalling that the MNE is working ethically and sustainably. However, there are still often differences between stakeholder groups in terms of what they are actually expecting from the CSR. Therefore, MNEs should clarify the stakeholders' needs prior to renewing the core values (Silva et al. 2019, 212). If this is done, the renewed core values can drive employee engagement, work satisfaction and even the firm's overall image during interview processes (Gelle-Jimenez et al. 2023, 175–176).

(3) Reputation management

Many multinational enterprises have been forced to restructure their internal processes and reputation usually after a major internal or external crisis or public scrutiny (Zhao et al. 2014, 842). After these, various stakeholders might expect the MNE to show how they have dealt with the situation and change for the better. If not, potential stakeholders challenging the MNE can bring the whole firm into a public crisis that creates financial and reputational damage (Zhao et al. 2014, 849). With these instances, MNEs often have a great reason and ambition to renew their core values to indicate their commitment to change and start of new era in the firm's history leaving the past behind. Moreover, this indication of continuous improvement and motivation for it can help restore the stakeholders' trust and create a more uplifting public view (Dentoni et al. 2016, 38). In these types of scenarios, renewing core values can be used as an effective approach where the MNE adapt its existing strategies to help rebuild and enhance the firm's reputation and defend market position (Dahlquist & Lehnert 2023, 15).

(4) Enhancement of organisational resilience

MNEs often operate in markets which can be volatile and open for external shocks. Moreover, cross-border challenges require unified and flexible core values which are structured to support all home and host countries. Therefore, firms need to build organisational resilience through understanding and mitigating the various potential internal and external risks that they might be facing. One option for enhancing organisational resilience is through renewing the core values to emphasise the firm's proactive risk management and adaptability. When these are also connected to the firm's vision and strategy execution, the MNE has improved changes of maintaining its competitive edge. In fact, some MNEs adopt universal core values that can be easily translated and locally interpreted in host countries even with potential operational differences. With this, the MNE

can unify the whole organisation while balancing consistency and adaptability of the core values in all subsidiaries. (Zhao et al. 2014, 850.)

(5) Cultural post-M&A integration

Mergers and acquisitions are known as the most used market entry mode for multinational enterprises (Ferreira et al. 2014, 2550). In fact, more than 70 percent of all foreign direct investments are cross-border acquisitions where a firm is acquired outside of the parent company's home country (Peng 2013, 152–157). Interestingly, also more than 70 percent of M&As fail globally, especially due to cultural issues during the post-M&A integration phase where the parent company and acquired firm are integrated together (Christensen et al. 2011, 48; Alkaraan 2019, 99). Furthermore, prior research in strategic management highlights that implementing M&A strategies often comes down to organisational fit, meaning how well the buyer and seller firms fit together (Daly et al. 2004, 327). To solve the issues around distinct cultures and value systems, MNEs might consider renewing their core values to align the parent company and its subsidiaries into one. In fact, differences in core values between the buyer and seller company are known to create various negative consequences such as poor integration and overall unsuccessful synergies. Moreover, this misfit in values can lead to knowledge loss when employees are more likely to leave the organisation. (Daly et al. 2004, 327.) This is very common in instances where both the buyer and seller company are similar in their sizes and choosing a clear leading parent firm is challenging. This can also improve the organisational fit. By renewing the organisational structure and values after the M&A deal, the MNE can ensure smoother integration and synergies with a unified set of values that guide the newly formed entity forward. If the core values are not crafted, it is likely that the speed of implementation will be sacrificed which demonstrates a key reason for core value renewals (Daly et al. 2004, 327–328).

(6) Talent attraction and retention

More employees are looking for workplaces where their personal values can align closely with the organisation's values since values have positive implications to both the individual and organisation (Gelle-Jimenez et al. 2023, 175). Interestingly, employees give more importance to how their personal values match with the MNE's core values compared to how much they are compensated on their work (Diskienė & Goštautas 2013, 96). Most MNEs do not update their core values frequently since it is not mandatory and can be financially costly. However, it is clear that outdated and irrelevant core values are not encouraging or attractive to any employee or especially to anyone applying to work in that specific firm. This illustrates that effective core values are not just for

internal stakeholders but also for all the externals who are somehow connected to the firm. Based on this, core values play a massive role in also shaping the whole brand image and reputation of the MNE and what it stands for. Therefore, the core value renewal process can be seen as a way to retain and attract external talent into the MNE which boosts the employer branding and employee satisfaction. This should be done in a way where the employee's personal values would match with the core values as well as possible since this is shown to exhibit higher levels of job satisfaction. Furthermore, employees are more likely to stay in the MNE where the whole workforce is adaptable, committed and motivated (Gelle-Jimenez et al. 2023, 175–176). Lastly, core values keep the firm away from workforce-related issues such as unethical work behaviour, staff turnover, anxiety, stress and employees using time to unrelated work tasks (Gulbovaite 2017). To summarise, the MNE wants to communicate the core values to its employees right from the beginning and throughout the whole job relation. This should be done through active coaching, training and development initiatives. (Diskienė & Goštautas 2013, 106.)

In summary, multinational enterprises renew their core values for various operational, strategic and cultural reasons that are increasingly central for executing the MNEs strategy. In the past, core values have been linked to certain performance indicators such as productivity, job satisfaction and loyalty but today their role is more linked to also various external expectations that MNE's are facing in the ever-evolving business environment. If core values are renewed successfully, these can improve the alignment between personal and firm's core values known as values congruence. However, there are other external imperatives that often kickstart the need for core value renewal. As the dynamic market environments continue disrupting MNE's business processes it is certain that the need and reasons for core value renewal will become even more relevant. The coming section 2.3 focuses specifically on one of the key aspects behind successful core value renewal and execution of strategy which is the alignment between corporate strategy and core values. Besides the values-strategy alignment, this section introduces the dynamic capabilities framework, strategic renewal and strategic orientation which together explain how these support the renewal process and strategy execution.

2.3 Aligning strategy and renewed core values

The international business environment is known to be very turbulent and subject to rapid changes which forces MNEs to make strategic renewals ever so often to stay relevant and competitive. In fact, it can be considered that strategy is always present when certain decisions are done consistently over a longer period of time (Mintzberg 1978, 935). These strategic renewals are defined as the

processes where MNEs transform their strategic intent and capabilities (Schmitt et al. 2018, 81). Therefore, the ability to complete strategic renewals is crucial for the international performance, survival and growth of the multinational enterprise. In fact, there is a clear linkage between how the MNE is strategically oriented with how well the firm can perform. Due to this, MNEs need to understand what their capability of strategic renewal is and how this should be connected to the core values. (Ahmed et al. 2023, 1–3.) This should be done since corporate strategy is built around having a set of activities that deliver value in order to be different and succeed in the dynamic market (Porter 1996, 39). This section focuses specifically to get a wider understanding of how the corporate strategy and core values can be aligned effectively since core values are known to influence various strategies (Pant & Lachman 1998, 203).

All multinational enterprises have some type of corporate strategy that describes the ambition level and expected goals for the firm's future performance. These strategic goals, priorities or capabilities indicate what is the direction that the firm is going towards. The creation of this strategy is often the result of rigorous rational analysis (Pant & Lachman 1998, 202). Therefore, it can be said that the strategy is used to show the employees where the MNE wants to go and where the firm wants to be in the future. A clear strategic goal could be something like “industry leader by 2030” or “CO2 neutral by 2030”. On the other hand, core values are crafted to support the employees in understanding how these strategic goals can be achieved. Moreover, research indicates that focusing only on strategy or strategic fit of the MNE is not enough for gaining superior performance (Daly et al. 2004, 324). Some core value statements that are linked to these examples could include “we give each client industry-leading customer service” or “we recycle and stay carbon neutral”. These examples indicate the clear linkage between corporate strategy and core values. To get the most out of these strategy and value “statements”, both should be aligned effectively and conceptualised together. However, MNEs can sometimes settle for the strategy with limited potential which often leads to misalignment between strategy and core values even though this should be avoided. (Pant & Lachman 1998, 203–204.)

In this thesis, values-strategy alignment is defined as how the MNE's core values and corporate strategy are linked and connected to each other since successful strategy implementation is known to need certain behaviours that can be cultivated through core values (Pant & Lachman 1998, 201). This is done since MNEs should strive towards sustaining their competitive advantage (Teece et al. 1997, 509). Multinational enterprises are known to be navigating in complex business environments where the whole organisation should strive for driving coherence and stakeholder trust among its home and host countries. However, there are often instances where core values and strategy have

differing values which leads to issues such as abandoning the strategy. Therefore, alignment between the firm's core values and strategic intent is not only desirable but rather necessary for long-term performance, growth and legitimacy. (Pant & Lachman 1998, 204.) The order in which strategy, values, or both are renewed is entirely company specific – often decided by the upper management of the MNE. Strategies are dynamic and regularly updated while values are relatively stable and change only occasionally. This means that when core values are renewed the MNE might already have a corporate strategy for the next few years in place. If this is the case, the core values should be aligned to support these strategic goals by explaining how these can be achieved successfully since the execution actually falls to non-managerial employees. (Pettit & Crossan 2020, 1115.) On the other hand, if both core values and strategy are renewed as part of a larger company-wide transformation, these should be aligned once the overall vision and mission of the MNE have been established. Lastly, if the MNE has first renewed the core values and only then the strategy is updated, the strategic goals must be linked effectively to the current values.

Updating the MNE's strategy is often referred as a strategic renewal which can be defined as a process with promoting, accommodating and utilising new innovative behaviour and knowledge to create change within the MNE's core competencies and/or product market domain (Floyd & Lane 2000, 155; Ahmed et al. 2023, 998). Furthermore, strategic renewal often involves a refreshment or replacement of the existing strategic attributes (Pettit & Crossan 2020, 1114). All in all, core values can be considered as dynamic resources that must evolve alongside the MNE's strategic priorities to reinforce legitimacy and ideology across borders and various different stakeholder groups, especially employees. This means that the core values are renewed in response to changing strategic demands and environmental conditions that have an impact on the MNEs competitive advantage and how this is sustained over time. (Dahlquist & Lehnert 2023, 5.) Therefore, the renewal of core values and the values-strategy alignment is also tied to the dynamic capabilities framework.

2.3.1 Dynamic capabilities framework in effective values-strategy alignment

In order to further understand how renewed core values and strategy can be aligned effectively, the dynamic capabilities framework can be used as a theoretical lens for MNEs to complete this alignment successfully and also drive strategy execution through creating societal impact and cross-sector partnerships (Dentoni et al. 2016, 35). Literature on dynamic capabilities focuses on how MNEs identify and develop new potential opportunities to create transformative business models and governance forms (Dunning & Lundan 2010, 1226). Furthermore, dynamic capabilities refer to the MNEs capacity to shape, reconfigure, configure and reshape its existing assets to changes in

markets and technologies (Augier & Teece 2007, 179). By doing this, MNEs can create competitive advantage and adapt faster than their competition (Kraaijenbrink et al. 2010, 354; Popadiuk et al. 2018, 641). This frames MNE's success not only as possessing valuable resources but rather as the ability to sense, seize and transform in response to various environmental changes. In short, the dynamic capabilities framework explains how firms achieve and sustain competitive advantage over time with three core processes that are *sensing* (1), *seizing* (2) and *transforming* (3). (Teece 2007, 1319–1325.) Once the strategy or core values are being renewed, updated and then aligned together, this framework can be used to clarify how well these strategy and values -related statements impact the MNE's competitive advantage and value creation among its stakeholder groups. Table 2 and the dynamic capabilities framework are connected together through leaders first sensing the need for value renewal through articulation and definition as part of the pre-launch phase. This opportunity and seizing are done by empowering employees during the launch phase and finally by transforming the MNE by embedding and reinforcing the new values through aligned measurement mechanisms and systems. (Byrtek & Dickerson 2013, 3.)

Connecting the dynamic capabilities framework with Table 2 shows the importance of sustaining the competitive advantage through renewing core values which is not only a symbolic exercise but a dynamic capability itself. This transformation of renewing core values should be led by leadership and articulated clearly throughout each of its different phases. (Byrtek & Dickerson 2013, 3; Gring-Pemble et al. 2025, 34.) *Sensing* new opportunities is all about scanning and learn-by-doing activity. One of the foundational goals of *sensing* is to identify potential target market segments or changes in customer needs and *seizing* is started only once an opportunity is sensed after which resources and investments are mobilised to capture the value of this opportunity. Lastly, *transforming* focuses on reshaping assets, organisational structures and processes to build and maintain competitive advantage. (Teece 2007, 1322–1342.) This framework and its three-way process can be used to align strategy and renewed core values effectively.

Once the core value renewal process is ongoing and the new values are about to be chosen, MNE's can consider the new core values acting as a cognitive filter that focus some of its attention to stakeholder relevant opportunities. These can be things such as sustainability and ethical sourcing. By applying sensing to this decision-making process, MNE's can ensure that they have effectively sensed various activities inside and outside the organisation that can have an impact on the values or how these are perceived once chosen and published. For example, core values should not be tailored to only answer profitability or financial related goals, but rather also various stakeholder needs such as employee well-being, environmental stewardship and community legitimacy. Once the values are

renewed these should help the MNE define which business opportunities are strategically meaningful. After these are identified, the MNE can align its investments with the values and legitimacy. If the renewal process is ongoing, *seizing* can be used to better understand how well the new values can be embedded to strategy and investment choices. For example, if a potential value is “equality and inclusion” the MNE must consider how this value leads them to seize potential opportunities in emerging markets with local stakeholders. This means that the renewed values should shape which projects are actually funded and how these are commercialised. If one of the MNE’s goals is to appeal to multiple stakeholder groups, it must align the strategy and core values that also support the business models and investment decisions. (Teece 2007, 1322–1342.)

The last step of the dynamic capabilities framework is *transforming* which focuses on reconfiguring processes, structures and assets to sustain the MNE’s competitive advantage. Here renewed core values serve a vital part as a compass for the redesign. MNE’s core values need to be renewed while keeping in mind how these can be effectively embedded into the MNE’s governance mechanisms, HR practices and cross-border collaboration. Core values should not be only symbolic but actually operational in order to drive what kind of reconfigurations are prioritised within the organisation. For example, if the MNE is striving for eco-friendly business operations, its values should also address and tackle this by emphasising carbon neutrality and environmental actions to its various stakeholder groups. (Teece 2007, 1322–1342.)

When core values and strategy are being aligned, the scope of strategic issues should be considered since it directly impacts strategic change where a more narrowed scope helps initiation after the alignment (Dutton & Duncan 1987, 109). Therefore, MNEs need to understand what they are actually renewing which can be achieved through using the dynamic capabilities framework. By filtering *sensing* (1), prioritising *seizing* (2) and embedding *transforming* (3) the corporate strategy through renewed core values, the MNE can create multiple gains among its stakeholder groups such as shareholders, employees, customers and communities. Firstly, shareholders benefit from long-lasting and reliable legitimacy and resilience once the MNE is able to show and proof how well its strategy and values are aligned to support each other and the firm’s long-term goals and growth trajectories. At the same time, research has shown that employees can see greater alignment of meaningful values with the strategy that they actually believe in, boosting engagement, fulfilment and sense of belonging and even potentially even longer careers under the MNE’s name. (Gring-Pemble et al. 2025, 40.) Lastly, customers often engage with trusted, honourable value-driven brands and various communities can perceive the MNE as a more responsible firm, reducing friction and increasing cooperation.

These examples of creating additional stakeholder value highlight Teece's argument that MNE's must not only adapt to changes business environments but actually shape their own ecosystems to sustain superior performance and competitive advantage against their rivals (Teece 2007, 1320). This means that aligning renewed core values and strategy together is an incredibly important mechanism for supporting performance and shaping stakeholder ecosystems around legitimacy, trust and shared purpose (Shah et al. 2019, 383). Therefore, based on the dynamic capabilities framework, MNE's must define what to *sense*, how to *seize* and where to *transform* to drive strategy execution. These aspects and framework need to be considered systematically before, during and after the core value renewal process to further build and improve the MNE's adaptive capabilities and values-strategy alignment. When core values are renewed, changes in the MNE's capabilities should be clearly expressed since stakeholder legitimacy is of the firm's key objectives. (Dahlquist & Lehnert 2023, 5–6.)

Even though dynamic capabilities framework can be used to clarify how well these strategy and values -related statements impact the MNE's competitive advantage and value creation among its stakeholder groups, there are still some limitations that practitioners should be aware of. Firstly, Augier and Teece (2007, 187) has argued that best practices and routines that are the outcomes of developing dynamic capabilities take often such a long time to fully realise that they no longer offer substantial competitive advantage to the MNE. However, by restructuring valuable assets agilely such as the corporate strategy and core values, MNEs have the potential for continuous competitive edge. However, sustaining this can be achieved only once the core value and strategy are deeply embedded into the MNE's internal capabilities.

2.3.2 Strategic renewal in effective values-strategy alignment

When the effective alignment of renewed core values and strategy is discussed, strategic renewal is one of the key processes MNE's need to go through regularly to survive and potential create long-term performance supporting strategy execution (Schmitt et al. 2018, 81; Shah et al. 2019, 379). Understanding this is crucial since strong and well-aligned core values are known to support strategic change (Pant & Lachman 1998, 196). Strategic renewal includes primarily various firm-level strategic changes that need to take place when the MNE wants to change its core competencies (Shan et al. 2019, 379; Ahmed et al 2023, 998). These strategic changes can be things such as reformation of the MNE's strategy from cost-leadership to differentiation or vice versa. Also, various reconfigurations of target markets are very common where the MNE changes its target country/region from one place to another. (Ahmed et al. 2023, 998.)

Strategic orientation is another key concept that MNE's are required to have in order to grow and persist the competitive global market and improve its international performance (Gatignon & Xuereb 1997, 78; Hakala 2011, 199–201; Dahlquist & Lehnert 2023, 5). Strategic orientation can be defined as deeply rooted values and a combination of entrepreneurial, international growth and learning orientation. (Ahmed et al. 2023, 998–1001). Furthermore, strategic orientation is often viewed as certain principles that influence and steer various activities inside the MNE which influence the firm's viability (Hakala 2011, 200). Therefore, strategic orientation can be viewed as an essential part improving performance (Shah et al. 2019, 379). In simple terms, the MNE's strategic orientation should be grounded and integrated into the renewed core values by merging the strategic principles into the actual core value statements which enables the firm to do necessary strategic renewals to boost its international performance. This should be done since strategic orientation positively correlates strategic renewal, performance and alignment capabilities. (Shah et al. 2019, 381.) Examples of successful changes in strategic orientation include, for example, IBM's shift from computing to consulting whereas Facebook's shift from social media to metaverse has not been successful (Dahlquist & Lehnert 2023, 5).

Strategic orientation of the MNE often also predicts strategic renewal (Shah et al. 2019, 383), meaning that renewed core values should be first renewed from the old values and the aligned with the MNE's strategic orientation and only then to strategic renewal which is the whole process around updating and renewing the company-wide corporate strategy. This alignment can be done, for example, through having clear values-based vision statements that illustrate the MNEs ideology around strategic orientation. Furthermore, MNEs can refine their strategic orientation to focus more on things such as clear communication with stakeholders and building brand identity through well-aligned values (Dahlquist & Lehnert 2023, 9–10). Once this is completed, it is expected that additional stakeholder value can be created if these renewal processes have been completed successfully and strategic performance is increased through a well-executed strategy. This linkage between strategic orientation, strategic renewal and performance has been calculated in prior research's statistics (Shah et al. 2019, 383). Figure 1 illustrates the order in which effective strategy execution can be achieved through core value renewal, strategic orientation and strategic renewal.

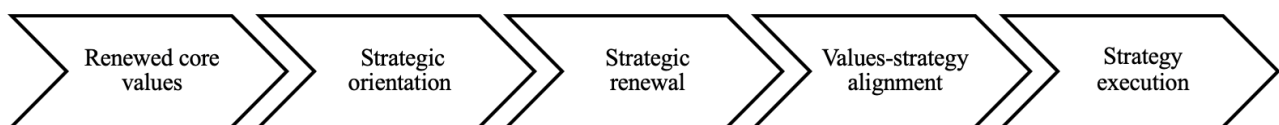


Figure 1 Process behind core values driving strategy execution, adapted from Ahmed et al. 2023 993–1008

Connecting renewed core values with the MNE's strategic orientation involves understanding how entrepreneurial orientation, international growth orientation and learning orientation are connected to values (Shah et al. 2019, 378). Firstly, values should be codified and connected to entrepreneurial orientation of the MNE by asking questions such as how the firm innovates and takes risks across borders in foreign markets since values support strategic change. (Pant & Lachman 1998, 196). These questions and connection between values and entrepreneurial orientation should be discussed during the renewal process to ensure the new values are aligned with the MNE's entrepreneurial long-term visions. Secondly, international growth orientation related questions should tackle how the MNE will prioritise certain markets, entry modes or different growth paths on a global level. This means that the core values cannot serve only the home country and its stakeholders but rather connect all the different countries and regions and its stakeholders of the MNE together into one large entity. Lastly, learning orientation should be considered by questioning how the renewed core values will help the MNE generate and use knowledge across its borders. For example, are the new values focusing on only maximising profits or rather how each individual can learn, grow and add value to the organisation through new knowledge and skills. By linking all these three aspects of strategic orientation together, the MNE is able to recognise how the core values need to be renewed and tailored to create effective and long-lasting values-strategy alignment. (Ahmed et al. 2023, 993–995.)

Once the core values are aligned with the MNE's strategic orientation, it is time consider connection with strategic renewal. This should be considered since successful MNEs continuously learn through strategic renewal to develop new competencies, achieve competitive advantage, strategic performance and explore new ideas (Shah et al. 2019, 379; Ahmed et al. 2023, 1000). Therefore, strategic renewal can be defined as knowledge-driven strategic change in the MNE's core competencies to create firm-wide reconfigurations (Ahmed et al. 2023, 1000). Strategic renewal is also very company-specific but there are certain aspects that MNE's should consider during their strategic renewal for effective values-strategy alignment. Firstly, governance renewal should embed values in compliance systems, incentives and decision-rights (Ahmed et al. 2023, 1001). Secondly, MNEs should ensure their structures and processes are in line with the values once capabilities are renewed since congruence between values and strategy is a precondition for any type of successful implementation (Pant & Lachman 1998, 200). If values are renewed but not translated to strategic renewal, stakeholder value will be left unrealised. However, when renewed core values will be translated through strategic renewal, the MNE will see long-lasting

improvements in its organisational performance and level of competitive advantage even in the severe economic downturn. (Ahmed et al. 2023, 1000–1008.)

During strategic renewal, core competencies of the MNE are transformed and updated which also means that the MNE's work processes often need to be changed. MNEs often call this *strategy execution* or implementation of strategy where the actual changes are made within the firm to achieve the target goals and strategic vision. These work processes can be defined as the things that the employees concretely do to collectively deliver services and products to customers (Huy 2001, 602–603). This means that during strategic renewal, core values and strong values-strategy alignment should guide how these work processes change to deliver broader and improved stakeholder benefits boosting strategy execution (Washburn et al. 2018, 1426–1428). However, work processes require efforts not only from the MNE's leadership and chief-level (C-level) executives but also from regular employees. Therefore, successful work processes require regular employees' participation, especially from those who possess tacit knowledge to enhance alignment and implementation capabilities (Huy 2001, 606; Gring-Pemle et al. 2025, 39). In practice, this means that the C-level executives and knowledgeable employees should collaborate throughout this multi-year process of values-strategy alignment to get the best possible results (Washburn et al. 2018, 1427).

Executives such as the CEO who actively use the MNE's core values is setting an example for others and therefore succeed better at cultivating active and successful employee participation (Gring-Pemle et al. 2025, 39). In practice, this can be as simple as emphasising values in decision-making and when this is done actively, more substantial change in work processes can be achieved. When employees sense this active value-based leadership, they are more driven to support and pursue the change efforts that will eventually benefit all stakeholders (Washburn et al. 2018, 1427). Based on all of these, MNEs and its leadership need to understand that the alignment between strategy and core values is not only symbolic, but it can be used as a foundational capability for improved competitive advantage and readiness for continuous transformation in a dynamic business environment. Therefore, wide-scale strategy execution is improved when the dynamic capabilities framework guides the MNE to strategic orientation and strategic renewal where the renewed core values guide behaviours and actions of all seniority levels. This is what active, successful and effective values-strategy alignment is all about. Core values are deeply embedded into each workstream, guiding how the MNE can widely benefit all stakeholders before, during and after the core value renewal process. This company-wide transformation and strong values-strategy

alignment is what creates the improvements in executing the MNEs strategy. (Ahmed et al. 2023, 1000–1008.)

Connecting values and strategy is never instantaneous but rather a process which involves careful planning and execution across the multinational enterprise. Various internal and external factors that affect this values-strategy alignment process were analysed in section 2.2 since these reasons for renewing core values are closely linked to effective strategy execution as well. Maybe one more key factor that needs to be highlighted is the commitment from executives especially in terms of how well they adopt the renewed core values into their leadership. In fact, the characteristics and beliefs of executives and other top leaders often have a profound impact on the initiation and implementation of strategic change (Dutton & Duncan 1987, 113). Therefore, leadership is known to have a direct impact on the MNE's long-term perspective of strategy execution where strong core values support strategic decisions (Washburn et al. 2018, 1426–1429).

To further bridge the gap and connect strategy and core values together, there are various alignment mechanisms that MNE's can use which enhance knowledge-transfer while improving values conversation and implementation. These include, for example, various facilitated workshops or conferences that involve employees in value co-creation and internal storytelling events that reinforce alignment across the renewed core values and strategy within the organisation. (Gring-Pemble et al. 2025, 39.) Besides these, another key alignment mechanism is done inside the MNE's HR practices with the goal of each employee being aware of the new values and ways of working from the first recruitment day to the last day at the office. Often MNEs also develop and update their leadership training where the leadership model is transformed closer to values-based and strategy-led leadership where daily commitments, work task, actions, decision-making and collaboration is achieved in line with the core values that support strategy execution. In practice, this means that core values are embedded and trained into the day-to-day work life across the MNE. These same practices should be applied during and after the strategic renewal. In both cases, core values and strategy should be discussed and connected to each other, not as two separate guiding principles but as one. Each individual is responsible for how they work according to the renewed core values which are designed to support the strategy execution. In an ideal environment, effective values-strategy alignment means that these two guiding principles are working towards the success of each other silently without constant reminders of why the values and strategy exist. If the employees act according to the values to achieve the strategic priorities, this means that the alignment of values and strategy has been done effectively.

Using various alignment mechanisms are beneficial in teaching and deepening the meaning and importance of core values and strategy of the MNE. However, this in and of itself does not provide substantial added value to various stakeholder groups. Therefore, multinational enterprises need organisational enablers. In fact, values influence behaviour only when they are operationalised deeply in systems and structures of the multinational enterprise (Bourne et al. 2019, 137–139). Organisational enablers include things such linking value-based behaviours to performance metrics, redesigning job roles and embedding values into internal systems. Besides these, communication is another key enabler where the MNE's internal communication should encourage employees to interpret and adapt the renewed core values in a way that resonate their local decision-making while boosting successful strategy execution. Other measures of legitimacy for the MNE's actions include, for example, revenue growth, share price, profits and market share which all can be moved from strategic goals into various internal values discussions (Dahlquist & Lehnert 2023, 10).

The ideal outcome of effective alignment of strategy and renewed core values is focused on successful values-based strategy execution. In fact, MNE's that have high renewal capabilities can outperform others in dynamic environments (Ahmed et al. 2023, 1000). Therefore, when renewed core values are tightly coupled and aligned with strategy and embedded into organisational systems, various compounding benefits can be achieved. These include improvements in employee commitment, strategic capabilities, agility and resilience. Moreover, stakeholder trust is increased and all the above-mentioned result in sustained and improved competitiveness in global markets while improving the MNEs capabilities to execute their strategy with the support of the new core values.

Implementing the corporate strategy and its overall vision is always challenging and requires continuous efforts from both the MNE's management and employees. It has been shown that core values have a strong influence on the MNE's employees and their behaviours, acts and decision-making. Due to this core values need to be assessed and renewed accurately so that these can be effectively connected to the firm's overall strategy supporting strategy execution (Van Rekom et al. 2006, 176). Moreover, if the renewed core values and firm's strategy are not aligned properly, the MNE's management will have a very difficult time achieving its strategic targets and goals (Pant & Lachman 1998, 195). Therefore, it is crucial to understand that clearly articulated core values support strategy execution and are known to improve the fit between the strategy and how the firm's workforce is motivated to implementing this corporate-level strategy (Van Rekom et al. 2006, 176). The final section of chapter 2 links the preceding sections into a theoretical framework

that connects core value renewal, dynamic capabilities, values-strategy alignment and strategic renewal together.

2.4 Synthesis on renewing core values

This section brings together the literature review to form a preliminary overview of the research before going into the empirical part of the thesis. Core values are in the heart of MNE's corporate culture and operations while guiding the firm's ways of working as one, even during international expansion. MNEs often operate in rapidly changing business environments which is one of the main reasons why strong and well-aligned core values are invaluable for any MNE. Strong values guide decision-making with a shared purpose and ethical principles which is why these must evolve alongside the MNE's growth, strategy and ever-changing business environment. If misalignments happen, the MNE is potentially risking its organisational culture and stakeholder trust. Moreover, core value renewal can be seen as a fundamental form of organisational renewal to connect the MNE's culture, strategy and stakeholder images together. However, these renewal processes are known to be quite challenging since MNEs often face resistance to change. Changing the ways of working and how a multinational enterprise is structured can be quite a challenge. Therefore, the literature review has a clear focus on understanding the connection between core value renewal, its process and impacts on the execution of strategy.

The dynamic capabilities framework gives an overview on how an organisation's core value renewal and effective alignment with strategy can improve the MNE's competitive advantage. However, effective values-strategy alignment also requires a more thorough understanding of the MNE's strategic orientation and strategic renewal. Renewed core values should reinforce the strategic orientation which encompasses deeply rooted values and mindsets to drive international growth and expansion. One of the key findings from the literature review suggests that renewed core values should first be aligned with strategic orientation and only then with strategic renewal in Figure 1. In this instance, strategic orientation is often considered as more of the "strategic vision" which is then guiding the strategic renewal which means the concrete changes in core competencies, resource allocation and strategic goals. The overall goal is for the MNE to legitimise the changes it is making which ensures that the employees understand *what* the new strategic priorities are, but more importantly, also *why* and *how* these initiatives are linked to the MNE's core principles. This type of strong alignment and clear structure for effective core value renewal ensures that values are truly integrated into day-to-day decision-making and strategy execution and not just fancy new slogans. Moreover, the ability to carry out strategic renewal successfully is better when

employees believe and work in line with the core values. Table 3 clarifies some of the key concepts introduced in the literature review related to core values, strategy execution and stakeholders.

Table 3 List of key concepts and definitions from the literature review

Name of the key concept	Definition in literature review
Core values	Core values are in the very core of any organisation's culture, influencing actions through informal guidelines and shared beliefs (Deal & Kennedy 2000, 21).
Core value renewal	Core value renewal is defined as a multinational enterprise updating and potentially improving its existing core values which are clearly distinguished in the firm's websites, annual reports and as a key part in shaping employee beliefs and decision-making (Kabanoff & Daly 2002, 89).
Corporate culture	Corporate culture is defined as the comprised cultural norms and values that characterise the structure of the firm (Graham et al. 2022, 553).
Value system	Value system is defined as a set of consistent ethical measures and values that are used to create ideological or ethical integrity (Schwartz 1992, 4).
Values congruence	Values congruence is defined as a linkage between the firm's core values and employee's personal values (Gelle-Jimenez et al. 2023, 176).
Values-strategy alignment	Values-strategy alignment is defined as how the MNE's core values and corporate strategy are linked and connected to each other since successful strategy implementation is known to need certain behaviours that can be cultivated through core values (Pant & Lachman 1998, 201).
Strategic orientation	Strategic orientation is defined as certain principles that influence and steer various activities (i.e. entrepreneurial, international growth and learning orientation) inside the MNE which influence the firm's viability (Hakala 2011, 200).
Strategic renewal	Strategic renewal is defined as a process where the MNE transforms their strategic intent and capabilities (Schmitt et al. 2018, 81).
Dynamic capabilities framework	The dynamic capabilities framework explains how firms achieve and sustain competitive advantage over time with three core processes that are sensing (1), seizing (2) and transforming (3) (Teece 2007, 1319–1325).
Stakeholder groups	Stakeholders are defined and categorised into 5 different groups which are (1) employees, (2) customers, (3) company communication teams, (4) associations and (5) media (Barchiesi & Fronzetti Colladon 2021, 1).
Impacts on employees and customers (by core value renewal)	Employees contribute towards creating stakeholder value by living up to the values and customers receive stakeholder value from the employees based on what the core values stand for (Freudenreich et al. 2020, 3–4).
Stakeholder theory	Stakeholder theory is defined as putting stakeholders to a position where they are managed through process-oriented, network-based and relational perspective of MNE-stakeholder engagement (Barchiesi & Fronzetti Colladon 2021, 1).

Table 3 structures that the key concepts of this thesis are closely related to value and strategy-related topics that play a crucial role in understanding how the renewal of core values can drive strategy execution. From these, understanding the core value-related concepts support to answer why MNEs renew their core values. For example, if the MNE is not satisfied with its existing core

values and those have a clear misalignment with the existing strategy, the renewal of core values can be considered. When the core value renewal process is ongoing, the dynamic capabilities framework can be used to support the MNE to understand how this upcoming change can potentially help them sustain competitive advantage. Throughout the renewal process, the impacts on employees and customers should be considered to ensure stakeholders are managed according to stakeholder theory and the long-term strategic visions of the MNE. By doing all this, the MNE can create a sustainable value system that supports strategy execution through strong linkage between the MNEs corporate strategy and newly renewed core values.

In addition to the list of key concepts and definitions, Figure 2 illustrates why core values, strategy and stakeholder outcomes need to be considered holistically. This means that core values create the expected value and positive outcomes only when the new values are strongly aligned and connected to strategy. If misalignments happen here, for example, due to poorly renewed values that employees do not believe in, this whole idea of changing the ways of working might be crushed. However, as illustrated and stated during the literature review, strong and tight alignment between renewed core values and strategy can in turn create a powerful driver for effective strategy execution. Here the most important factor is rooting the values with dynamic capabilities and the strategic orientation of the company. Once the core value renewal project is started, MNEs want to ensure that the new core values are communicated, integrated and aligned well for effective strategy execution. This framework combines the key framework and theories that were introduced during the literature review.

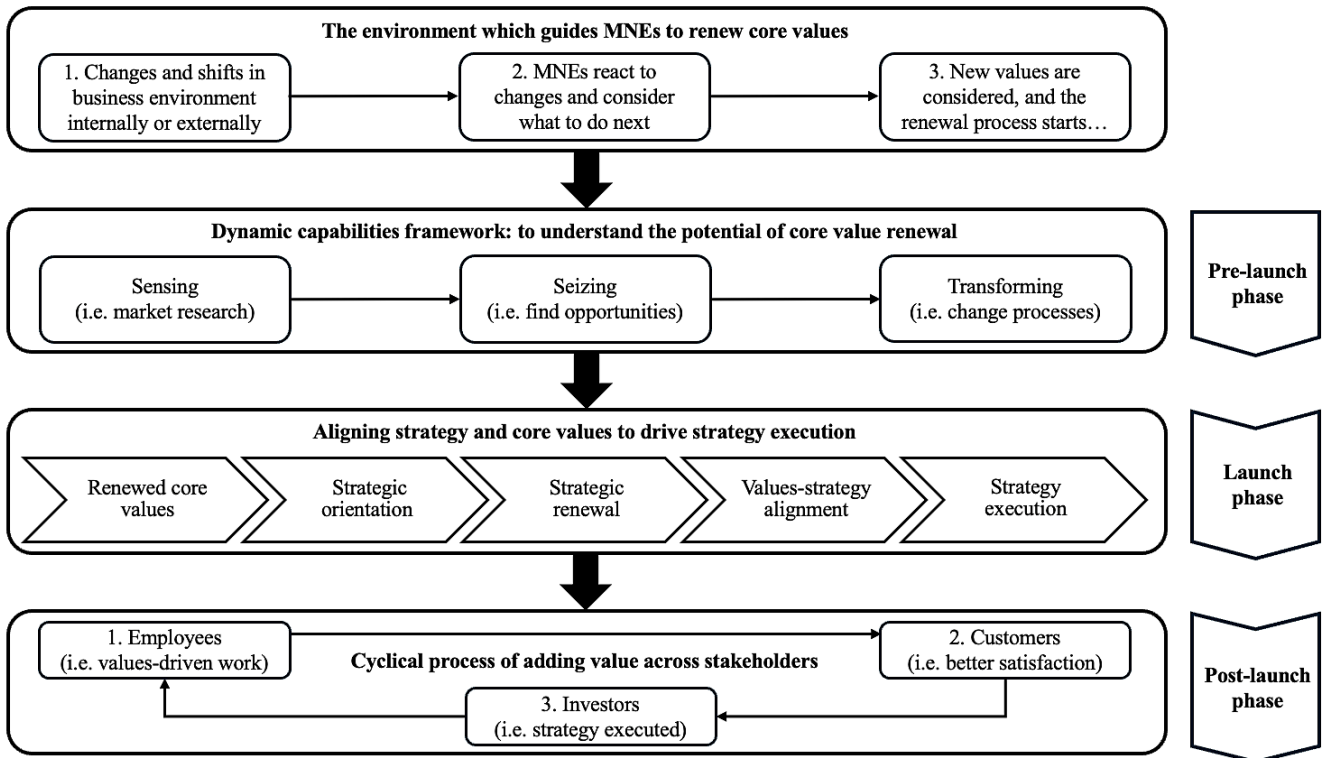


Figure 2 Theoretical framework for driving strategy execution

Driving strategy execution through core value renewal can be seen as a long but rewarding process if done right, as illustrated in Figure 2. MNEs often face external or internal changes that force them to react to remain competitive. Once these environment-related disruptions are apparent and change is needed, core value renewal can be considered as one of the options to remain competitive in the future as well. The renewal process often starts here with the pre-launch phase to get a better understanding of the MNE's needs but only after internal or external changes have created a clear need for the value renewal. During the pre-launch phase, the dynamic capabilities framework can then be used to fully understand the potential of renewing core values. This is achieved by first understanding what needs to be renewed or reconfigured inside the MNE, and why. After this step, new opportunities can rise and the MNE can actually change its processes and structures to remain competitive. Throughout this pre-launch phase and understanding the potential of the core value renewal, the MNE can also see that there is not sufficient need to renew or change the existing core values which can result in withdrawing from the rest of the renewal process.

If core values are renewed the MNE must next align its existing or newly renewed strategy with the core values. This is done by understanding the MNE's strategic orientation and renewal capabilities after which a strong linkage between strategy (what) and values (how) creates clear direction for employees about strategy execution. This message and strong values-strategy alignment should be

clearly communicated to the MNE's employees during the launch phase where the renewed core values are published across the firm. Once the strategic goals are achieved with values-driven ways of working, stakeholder value is created through changes in employees' work behaviour, improved customer relationships and with satisfied investors. This cyclical process of stakeholder value creation can be best achieved through rigorous strategy and values alignment that both serve an important role in showing each stakeholder group how the MNE is working to achieve its long-term strategic goals to remain competitive and successful in the ever-changing business environment. Moreover, this framework illustrates that strong alignment can directly contribute to driving strategy execution when the new core values foster coherence, engagement and purpose across the organisation. This cyclical process and ongoing efforts towards bringing the values to life plays a crucial role in the post-launch phase.

To further clarify the core value renewal process and its three distinct phases, these are included in Figure 2 to provide a visual illustration of where these are positioned as part of the broader context of core values driving strategy execution. The pre-launch phase stems from the processes and steps that need to be taken during the preparation before the core values are launched. Once the values have been launched, the post-launch phase includes activities that need to take place to make the new core values relevant and part of the company's daily work.

In practice, this means that core values and strategy are closely linked together which creates the need for the MNE to assess the potential of the core value renewal before the new values are actually published and launched. Therefore, the dynamic capabilities framework and its three steps can be linked to some of the activities that need to take place prior to launching the renewed core values. The success of the core value launch is often tied to internal communication and how this change is perceived among employees which is why creating a strong values-strategy alignment is critical not only as part of the launch activities but also as a way to remind the MNE's employees about the corporate-level strategy and its long-term strategic goals. Having this strong values-strategy alignment and cultivating the change throughout the launch phase has a clear impact on the changes in behaviour among employees which starts the cyclical process of creating additional value to the company and its stakeholders. Post-launch phase can be characterised as a continuous effort of integrating the new core values into day-to-day work. This impacts the employees' ways of working with a shift from old and misaligned values to a more value-driven work with renewed core values that the employees actually remember and can resonate with. With a long-term perspective, this shift from unstructured ways of working to value-driven work can impact customers with better satisfaction which can also eventually impact investors with a well-executed

strategy. The next chapter and its empirical part focuses on a case firm and provides an example of a recent core value renewal project which highlights the need for effective values-strategy alignment to drive strategy execution.

3 Methodology

This chapter explains how the empirical research was designed and conducted to investigate the core value renewal and strategy execution in the chosen case firm. The study adopts a qualitative action research approach that allows close engagement with the ongoing core value renewal process. Also, the case firm and action research cycle are described to get a better understanding of the Finnish MNE's background and researcher's role as an external consultant. Furthermore, the data collection and data analysis methods are detailed to explore the renewal process and its impacts on employees and customers. Here, multiple kinds of data are used which is a characteristic for qualitative research (Gehman et al. 2018, 288). Finally, the research is evaluated based on its trustworthiness, authenticity and ethics.

3.1 Research approach and strategy

3.1.1 Qualitative research approach

The research approach and strategy are often simply called a research design and defined as the way to connect the research problem into empirical research (Ghauri & Grønhaug 2002, 47).

Researchers argue that core values are best explored through qualitative methods, as they are difficult to measure using quantitative approaches (Diskienė & Goštautas 2013, 94). Furthermore, choosing the research approach is also influenced by the audience, researcher's own subjective experiences and obviously the nature of the research questions and how these are structured. Also, this study has a multidimensional topic with renewing core values – a organisation-wide transformation, making qualitative research an appropriate research method choice (Creswell 2007, 40). Interpreting values is subjective on an individual-level which emphasises the need to conduct qualitative research. (Creswell 2014, 3.) Moreover, the research questions for this study are structured as open ended with words such as how and why which is often the case with qualitative research (Agee 2009, 432).

There are multiple ways for defining qualitative research, but its key approach revolves around understanding and exploring the meaning groups or individuals identify and state to any type of social or human problem (Agee 2009, 432; Creswell 2014, 4). In this thesis, the choice for conducting qualitative research was done based on the nature of the research questions and underexplored topic of renewing core values to drive strategy execution. In fact, qualitative research is often used to generate new insights into how business phenomena can be analysed and understood to drive change across the MNE (Eriksson & Kovalainen 2008, 2). Moreover, the thesis'

topic is very much human-centric where most stakeholders are affected by the renewed core values which should guide all decision-making across the multinational enterprise. Qualitative research often studies cultural and societal factors which further solidifies the choice of conducting qualitative research (Silverman 2001, 29).

Research questions are often developed and refined throughout the research process (Flick 2006, 105; Agee 2009, 432). The research questions for this thesis were first developed as suggested by Janesick (2000, 382) based on the researcher's own curiosity about "What do I want to know about this study" which helped the researcher align on decisions about theory and methods (Maxwell 2005, 65). Based on this, the aim of this thesis is to examine and analyse how the renewal of core values can drive strategy execution in multinational enterprises? This main research question is answered by combining existing literature and findings of a real-life case example where the researcher worked intensively to prepare and launch the renewed core values. There are three crucial sub-research questions that help fulfil the aim of the thesis which are 1) *why do multinational enterprises renew their core values?*, 2) *how can multinational enterprises align strategy and renewed core values effectively?*, and 3) *how does the core value renewal influence employees and customers?* These were carefully considered since bad research questions likely create problems that negatively affect later stages of the research (Agee 2009, 431). Hence, both the main and sub-research questions are formulated and precisely framed in a simple way where those can be clearly identified as part of qualitative research (Maxwell 2005, 67). Moreover, all these questions are formulated in a way where it can be assumed that action research can yield valuable findings to extenuate the current knowledge around core value renewal processes. Finally, the case of analysing a Finnish MNE as action research brings novelty to the research with a recently completed core value renewal process. All this was done since the aim of qualitative research is not to test existing theory but rather create new understanding a specific context which in this thesis the core value renewal (Eriksson & Kovalainen 2008, 3).

Based on the above-mentioned differences, the research approach applied in this thesis is qualitative. More specifically, this research follows closely the structure of action research which is defined as a research method where the practitioner is helped. Action research is conducted as a participatory and iterative process involving cycles of planning, acting, observing and reflecting. (Lewin 1946, 34–37.) Action research and the reasons for choosing it as the research approach are opened further in section 3.1.3.

3.1.2 Introducing the case firm

This action research is based on a single case, a large-cap Finnish multinational enterprise which operates in the energy and resources sector. In this and the following sections, this anonymous case company is mentioned and discussed as simply “*case firm*” similarly to what has been done before to protect the company’s information and data. Even though all these guiding principles and their meanings are opened thoroughly on the company’s website, specific details of this transformation, its process, preparation and launch will not be mentioned. In practice, this means that the core processes behind the core value renewal are opened in a generalisable way to keep the firm’s name anonymous. As a researcher, this can be seen as a positive, since the generalised findings, reflections and suggestions of this action research can be easily transformed into actionable and valuable insights in both futures academic research and managerial practices for other MNEs.

The case firm operates in the energy and resources sector and this whole industry has been in a turmoil over the past 5+ years. During COVID-19 pandemic, most sectors were struggling in Finland, Nordics and Europe where this MNE mainly operates (Case firm’s investor news 2020–2021). Besides this, various issues around supply chains, political instability and rapid inflation created unstable energy and resource markets which made customers more and more careful with their decisions and daily energy usage. In early 2022, Russia started the Russia-Ukraine War which once again put the energy and resources sector into chaos across especially in Europe but also globally. All firms in the sector had to find alternative options to replace the Russian-based energy offerings. This created various obstacles and energy prices skyrocketed. In return, many firms had to adapt or completely transform their approaches on the market to remain competitive. Due to this turmoil and various company restructures, the case firm needed to put their people, employees and customers first. In practice, this meant that the case firm withdrew all its operations from Russia on March 2022 which resulted in drastic company restructures and how the MNE operates in the future. (Investor news 3.3.2022: CEO’s statement to end all operations in Russia.)

The new strategy of the case firm was launched roughly 2 years before the renewed core values were launched in 2025. This means that the strategy was renewed but the old core values were kept the same. After some time, the case firm noticed a clear misalignment between the old core values and the new strategy which created the initial need to renew the existing core values. Therefore, this firm-level strategic value transformation project was started in 2024, and it consisted of combining the MNE’s existing strategy and purpose with the newly developed renewed core values which were then launched in late January 2025.

The case firm's core values were simplified and renewed as part of this larger transformation that the MNE was going through. This was done by combining the previous existing values, leadership principles and cultural priorities. This meant that the new core values replaced these three into a more compact and simple set of 3 core values. These newly renewed core values were launched to employees and public audience on late January and early February 2025. After this, the implementation of newly renewed core values started into day-to-day work inside the organisation. This process is currently ongoing and will take years, meaning that the final outcomes of this project are currently unseen. However, this thesis is not merely focusing on the outcomes of what a MNE can achieve when they renew their core values. This action research focuses on the pre-phase, launch phase and post-launch phase of the core value renewal process where decisions were made about the new values, and how these were integrated into the strategy and overall brand image of the case firm. Due to this the research questions are formulated in a way where the aim of the thesis stays within the research question scope of how the renewal of core values can drive strategy execution. This question is also crafted in line with some of the key questions that rose up during this MNE's transformation process and knowing this made the researcher further investigate the intricacies of core value renewal as part of the thesis.

After the new strategy was launched, the case firm was still going through a lot of internal changes which kept the attention of employees away from focusing on the new strategy and its effective implementation. Due to this, the case firm wanted to put specific emphasis on bringing back the strategic priorities of the firm into the conversation when the new values were launched. As part of the launch news, the CEO stated that *to successfully drive our strategy forward together, we want to make sure all our employees are included in shaping the future*. Moreover, it was said the firm's actions need to be aligned with the newly renewed core values to support the case firm in their strategy execution. Based on these, one of the major goals of the core value renewal was not just to launch the new values but rather put specific emphasis on connecting and aligning the strategy and core values together. This way the newly renewed values can help the organisation drive forward and succeed now and in the future.

During the preparation phase of the core value renewal, the case firm had first selected a small group of individuals who would be working in major roles to launch the new core values. To support them and their intensive workload, the case firm had acquired external help with a few consultants who helped structure the blueprint, activation plan, timeline and various other contents needed for effective preparation before the launch. The case firm had a very clear direction about integrating the firm's purpose, strategy and new core values into one cohesive framework.

Furthermore, a new visual update and branding was planned to be launched at the same time with the renewed core values to truly kickstart a new chapter in the firm's lifespan.

To further crystallise the motives behind the need for change, the case firm included the “*why, what and how*” of the project in one of their materials when the core values were renewed, simplified and then integrated into the firm's existing purpose and strategy to create a new framework around the MNEs ways of working. The “*why*” focuses on the MNE requiring new ways of working which will support the organisation in reaching their ambitious purpose and succeeding in strategy execution. The “*what*” focused on the purpose of the framework and how it will be used to deepen everyone's understanding of the firm's strategy and purpose which are brought to life with the new simplified and renewed core values. By this the case firm is expecting and accelerating their success and growth in their industry which is in line with their strategy goals and organisational purpose. Finally, the “*how*” focuses on driving together to achieve and execute the long and near-term strategic initiatives which are obviously crucial for the MNE's success. For this, the MNE emphasised the newly renewed three core values and how these are almost structured as a sentence to guide everyone in driving the positive change for future success.

3.1.3 The action research process

Action research is known to be a co-creative and researcher-centred approach which suited the researcher's role as an external consultant during the case firm's core value renewal project (Koshy et al. 2010, 2; McNiff & Whitehead 2013, 23). Action research follows a clear cycle of (1) planning, (2) acting, (3) observing and (4) reflecting (Lewin 1946, 34–37). In this thesis, Lewin's action research cycle is operationalised through these four steps that were all embedded into the case firm's core value renewal process across its three phases; pre-launch, launch and post-launch phase (Costello 2003, 5–6; McNiff & Whitehead 2013, 23). The case firm launched their renewed core values internally in late January and early February 2025. However, the preparation and background work for selecting the new set of core values started much before this. From October 2024 onwards, the researcher participated and worked as an external consultant in the case firm's core team which was responsible for planning the launch of the new core values. As part of this planning (1), the researcher was co-defining the overall aims of the project, desired behavioural changes, timetable for the launch phase and its various activities that also continued far into the year 2025 with the post-launch phase. This type of action-oriented participation characterises the action research and its process. Furthermore, action research can be used to solve real-life problems and here the researcher was actively planning to creation of a successful launch where the new core

values would be understood and embedded to the case firm's existing strategy efficiently. (Koshy et al. 2010, 2–3.)

This early co-design and planning of the “big launch” of the new core values consisted of the researcher actively collaborating with the case firm's core team members to agree on the initial course of action. This collaboration was iterative as designing and finalising the new core values took some time, decision-making and active involvement of various stakeholders from the case firm. Therefore, action research was also well suited in the context of this research where the design thinking is also iterative and evolves over time. (Eriksson & Kovalainen 2008, 200.) The planning meetings and early launch concepts formed the initial qualitative material that were also used in structuring the interview questions and also during the later phases of action research cycle (McNiff & Whitehead 2013, 108–109).

The acting (2) phase materialised during the pre-launch and launch phases where the researcher collaborated with the case firm's core team in designing concrete launch and post-launch activities, communication materials and workshop formats. Here the researcher supported the core team take action in creating activities that would have concrete impact on their employees and ways of working. This is characterised in action research where the research can eventually support to create a bigger impact. (Brydon-Miller et al. 2003, 11; Eriksson & Kovalainen 2008, 198–199.) The launch of the new core values extended over multiple weeks during which various materials were iterated and adapted based on the received feedback from the case firm's core team and employees. This again illustrates the iterative nature of action research (Eriksson & Kovalainen 2008, 200.)

All renewal processes take a very long time to see the long-term results, and hence the action research process continued with the observing (3) phase after the researcher finished the project work in the case firm as an external consultant. General observations of the core value renewal project were taken throughout the researcher's time working with the case firm, but these findings were consolidated and analysed only later from February 2025 onwards. The observing consisted of understanding how the core value renewal process was structured and connected to case firm's existing corporate strategy. The reception and interpretation of the new core values was also observed since the researcher wanted to help the case firm understand how the new values were perceived (Eriksson & Kovalainen 2008, 199; French 2009, 189–190.)

Finally, the reflecting (4) phase consisted of the researcher gathering all the available data from the project and conducting interviews with the core project members who had been actively involved in the different phases of the core value renewal. Some of the key reflection topics were closely

related to the research questions of this thesis by findings answers to why the core values were renewed, how well these have been aligned with strategy and how this whole process has driven strategy execution in the MNE. In practice, this meant that the reflecting was realised through the thematic analysis of the collected material, formulation of findings and practical implications. Based on these four phases of the cycle, conducting this action research in practice follows Lewin's (1946, 34–37) cyclical process which is illustrated in Figure 3.

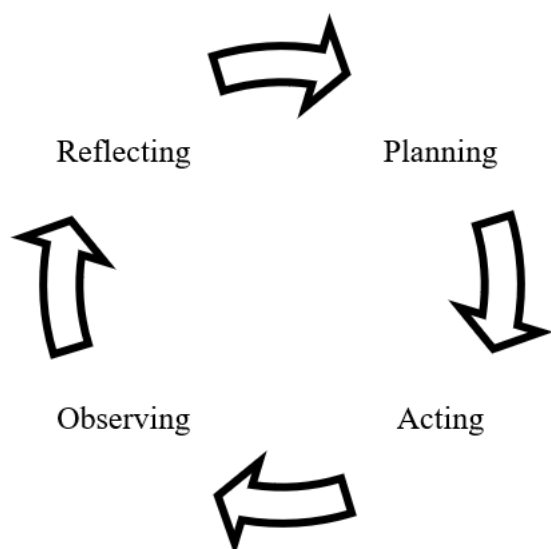


Figure 3 Action research model, adapted from Lewin 1946, 34–37

Action research is very iterative, meaning that it evolves during the research rather than following a perfectly linear step-by-step process. Therefore, Figure 3 illustrates the cycles of planning, acting, observing and reflecting of which this action research follows as well. (Lewin 1946, 34–37). The whole action research process and its initial stages involve identifying certain aspects within the organisation that require improvements or change (Eriksson & Kovalainen 2008, 200). For these an imaginary path should be created and testing this “correct path moving forward” should be done by practical action. Based on this, the role as a researcher is not merely on providing some predefined solutions but rather engage with the MNE, its participants and project team members while collecting feedback and reflecting the ongoing process that is currently happening with the newly renewed core values. This is what action research is all about, a participatory approach where valuable reflections should lead to further improvements and refinements all of which in return lead to new actions that improve the multinational enterprise. Since the action research model is cyclical, acquiring the knowledge for further actions is an ongoing process. In return, this creates the cycle of

planning, acting, observing and reflecting where each new round builds upon the previous one, creating continuous learning and improvements within the MNE. (Weick & Westley 1999, 190.)

Action research's cycle of reflective practice allows for constant refinement of organisational and personal knowledge which can lead to greater variety and openness to change (Weick & Westley 1999, 190). Action research is used to support the transformation before and after the renewed core values were launched for the case firm to understand how this has impacted strategy execution. After planning and acting, current and past changes are observed, and the practice of reflection opens new opportunities for driving change, growth and renewal. This approach ensures continuous evolving and learning, both necessary for driving short and long-term change. Moreover, action research becomes an embodiment of the journey being more important than the destination. To succeed in this continuous learning journey from preparing and launching the renewed core values to effective integration, it is necessary to align on a proficient approaches and paradigm of action research. For this thesis the chosen action research paradigm is the interpretive approach which best fits the relationship between the researcher and case firm.

The interpretive approach emphasises the role of practitioners and researchers acting as consultants or coaches that guide and help the practitioners as they examine work, learn and identify areas for improvement and reflect on the taken actions and what could have been done better. The goal of this is to enhance the practitioner's professional development through reflecting on everything that has been done. (McNiff & Whitehead 2000, 201.) The interpretive approach was chosen since the roots of action research are deeply embedded in close participation and support with the practitioner. Now the renewed core values are launched and as a researcher the best possible support is around reflecting on past experiences and supporting individuals in the MNE to be in the forefront creating value for employees and customers. By tackling the most crucial pinpoints around what has been learned so far and how this knowledge can be used effectively in the coming months and years is incredibly valuable. To clarify, the goal as the researcher is to use action research and its interpretive approach to support and empower the core team members to reflect and refine their best practices around renewing core values to drive strategy execution. This is in line with the interpretive approach since interpretivists aim to capture variability rather than control it while understanding why that variability exists (Gehman et al. 2018, 294–295). By doing this, the final research and its findings are co-created with the practitioners that are meaningful and relevant for current use in the case firm. Finally, other MNEs are able to understand the principles around core value renewal processes to further drive strategy execution and strategic alignment for long-term success. (McNiff & Whitehead 2000, 201–203.)

As the researcher there are two clear goals of providing value to the case firm and also other MNEs that may go through a core value renewal process in the future. There are five key elements that the researcher should focus on to conduct valuable action research that achieves its designed benefits for the practitioner (McNiff & Whitehead 2000, 203):

1. The researcher is central to the process
2. The researcher is first learning about themselves in order, possibly, to change a social situation
3. The researcher is not aiming for closure but ongoing development
4. The process is participative
5. The process is educational

To successfully conduct action research about the case firm, the researcher needs to understand these five key elements and how these are adapted to the specific research. It can be argued that the researcher has been (1) central to the process by spending months working for the core value renewal process as an external consultant. Moreover, the researcher has also spent time analysing one of the main workshops about the renewed core values and conducted extensive interviews with some of the core project team members. During the conduction of the literature review for this thesis, the researcher has delved deeply into core value renewal to help and possibly (2) change the situation within the case firm by supporting their reflections and next steps with a deeper integration of the renewed core values into the day-to-day work. One of the main goals for the researcher is to help and support the (3) ongoing development with even more effective strategy and values alignment to support and drive strategy execution within the case firm. This whole process has been (4) participative since the interviews focus on looking back in time to the preparation and launch of the renewed core values so that the best practices can be adapted to today's integration and post-launch work effectively. Finally, all renewal processes are long-lasting and seeing the final results is not possible, making this whole action research (5) an educational process, for the researcher, case firm, other MNEs and readers of this thesis. Based on these five key elements and their alignment with the researcher's background and intentions with the case firm, it can be stated that action research is an effective research method in this thesis. (McNiff & Whitehead 2000, 203.)

All the made and shared observations focus on generalisable findings that were made during the pre-launch and launch phase as well as during the post-launch phase's workshop about the renewed

core values of which the researcher got the change to follow. Finally, reflections revolve around a set of interview questions that were directed specifically to the core team members who have worked the longest in key roles to renew the case firm's core values. With this approach, the researcher ensured that interviewing was in interactive process where the researcher also shared some of his own views on the recent renewal project which created an environment where both the interviewer and interviewee were influencing each other (Eskola & Suoranta 1998, 85; Puusa 2011, 73). These boundaries were set because the goal of action research is to also contribute to the change within the organisation rather than only study a certain phenomenon (Reason & Bradbury 2001). To contribute this change, organisations need to have the knowledge to do what is needed to drive a positive impact.

As a researcher, my relationship with the Finnish MNE has been unique. The researcher had the opportunity to work and collaborate as an external consultant between October 2024 and February 2025 with the MNE in this specific core value renewal process during the pre-launch and launch phases of the project. Due to this, the researcher has gathered substantial insider knowledge of the core processes and decisions done within the firm that resulted in the big launch of renewed core values. In fact, it is stated that the meanings of artifacts, in this case, renewed core values, become clear to the researcher when enough time is spent with the case firm. However, if a deep level of understanding is wanted, it is necessary to talk to the insiders to analyse the values, rules and norms that create the operating principles within the MNE that guide everyone's behaviours. By this type of approach, the cultural analysis and understanding behind the core value renewal process can be taken to the next level. (Schein 2010, 25.) For these reasons, action research was chosen as the preferred research method since the researcher had the opportunity to collaborate with the practitioner and case firm for an extended time. Furthermore, the process of how renewed core values are aligned with the MNE's strategy effectively, is opened and analysed.

In the coming sections it is explained how the data was collected and analysed for this action research to help the case firm drive strategy execution. As mentioned, the main focus is on *planning, acting, observing* and *reflecting* the core value renewal process in line with Lewin's action research cycle. The used action research paradigm is the interpretive approach where the aim is to observe, describe and explain the research to those who the researcher is supporting (McNiff & Whitehead 2000, 201). This was chosen since it best fits the researcher's and case firm's history and is also in line with some of the expected outcomes that the case firm is wanting from this collaboration; to reflect on the different phases of the core value renewal process and what has been done since. Furthermore, the research questions were also discussed with the case firm before

finalising them since this is a suggested approach in action research (Agee 2009, 432; Stringer 2007, 11).

3.2 Data collection

Qualitative research was conducted as action research with a deep emphasis on an interactive process with the case firm which was observed and reflected based on their core value renewal process between October 2024 and February 2025 (Stringer 2007, 11). Interviews, documentation, observation, focus groups and surveys are some of the qualitative data collection methods accessible (Hirsjärvi et al. 2012). Based on this and to get a broad and comprehensive view on this recent core value renewal process, the data collection was divided into three main areas. These are (1) semi-structured interview with core project members, (2) document analysis on personal pre-launch meeting notes from the external consultant and (3) observations from a post-launch workshop around values-strategy alignment. With this approach, it can be ensured that existing materials about meetings and workshops are supported with core project member interviews with the case firm's senior-level managers, directors and executives who have spent quite some time working, preparing and launching the renewed core values before and after January 2025. This specific decision was done since humans are favoured as the main data collecting instrument and the researcher wanted to treat the topic of renewing core values from the perspective of these core project members' experiences who had the most knowledge about the case firm's core values, culture and strategy (Miles & Huberman 1994). Appendix 3 outlines how the research questions are connected to the theoretical background and these three data collection methods.

Primary data is known as the empirical data the researcher has collected (Eriksson & Kovalainen 2008, 77). As for this primary data, semi-structured interviews were chosen and used as the main data source since with this data collection method allows the researcher to gather detailed information about the participants who in this thesis were mainly in a managerial or executive-level positions (Hart 1991, 191). Other two types of primary data included the documents analysis and observations. Moreover, the researcher wanted to get true and thorough answers from the interview participants with open-ended questions – used specifically in semi-structured interviews (Eriksson & Kovalainen 2008, 82). Furthermore, all the chosen data collection methods support the most commonly used methods that are relevant in conducting high-quality action research and qualitative research with words such as “how” and “why” (Eriksson & Kovalainen 2015, 94).

Data collection is structured in Table 4. As previously mentioned, the three data collection methods are in line with methods normally used in action research (McNiff & Whitehead 2000, 201–203).

Semi-structured interviews were chosen as the main data source since it offered a broad case firm-wide view on the recent core value renewal process. Document analysis and observations are used to support the claims and insights found through the semi-structured interviews since these data collection methods offered a slightly narrower view on the company-wide impacts on renewing core values. (Hirsjärvi et al. 2012.)

Table 4 Data collection

Method	Target group	Purpose	Value of data
Semi-structured Interviews	Core project team members directly involved in preparing and launching the renewed core values (anonymised)	Understand the rationale behind value renewal Examination how values were aligned with strategy and how it drove strategy execution Assess perceived impact on stakeholders, especially employees and customers	In-depth insights on the value renewal process (Lewin 1947, 34–35) Practical insights into strategy execution, leadership, alignment, and integration (Pant & Lachman 1998, 195) Identification of best practices and challenges in creating value to employees and customers (Gelle-Jimenez et al. 2023, 176)
Document analysis on meeting notes	Personal meeting notes and other materials from the external consultant (anonymised)	Identify structured processes used for core value renewal Validate interview findings and find additional insights Analyse how value-strategy linkage was communicated	Enhanced understanding of how values were formalised (Andersen 2017, 485) Communication and employee engagement (Freeman 2010, 7–9) Additional depth to interview data (Morgan 1993, 112)
Post-launch workshop observations	Workshop content, participants and facilitators (anonymised)	Observe real-time communication and reinforcement of renewed core values Evaluate employee reactions and facilitator practices Capture how employees and customers are addressed in practice	Real-world evidence (Gorman & Clayton 2005, 3) Behavioural indicators of strategic alignment (Huy 2001, 602–603) Grounded validation of interview and document-based themes (Eriksson & Kovalainen 2008, 86)

Each of these methods capture different dimensions of the case firm's recent core value renewal process while strengthening the credibility of the findings through triangulation which is defined as cross-verifying data from multiple sources (Sikolia et al. 2013). Table 4 also clarifies each of the

target groups for each of the three data collection methods. From these all are focusing on separate target groups while having slightly varying purposes that all still link together.

3.2.1 Semi-structured interviews

As interviews are the most used data collection method in qualitative research due to their ability to find and reveal subjective meanings and in-depth insights, anonymous interviews were conducted between April and May 2025 (Gibbs et al. 2007, 541; Puusa 2011, 73). This specific approach is characterised by its flexibility to the research specific dimensions while giving participants space to express their own thoughts and interpretations as well (Galletta 2013, 1–2). Moreover, interviews were selected as one of the data collection methods since with them one can get access to information that is not available in a published form – which applied to the case firm (Eriksson & Kovalainen 2015, 94).

The purpose of the semi-structured interviews is to understand the rationale behind the core value renewal and also how the renewed core values were aligned with strategy to drive strategy execution. By gathering more case firm-wide knowledge about the recent core value renewal, the researcher was aiming to find potential impacts this process has already had on employees and customers as well. Moreover, clear goals were also set for the case firm on what they would get out of the interviews – a way to reflect and learn from the past, present and future value-related endeavours. (Puusa 2011, 73.) Many of the core project members have worked closely with various stakeholder groups which is expected to give the research valuable insights. It is expected that the researcher is able to find certain repeating patterns throughout the interviews. These identify and showcase the best practices and challenges MNEs might have on core value renewals and how it can drive strategy execution. This is achieved through interviewing various core project members who are working on separate business units across the case firm organisational structure.

The semi-structured interview questions in Appendix 1 were designed in line with the primary goal of interview questions which is to answer the study's specific research questions. This can be done by translating the research question into a selected number of interview questions. (Kaiser 2014, 52). In this study, the semi-structured interview questions were structured based on this approach while taking into consideration the meeting notes, materials and workshops compiled during the researcher's time working as an external consultant. Also, the focus on core value renewal, strategic alignment and strategy execution were considered to support the research questions and value provided for the case firm – something that is central for action research (Stringer 2007, 11). Moreover, an organisational values reflection framework was used to structure the interview

questions since this thesis' research method follows Lewin's (1946) cyclical action research and focuses on planning, acting, observing and reflecting the case firm's core value renewal process. In total the number of interviews conducted was eight.

Interviewee selection was based on two main parts. Firstly, the researcher had multiple conversations with the case firm's managers and directors to clarify who would potentially be the most suitable for the semi-structured interviews. For this action research, a group of individuals were chosen to be interviewed who had been actively involved in designing, preparing and launching the new set of core values. These individuals had domain-specific experience and by being actively involved in this core value renewal process – each interviewee met this selected interview criteria of being a core value renewal professional within the case firm. (Mieg & Brunner 2004, 209.)

Secondly, the researcher had his own suggestions and ideas on who would be the best individuals to interview. These suggestions were based on the following criteria that can be used to assess the choice of a core value renewal expert (Gläser & Laudel 2006, 113). These include (1) Which expert has the relevant information? (2) Which expert is most likely to provide precise information? (3) Which expert is most likely to be available and willing to provide this information? Based on these criteria and the discussions with the case firm's representatives, a set of specific criteria for this thesis was developed which included the following aspects: (1) Has worked in the core value renewal process extensively, (2) Possesses business unit specific information, (3) Is available and ready to discuss the renewal process openly.

Based on the criteria, both the previous and current project managers were interviewed. Furthermore, the researcher wanted to get a broader understanding of how the renewal of core values has impacted executives, directors, managers and employees across the multinational enterprise in different business units across the organisation. With this approach, an experienced selection of individuals with key roles in the value renewal project were chosen to be interviewed. The list of interviewees, their position, team/business unit and main role of area of focus in the project are described in Table 5 below.

Table 5 List of interviewees

Interviewee	Position, Team/Unit (main role / area of focus in the project)	Interview length	Date
Interviewee 1	Director, Flexibility (prev. Project Manager until Oct. 2024, Transformation Office)	50 min	25.04.2025
Interviewee 2	Project Manager, Innovations (main project manager since Nov. 2024)	52 min	02.05.2025
Interviewee 3	Director, Learning & Development (content owner of the renewal project)	45 min	05.05.2025
Interviewee 4	Senior Manager, People Function & Leadership Development (internal activation and manager training)	53 min	06.05.2025
Interviewee 5	Director, Employee & Leadership Communication (internal activation and communications)	45 min	08.05.2025
Interviewee 6	Vice President, a key business unit (representing a key bus. unit in the project)	46 min	15.05.2025
Interviewee 7	Director, Brand & Reputation (internal activation and branding renewal)	43 min	19.05.2025
Interviewee 8	Executive Vice President, Strategy Function and a key business unit (Head of strategy and part of Leadership Team)	44 min	26.05.2025

Each interview meeting was scheduled to last 45 minutes and both the interviewer and interviewees were able to keep the total length in this timeline quite well. All semi-structured interviews were held remotely in Teams to help with recording the transcripts (Saunders et al. 2009, 321). Each actual interview lasted between 43 and 53 minutes in total. Furthermore, interview consents in Appendix 4 were provided to each of the interviewees and the actual interview data was kept securely in encrypted cloud storage. Even though the interviews were held remotely, the interviewee was able to create a trusting and calm environment during each of the sessions and received positive feedback from the interviewees. This was achieved since the researcher had worked and collaborated with most of the interviewees prior to the semi-structured interviews. In fact, without this type of trust, getting quality answers in a relaxed environment is very challenging (Hair et al. 2016, 200).

The set of semi-structured interview questions used to support the interviews can be found from Appendix 1. These questions were designed with predetermined themes that would guide the interview process while improving flow and allowing the researcher to make some adjustments based on his relationship with the case firm's project member (Saunders et al. 2009, 320). Having

this ability was seen as necessary since some project members had worked on the value renewal project during different phases of it. The interview questions are divided into 4 clear sections which are (1) looking back – the renewal journey so far, (2) alignment – core values & strategy, (3) stakeholder reflections and (4) continuous development – what’s next. These were chosen to build a continuum from focusing on the past, into the present and finally to the future on what is to come with the case firm’s core value renewal process. Furthermore, this structure was build based on Table 1’s reflection framework. For example, interview questions about stakeholder responses and how the renewed core values guide internal work process can be linked and aligned very well with the framework’s intra-organisational and external reflection levels. Similarly, the chosen interview questions about embedding values into daily work, continuous improvement and learning reflect and align well with the “change” column of Table 1. This clear alignment between the final interview questions and the reflection framework ensures that core value renewal is explored comprehensively in a reflective way to capture how core values drive strategy execution in the context of the Finnish multinational enterprise and its dynamic business environment. The synthesis was also reflected by considering and discussing the different phases of the core value renewal process during the interviews and how the case firm structured their whole renewal process from the start to where they were at the time of the interviews.

As a researcher having worked previously in the case firm as an external consultant, choosing to interview core project team members was a straight-forward choice. However, this choice also meant that the researcher/interviewer was potentially slightly biased about some of the activities done during the case firm’s pre-launch phase of the core value renewal process. These biases were related to the perception of the project and its key design decisions during different phases that affected how the success of the project was also reviewed as a researcher. These were some of the things taken into account and highlighted during the start of each interview by emphasising the need for objective answers also by looking at the value renewal process from an outside-in perspective to fully understand the possible blind spots for objective research this would have created. Collaboration and alignment with expectations for the whole interview process worked seamlessly with the case firm due to good relationships to the right individuals with key roles in the core value renewal project. To summarise, this approach allowed for discussion that were in line with this thesis’ main aim and research question around core value renewal and strategy execution.

3.2.2 Document analysis on meeting notes

The primary purpose of document analysis as a data collection method is to support and validate the interview findings. This was done by the researcher analysing their personal meeting notes from the project work during the preparation and launch phases of the core value renewal project. Document analysis is often referred to as secondary data that is naturally occurring. (Silverman 2001, 159.)

However, for this specific research, the pre- and launch phases' meeting notes are not collectively described as secondary data since the researcher was heavily involved in capturing these specific notes during the pre- and launch phases of the core value renewal process in the case firm.

However, besides the terminology of not discussing the document analysis as a secondary data source, it otherwise follows the theory behind it, for example, about it being found in different forms such as in textual documents, audio, videos and stories. (Eriksson & Kovalainen 2008, 77–78.)

In addition to the interviews, a relatively wide range of project meeting documents and materials were gathered and analysed to provide a broader understanding of the case firm's core value renewal process. The data collection of the written meeting notes was completed by combining two months of the researcher's personal meeting notes from Microsoft OneNote between early December 2024 to February 2025 during his time working as an external consultant. In total there were 51 A4 pages worth of meeting notes from this time that were manually gathered into a single Word-document. This was done since document analysis can be used to process scientific data that can potentially provide additional insights to support the semi-structured interviews (Morgan 1993, 112). Hence, the purpose of the document analysis was to validate the findings from the interviews by identifying the key processes used in the core value renewal. Document analysis is often used as a tool to mine new knowledge from already existing data that can be used to understand a certain phenomenon. For this study, the researchers meeting notes were analysed to capture any additional insights that the external consultant had captured during the project work between October 2024 and February 2025. (Krippendorff 1980, 21.)

Analysing the documents was narrowed to only the researchers own meeting notes while working as an external consultant since the case firm wanted to keep their company-specific data and materials outside of this study. Moreover, the researcher wanted to capture and find supportive claims about the core value renewal and how it had impacted internal and external stakeholders. More specifically, the focus here was on employees and customers. Both these stakeholder groups and the impacts on them were discussed as part of the projects weekly meetings and hence captured

in the some of the personal meeting notes as well. These captured meeting notes also highlighted any of the clear challenges or obstacles that the core value renewal team was facing during the actual project.

3.2.3 Post-launch workshop observations

The final chosen data collection method was observations. Observations can be described as a data collection method where an observable phenomenon or behaviour is systematically recorded in its natural context (Gorman & Clayton 2005, 3). As part of the action research, the researcher had continuously observed the work of the core project team but the observations of the outcomes of the project work were not available before the new core values were launched. In practice, this meant that the various core values related activities for internal stakeholders only started once the new values were officially launched in late January 2025. There were a lot of different engaging activities, workshops, events and trainings that the case firm designed to help the employees learn the new core values and then to use them as part of daily work in the case firm. During the project, this was called actualising the values or bringing them to life with new ways of working. As an external consultant, the researcher was involved in designing these various post-launch activities from an idea to execution. The largest post-launch activity was a case firm-wide workshop day that was designed for all the firm's line managers and everyone above their seniority level. In fact, workshops often act as interactive forums where participants express their interpretations through dialogue (Eriksson & Kovalainen 2008, 86). Therefore, this included everyone up until the Chief Executive Officer of the Finnish MNE. For this group, a total of 10+ workshop days were designed that were held in four different countries in the spring of 2025. In total, 650+ managers were involved in these workshop days with roughly 50 managers in each of the workshops.

As part of this study, the researcher was aiming to see how the managers across the case firm had reacted and started to use the new values in their daily work. To get a more comprehensive view on this and to support the findings from the semi-structured interviews on core project members, the researcher was invited to follow a real-life live post-launch workshop where the renewed core values were embedded into managers' existing leadership skills and group-level operations. Prior research supports this decision since observations should be chosen if one of the aims is to understand people's behaviours in events (Hair et al. 2016, 196). This workshop took place in early April 2025, roughly two months after the renewed core values were launched in January 2025.

Gathering observations requires the researcher to use multiple ways to collect data while maintaining its primary role as an observer and researcher to actually collect the data and analyse it

(Baker 2006). In this study, the observations were made by following the workshop day and capturing live notes of the discussions at Helsinki, Finland. Here the researcher was in a position where he had also taken part in designing the contents and structure of this specific workshop day. This created some biases on how the researcher perceived the success of the workshop day since the researcher was not fully observing the workshop day from an outsider's view but rather as someone with existing knowledge and presumptions of the flow, structure and activities that took place. This was taken into consideration in the researcher's active notetaking by emphasising and focusing on collecting the insights on the feedback heard from the participants during the day on the various activities. Based on this approach, the researcher took extensive anonymised notes during the workshop day about the behaviours and responses both attendees and facilitators had towards the newly renewed core values. This meant that this workshop was observed in a non-participatory way by taking anonymised field notes to capture the interactions between various case firm's managers from different seniority levels. In fact, observations allow the researcher to naturally access and observe the process that is being researched. (Hirsjärvi & Hurme 1988, 201–202.)

Besides the field notes, the researcher got also access to the case firm's 60 pages long workbook that was used during the workshop day. This physical book included the contents discussed during the workshop day including detailed information about each activity and what the participants were required to do. Furthermore, the workbook also contained additional resources that were directly related to the recent core value renewal and the official launch of the new values. These materials focused on explaining what the participants and managers are expected to do within their teams after the workshop in the coming months as part of the post-launch phase of the core value renewal process. The workbook also provided detailed materials and information about how the case firm's leadership development model has changed once the new core values were launched. Lastly, the additional materials included all the vital information about the case firm's existing strategy, how this is linked and connected to the new core values and what these changes mean for the MNEs future.

When observations are conducted, choosing the correct range of observation and limiting to those subjects is very important. However, for this post-launch workshop day, the content of the whole day was directly linked to the recent core value renewal and values-strategy alignment, making the whole day relevant to be observed. (Paalumäki & Vähämäki 2020.) Based on the need to learn more about how the recent renewal of core values had driven strategy execution among employees and customers, the researcher followed this post-launch workshop about how the case firm's managers should apply the renewed core values, strategy and purpose into their leadership. In this workshop,

the researcher actively observed real-time communication and work about the reinforcement of the core values. The researcher also evaluated the facilitators work and employee's reactions to the various activities that were held during the workshop day. Furthermore, the researcher took notes and analysed how various stakeholder groups and value creation within them was addressed during this internal post-launch workshop. The field notes were captured actively during the workshop day since these should be taken as soon as possible to capture the conceptual details and impressions accurately. (Hammersley & Atkinson 2007, 140.) The workshop and its activities also addressed some of the key points of this study as well around strategy execution and more specifically about how the employees were impacted by the new core value renewal. In this workshop, the attendees were managers from a variety of seniority levels which made the discussion during the workshop day focus on the impacts on employees.

3.3 Data analysis

After the data was collected across the eight semi-structured interviews, written meeting notes and post-launch workshop observations, the combined information was gathered and used as a database for the analysis (Kaizer 2014, 89). The data analysis was conducted through thematic analysis and interpretation, a qualitative research method used to identify, analyse, and interpret recurring patterns and themes from all the three data types. Thematic analysis is known as a flexible and widely used qualitative research method which focuses the recurring patterns across the data set used the specific research. (Braun & Clarke 2006, 77–81.) This choice was done since thematic analysis aligns well with the interpretive nature of action research which was chosen as the research approach for analysing the case firm. Moreover, thematic analysis enables the researcher to have a reflective and iterative approach to conducting the data analysis which supports the aim of this thesis.

Each interview was held fully in English, and the transcriptions were anonymised and grammatically corrected after completing each interview. All of the interviewees worked at the Finnish MNE and possessed fluent language skills in English, allowing the researcher to understand the context of their answers without any major misinterpretations. Therefore, each of the eight semi-structured interviews were transcribed and recorded via Microsoft Teams and the first analysis step included reviewing, listening and openly coding each of these interviews multiple times as part of the thematic analysis. Once all of the interviews were held, the transcribed text was openly coded to find key themes, a method used in thematic analysis. The various stages of this cyclical process

included firstly reading and categorising each of the interviews, after which connections were found and reported between all the interviews (Eskola & Suoranta 1998, 151–513).

The researcher was following the typical process of qualitative analysis which generally consists of four procedures which are (1) summarising the content, (2) forming inductive categories, (3) explicating and (4) structuring (Mayring 2004, 268–269). In this process, the researcher first read through the transcriptions while correcting grammatical errors to get a more holistic understanding of the data. While reading through the transcriptions, the researcher also got more familiar with the tone and context of each interviewee's words. During this first round of reading, the transcriptions were also anonymised in terms of interviewees names or case firm's names. The interviewees names were renamed to "Interviewee 1–8" whereas the actual case firm was anonymised to "case firm". Furthermore, the first round of reading through the transcripts included an inductive approach in terms of how each interviewee described their experiences during the core value renewal process and how they perceived the new core values. Here the researcher paid specific attention to emotional language, recurring adjectives and metaphors when the core values, strategy or stakeholders were discussed.

During the second reading of the transcripts, the researcher started to take notes and analyse recurring patterns, ideas, phrases and themes that were relevant and related to the research questions. This included highlighting especially the attitudes towards renewing the core values and what the interviewees thought about the launch of the new core values in general. Moreover, any discussions about employees or customers were highlighted especially about the interviewees' own experiences and what type of feedback they had so far received from other employees as well. The notes were organised based on the research questions but were kept open for any additional insights at later stages of the coding process. As certain patterns began to surface, these were labelled provisionally such as "employee energy", "strategic coherence" and "stakeholder trust" in line with the recommended approach of coding data (Braun & Clarke 2006).

There were several emerging patterns that appeared across the coding of the eight semi-structured interviews. The first one of this was around *simplification and clarity* when the interviewees described the old values as complex, fragmented and largely forgotten. The second key pattern touched on the *values-strategy alignment* where the interviewees emphasised how the new values mirrored strategic priorities and operational goals of the MNE. The third key pattern about *employee engagement and energy* emerged during the discussions about the launch of the new core values when the interviewees described the renewed core values as a source of motivation and

shared purpose. The fourth key pattern was around *stakeholder trust*, especially related to how the employees, customers and partners interpret the new core values and how this changes the perception of the case firm. The final key pattern was highlighting embedding and *sustaining change* with a key emphasis on understanding that the core value renewal process is not just about launching the new values on the company's website but rather a continuous process, requiring efforts across the organisation from leadership, managers and employees.

Once these key patterns were highlighted, those were consolidated into four key thematic themes that are following the logic of the actual renewal process in the case firm. This include the (1) why the renewal was needed, (2) how the renewed core values were aligned with strategy, (3) how the renewal drives stakeholder value and (4) how the renewal can be sustained. A separate table was created to summarise and illustrate the key parts that were merged under a few final key themes which is Appendix 2. The interview data went through a thematic analysis based on the above-mentioned steps (Eskola & Suoranta 1998, 75).

A separate thematic coding chart was also developed to showcase the coding process and key themes which is Figure 4.

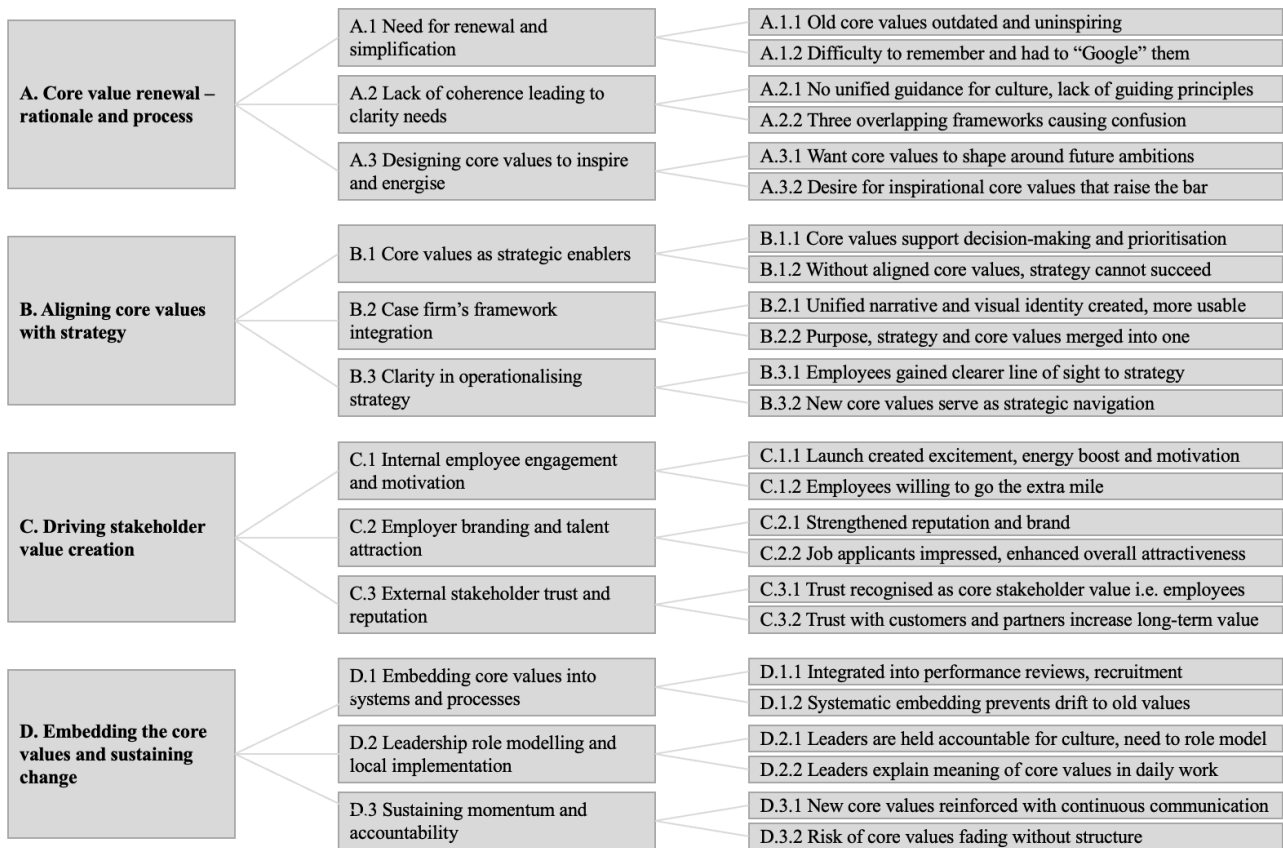


Figure 4 Thematic coding chart

The thematic coding chart in Figure 4 showcases the coding process of the four key themes that were identified based on the eight semi-structured interviews. This thematic coding chart was created to highlight how the more detailed insights from each interviews created certain repeating patterns that eventually created the four final key themes which are the following: (1) Core value renewal – rationale and process, (2) Aligning core values with strategy, (3) Driving stakeholder value creation, (4) Embedding the core values and sustaining change. These final four themes were quite in line with how the semi-structured interview was structured as well. The next paragraphs emphasise the data analysis of the document analysis and observations that were used to support the semi-structured interviews which was the most emphasised data collected for this thesis.

During the analysis of the researcher’s personal meeting notes, certain structured processes were found that were expected to enhance the understanding behind how the renewed core values were formalised. Moreover, the overall communication throughout the preparation phase was analysed to see how the values-strategy alignment was communicated before the new core values were launched. The analysis of the meeting notes supported to assess how the values-strategy alignment was communicated and executed across the case firm. The documents and analysis of them was

divided based on the specific phase of the core value renewal process: (1) pre-launch phase, (2) launch phase and (3) post-launch phase. Since the researcher worked mainly on the project during the pre- and launch phase of the core value renewal process, meeting notes and other materials were mostly gathered from these two phases.

Document analysis was completed by combining two months of the researcher's meeting notes which were categorised to the three core value renewal phases and added together after which certain key words were searched from text files to understand the connections between interview findings and these meeting note findings. These notes were analysed by connecting this thesis' key words with the meeting notes. Based on these, the most commonly used words after the firm's name and project's name were (1) core, (2) actions, (3) managers, (4) workshop, (5) day, (6) purpose, (7) strategy, (8) values, (9) aligns and (10) teams. These were found through using Microsoft Copilot and authenticating this list with manual searching (Control + F). In return, these key words were used to support the interview discussions and findings from them. This was done by emphasising the role of core values, actions done during the project, workshops and across different teams. The role of managers was also discussed extensively as part of the interviews to better understand the values-strategy alignment and purpose of the whole core value renewal process. In practice, the key words from the document analysis guided the key topics discussed as part of the interviews.

For the post-launch workshop observations, the field notes were gathered during the workshop day and analysed afterwards by writing down the key findings from the discussion between the participants and facilitators. Each separate workshop activity was also analysed by considering how the participants reacted to actually doing the activity. The case firm's CEO and CFO also attended this specific workshop day which indicated the dedication the case firm's upper management had had on the recent core value renewal project as a whole. Furthermore, the observations highlighted the need for continuous learning and active implementation of the new core values into day-to-day work.

The field notes were taken about the activities, reactions and feedback the managers had on the core value and values-strategy alignment related topics. A total of 15 pages of hand-written field notes were gathered during the workshop day. The workshop included various values and strategy related exercises and activities that aimed to improve the managers awareness of the case firm's renewed core values and how these can be aligned and used effectively to support strategy execution. After an activation exercise that kicked off the workshop, the day consisted of four main segments. The first main part focused on how the MNE's purpose, strategy and values are reflected and seen in the

firm's future in 15 years. The second part moved the futuristic discussion into more practical business unit level discussion with the help of solving real-life scenarios. The third part moved the discussion one step closer to the manager with an activity crafted for team level activation. The final part of the day focused on individual level activation and how the learning can be implemented from the workshop day and recent core value renewal into day-to-day leadership and managing others in line with the firm's purpose, strategy and values. Each of these parts of the workshop day were analysed multiple times and the field notes were analysed while adding additional insights.

The researcher captured the field notes from each of these activities while also getting access to a physical workbook that was used during the workshop. This workbook included the contents discussed throughout the workshop day and this material was also analysed after the workshop as part of the post-launch workshop observations. The workbook was analysed by reading through the contents while connecting each activity with the field notes as well. Connecting the openly handwritten field notes with the physical workbook readings allowed the researcher to capture each of the key points about how the workshop day was structured, what were its key goals, how these goals were achieved and how this served the greater purpose of improving the knowledge of the new core values in day-to-day work among the managers that attended the workshop as participants. During the analysis of the post-launch workshop observations, the researcher reached a point where further investigation about the field notes or workbook contents did not provide substantial additional insights related to answering the research questions of this thesis and hence the data analysis was ended once all the three data collection methods had been properly analysed.

3.4 Evaluation of the study: trustworthiness, authenticity and ethics

One key part of this study is also the evaluation of the study and how trustworthy the completed research has been. In evaluating this qualitative action research, the four evaluation criteria introduced by Lincoln and Guba (1985, 290–331) were used. These are (1) trustworthiness, (2) credibility, (3) transferability and (4) confirmability. These four criteria build the foundation for assessing the whole qualitative research – something that has been done also in this thesis.

Trustworthiness is referred to as how well the research can be applied to other studies while staying neutral without any distinctive biases that would reduce the trustworthiness of the final research. In this thesis, trustworthiness was gained through clearly articulating the biases and limitations the setup and relationship between the researcher and case firm created. To improve the trustworthiness of the findings from the interview coding, data triangulation was used by integrating the three data collection methods together (Tynjälä 1991, 392). In this thesis, the data gathered from each semi-

structured interview was used as the main data source since it offered first-hand perspectives from managers who acted in key roles as part of the case firm's core project team behind the value renewal project (King 1994, 14).

To ensure that the researcher was describing the case firm's core value renewal process correctly, the workbook from the post-launch workshop was read through and analysed multiple times to align on the key words, statements and reasoning behind why the old core values were renewed in the first place. These official materials were also used in the launch of the new core values and in them things such as the *why*, *what* and *how* behind this renewal were explained clearly and concisely. Furthermore, this workbook included various specific materials about the case firm's strategy where it was explained how the new core values and strategy were aligned together to support strategy execution and unified success of the Finnish MNE. This information was used and aligned with the statements gathered from the interviews and document analysis to ensure that the actual official case firm-wide reasoning behind the core value renewal was explained correctly. This process of aligning the individual-level comments and notes with the company-wide statements ensured the trustworthiness of this thesis and its contents discussed about the case firm.

Credibility refers to the extent to which the findings of research represent a possible reconstruction of the realities who were involved in the research. (Lincoln & Guba 1985, 296.) In practice, this means that credibility of the research is assured when the referenced authors and collected data would align with what is stated in this thesis and is truthful and credible. In this thesis, credibility was improved by the long engagement the researcher has had with the case firm. Also, the researcher was very meticulous about his observations and ensured that all interviewees were invited to validate their own transcripts on what they said after each completed semi-structured interview. With the triangulation across the three data collection methods the research's robustness and interpretations were strengthened. (Lincoln & Guba 1985, 305; Tynjälä 1991, 392.)

Transferability is defined and referred to as the applicability of the findings to another research contexts while providing a thick description of the setting, participants and context (Lincoln & Guba 1985, 316). In practice this means that incredibly niche research topics are not that transferable which also reduces the trustworthiness of the final research. This thesis focuses on a recent core value renewal project done by a Finnish MNE, meaning that other MNEs can assess the relevance of this thesis and its findings in their specific settings. This is especially true for the provided three-step core value renewal process which can be used to better understand the resources and necessary steps that are crucial for a successful renewal project. The final criterion used for

evaluating qualitative research was confirmability which means how well various techniques are used to ensure that the researcher has conducted honest and trustworthy research. Confirmability is achieved when all the trails of how data was gathered is open for everyone and can be easily examined (Lincoln & Guba 1985, 319). In practice this means that nothing should be hidden from the reader but rather clearly explained and articulated what has been done and why. In this thesis, confirmability was achieved through rigorous documentation of the research process and explanation of the background of the case firm which was analysed. Moreover, coding decision and overall logic behind the data analysis was clearly explained. The three data collection methods were explained thoroughly, and the researcher was very aware of his role, biases and interactions with the case firm. In fact, it is not all about objectively but also about the researcher's honesty, balance and overall trustworthiness. (Tynjälä 1991, 392.) All these are clear elements that build the ethical foundations to qualitative research.

A study can also be evaluated based on research ethics and even if the research would create conflicts, research ethics focuses on avoiding harm and doing good (Orb et al. 2000, 93). This research aimed to follow general guidelines of ethical academic research, data collection and data analysis. The ethical guidelines – accountability, reliability, respect and honesty were evaluated based on All European Academies which are described as fundamental principles of research integrity (ALLEA 2017). All interviews and other collected data were anonymised, and strict policies were used to store the data only for a certain period of time until the end of 2025. The interviewees also had the option to withdraw from the interview process even after completing the actual interview (Shenton 2003, 63–75). Transcriptions were used via Microsoft Teams for each of the eight semi-structured interviews. These and other ethical policies are explained thoroughly in Appendix 4 and Appendix 5. For ethical use of artificial intelligence (AI), it is disclosed here that AI was used for checking grammatical errors and improve language. Also, enterprise-level Microsoft Copilot was used to analyse the 51 pages worth of meeting notes inside the researcher's employer's secure cloud-environment which use is described in Appendix 6.

4 Findings and insights

This chapter presents the empirical findings from the action research on the case firm's recent renewal of core values. The chapters are sectioned based on the key themes that rose during the data analysis process. These key themes are opened in the following chapters 4.1, 4.2 and 4.3. Firstly, new core values are analysed based on the case study and how the values have created change and impacted stakeholders, especially among employees and customers. Secondly, core value renewal process and its effective and ineffective approaches are analysed. Thirdly, findings about strategy execution and strategic alignment are opened to get a better understanding of key success factors and challenges MNEs might face during the core value renewal process. Figure 5 is used to illustrate and clarify what the case firm's core value renewal process looked based on the researcher's observations during the different phases of the core value renewal project.

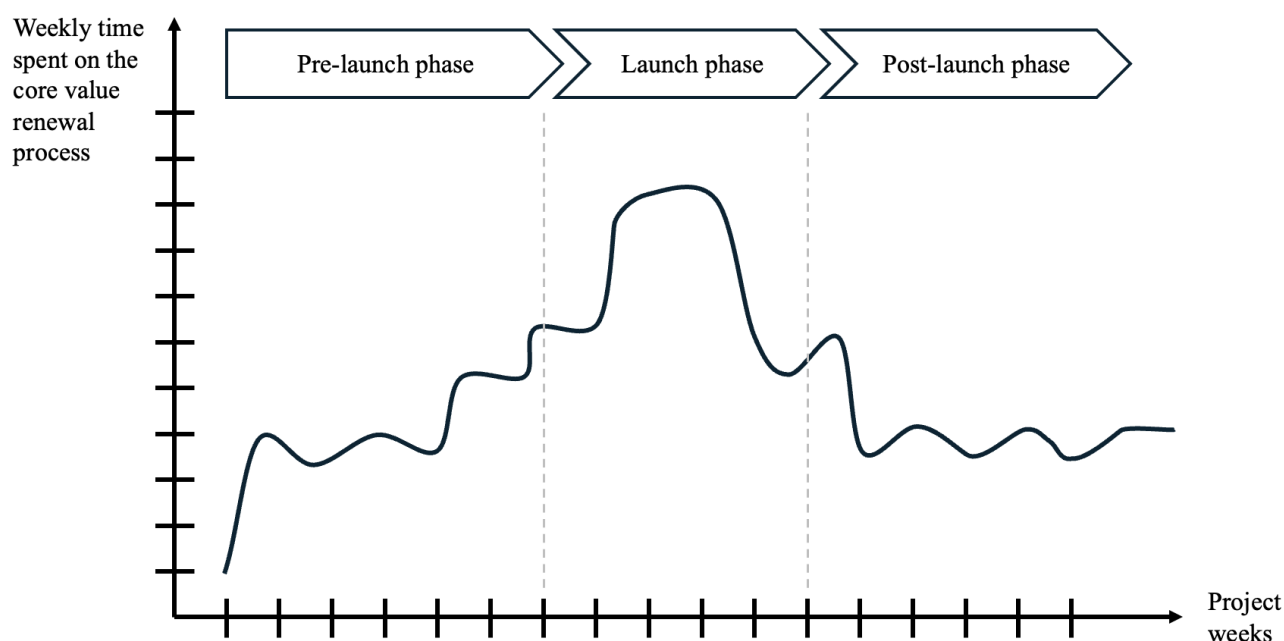


Figure 5 Workload and project graph based on case firm's renewal process

Figure 5 illustrates a rough anonymised estimate and a graph of the case firm's weekly workload compared to the number of project weeks that the entire core value renewal process took at the time of writing this thesis. The pre-launch phase consisted of starting the process and understanding the reasoning behind renewing the core values. Once the decision of the renewal process was done, the workload intensified when the potential new values were designed and aligned with the strategy. Throughout this time, the launch the launch was started to being prepared. Once the case firm had

gained sufficient understanding of the reasoning and had made the necessary improvements into the structure of the new values and how those were aligned with strategy to support the execution of it, it was time to launch the new core values.

The launch phase consisted of a few weeks of intensive work where the new core values were introduced to the whole organisation for the first time. This big launch continued with various activities and other events which helped the MNEs employees learn and understand the new values, why those were renewed and how this change impacted their day-to-day work. Finally, the post-launch phase is still currently ongoing, but it is distinguished by its consistent workload which comes from organising and facilitating various activities that support the deeper integration of the new core values into the new ways of working. One of these activities, for example, was the post-launch workshop day that the researcher also attended. Due to these activities, the post-launch phase can often last the longest, depending on how the whole renewal process is structured. For the case firm, the post-launch phase was designed to last roughly 11 months in total giving the case firm plenty of time to integrate the new core values into day-to-day work creating change and new ways of working impacting both employees and customers while supporting the corporate-level strategy execution.

4.1 New core values creating change and impacting employees and customers

The findings from the data suggest that the case firm's core value renewal had so far most substantial impact on internal stakeholders, mainly employees and managers of the MNE. This finding stemmed mainly from the fact that the data was collected, and interviews were held only roughly three months after the core values were launched. New values were launched in late January 2025, and interviews were held between late April and May. This timeline can be seen as a "rough" estimate on how long stakeholder value realisation takes. Therefore, the data indicated that external stakeholder groups were only indirectly affected by the renewal.

Many of the interviewees highlighted risen scepticism inside the MNE's workforce once the discussion of renewing values was first introduced during 2024. This resistance often stemmed from deeply engrained beliefs and behaviours that the case firm's employees had cultivated inside the organisation throughout its long history and heritage. In fact, it was often the long-tenured employees that questioned the need for change.

"The case firm has a long and proud heritage and performance in basic business has been very strong for decades. This is why the loyal and good employees don't always

think there is something that needs to be changed.” (Interviewee 8, Executive Vice President, 26.05.2025)

Furthermore, letting go or changing existing structures, processes or values is often considered very challenging. This type of initial hesitation is very apparent which often highlight that the sense of urgency is often missing until a true crisis is forcing change (Interviewee 8, Executive Vice President, 26.05.2025). Therefore, the core project members had to be careful how these new initiatives of renewing core values would be informed to the employees.

“If we would have said in the beginning that we are going to change our values and get rid of our leadership principles, we would have gotten a lot of resistance” (Interviewee 3, Director, 05.05.2025)

However, as mentioned in the case firm’s background description, the Finnish MNE had recently went through a large transformation and internal restructuring. In fact, this external shock from the Russia-Ukraine war was considered as one of the key reasons why the core values had to be renewed in the first place. Moreover, once these internal challenges became clearer to the employees, the MNE had less resistance to renew the core values. Furthermore, the strategy was already updated in 2023 which meant that there was some misalignment with the old values.

“At one point, we were in a deep crisis and close to bankruptcy. During this crisis, we had to do something because people were lost... I think this is one way to get the acceptance.” (Interviewee 5, Director, 08.05.2025)

This background and challenges in the case firm’s business environment paved the way for the core value renewal which also had a direct impact on stakeholders. Furthermore, the case firm’s approach in first analysing and then reacting to the changes in the business environment while realising the overcomplicated current set of guiding principles led the MNE to renew its core values.

“Industry is changing all the time, and we need to make sure that we all look in the same direction and have unified ways of working” (Interviewee 2, Project Manager, 02.05.2025)

“The new values are the official statement that ‘now we allowed to think bigger, take risks, consider alternatives and what could we achieve’, not only how can we avoid all the possible risks. This is a different kind of mindset, and I feel the values support bigger thinking” (Interviewee 6, Vice President, 15.05.2025)

Interestingly, once the core values were then developed and launched, reception and perceptions about them changed a lot of for the better among stakeholders, especially employees who were first introduced to the fresh set of core values. In fact, several interviewees stated that various employees

around different business units reacted very positively to the new values. Some of the feedback included that the new values had created energy and engagement among employees. Furthermore, the new values were described as simple and memorable while providing a shared language employees found exciting. This boost in morale indicates that employees not only accepted the change but were also inspired by them which was a very beneficial impact for the whole MNE. Furthermore, the new values clarified and reminded employees what is expected from them while encouraging them to be more ambitious and collaborative. This data and feedback from the case firm's interviewees further solidified the importance and true impact renewed values can have on employees and their day-to-day work. Furthermore, it shows that the case firm has early signs of values fostering commitment and collaborative effort from employees.

“I think in general the feedback has been very positive. I haven't heard any negative feedback from my business-unit.” (Interviewee 6, Vice President, 15.05.2025)

“If you have anything that can boost the employees' excitement, energy and engagement, that is a very positive thing since then they will deliver and go the extra mile. (Interviewee 4, Senior Manager, 06.05.2025)

When external stakeholders are considered, the impact groups such as customers or investors have had since the new values were launched has been less evident. However, this was something that the case firm had expected and also internally considered during the planning phase of the project before the new core values were launched in January 2025. In fact, the case firm deliberately chose to rollout the new values from inside-out, meaning that there were no major external marketing campaigns or press releases about the launch of new values.

“We need to start from ourselves and then live up to the values first, before making external announcements.” (Interviewee 3, Director, 05.05.2025)

“The first time I presented the new values to an external party, they reacted positively, stating the new values are very fresh and fitting to this time.” (Interviewee 6, Vice President, 15.05.2025)

Even though direct feedback from the customers and investors had been quite limited at the time of the interviews, some of the interviewees highlighted that the new values had already impacted job seekers and their perception with a refreshed brand image. For example, some job seekers had described the case firm as a “modern company” whereas before this was not the case. These signals of improved talent attraction further emphasise the role of core values in building organisational identity and brand image. Over time, these positive changes can grow into valuable stakeholder outcomes that benefit also external groups. Furthermore, some of the workshop observations highlighted that managers believe in creating a work environment where values are used to

maximise customer exposure. This attitude of leaving the past behind and a values-driven workforce indicate a potential future with stronger customer relationships, successful strategy execution and satisfied investors.

“In the longer term, if the employees are able to live up to the values, there is value for the people, customers and partners. This value can be only unlocked if we live up to the values.” (Interviewee 4, Senior Manager, 06.05.2025)

After analysing the impact the core value renewal has had on the case firm so far, it is apparent that the biggest impact has been on employees. However, the groundwork has been built to benefit other stakeholders as well if the values are fully embedded into the MNEs internal operations, structures, processes and employee behaviour first. This is best achieved when the current stakeholder impact is sustained through an ongoing learning process. Changing old habits and ways of working is not an overnight fix and the interviews also highlighted certain business units that were either a lot ahead or behind others in terms of actualising the new values into their processes. This builds on the fact that value renewals are challenging, especially in large MNEs. To solve the challenges global workforce and cultural differences bring to the table, managers and employees require continuous reinforcement about the impact values have on both internal and external stakeholders. This message is often best understood through leadership’s role modelling, values-based communication and actual visible changes. All this came apparent after analysing the physical workbook where a clear path for managers was designed to first teach them about the core values and then to share these learnings to their team members as well. This was done to 650+ managers, showing the intensive effort the case firm had put on creating change. Furthermore, the case firm integrated the launch of their new brand and visuals with the launch of the renewed core values which further signalled the change that was happening showing each employee that the old ways of working are now in the past. By doing this, internal stakeholders were directly impacted by the launch of the new core values and ignoring them was near impossible.

“If you make a change and don’t see anything, it usually fails. The brand makes the renewal visible and contributes to pride and feeling of identity in the company – that this is my company.” (Interviewee 7, Director, 19.05.2025)

This perspective of brand supporting the renewal was also something that was mentioned in the literature review. Strong branding and connecting it to company-wide renewal is a great example of how involving people in the change often leads to better results. Therefore, it can be summarised that positive stakeholder impacts are mostly seen internally with employees and managers who have been most involved with new values so far. Employees have been introduced to the new values through a new branding, launch activities and various team specific exercises whereas the managers

took part in part in leadership training focusing on leading with the new values. However, the importance of reinforcing the existing in tangible ways cannot be understated since replacing old ways of working is a long process. If the whole renewal process and positive momentum from the launch of new values can be kept, there is a high likelihood that the new values will also impact external stakeholders such as customers and investors more and more. Lastly, embracing and realising the full value-creation potential internally first is seen as a great way to create long-term impacts in the whole MNE's operations.

It was also found that the meeting notes were well-aligned with the key discussion points also in the interviews and during the post-launch workshop. Moreover, it was highlighted how the case firm distinctively wanted to connect the firm's existing purpose and strategy with the renewed core values. This approach impacted stakeholder groups, mainly employees and managers by clearly communicating what the new MNE wants to accomplish in the future and how this is done in line with the new ways of working – values. Furthermore, some of the most repeated meeting notes unveiled sentences such as “we want to make the strategy more open” and “cover strategy more” which further emphasises the need for a strong values-strategy alignment after a core value renewal process. Moreover, impacts on stakeholders were also clearly discussed during the preparation phase of the renewal process with sentences such as “these better resonate with the employees”. Overall, the meeting notes indicated the clear impact core value renewals have on managers and employees, however the impacts on other stakeholder groups were less realised.

The participants during the workshop highlighted that “it is time to leave the past behind” emphasising how renewing core values can act as a fresh start for the MNE's future. This type of thoughts and behaviour also indicate the massive impact renewed core values can have on the whole identity of the MNE. The researcher was able to find actual behavioural indicators on how the renewed core values were received and enacted on a more practical level. During the workshop, it was also highlighted that the case firm's renewed values are created to support and maximise customer exposure. This indicates that MNE's might renew their core values to improve customer relationships. Furthermore, one of the key observations included various discussions which highlighted that creating clarity is valuable. This once again emphasised the case firm's history and how changes in its business models have forced it to unlearn past practices. Once this type of transformation happens, its implications and effects across all stakeholder groups are massive. For managers participating this workshop, this means that they need to move from managing to leading which highlights how the renewed core values can also transform certain leadership principles and ways of working. Once someone changes their behaviours for the better, this creates a snowball

effect and soon its results can be seen in customer service, relationships and decision-making. Once this proceeds as well, shareholders become more invested and opportunistic about the MNE's future which further motivates the employees to work even better in line with the firm's values and strategy. This is what successful renewal processes can create as positive end-results which are environments where living up to the values is cultivated and respected, not overlooked or seen as irrelevant.

4.2 Core value renewal process and framework

In the conditions of uncertainty such as market changes or company restructures, the MNE should be managed through the core values rather than relying on personal or bureaucratic mechanisms of control (Interviewee 5, Director, 08.05.2025). This truly highlights the importance of core values and also shows why MNEs renew their core values to maintain relevancy which was also brought up during the interviews. For the case firm, they wanted to create their own company-branded framework which combined the firm's renewed core values, purpose and strategy together. This framework was not built only by the C-level executives but rather as collaborative change effort where key decisions were made through data and guided by the strategic objectives. In practice, this meant that the case firm had first conducted and investigated if there even is a need for the value renewal by questioning the existing guiding principles and their structure.

“The project was initially called “Project TBD (to be decided)” so we did not know what we are going to end up developing, if anything. After getting the permission from the leadership team to investigate the potential renewal, data analysis was conducted which highlighted that there was no clear one guiding principle that the MNE was following. simplification and more powerful” (Interviewee 3, Director, 05.05.2025)

This open and expansive mindset turned out to be one of the many reasons for initial success for the newly renewed core values when the employees reacted positively to the launch of the new core values. Furthermore, this evidence-based approach with analysis on employee survey data and engagement scores helped the core team to discover the fragmented existing value system. Having too many different guiding principles and values made the MNE realise it is time to simplify and make one set of powerful values, acting as the only guiding principle.

“No one remembered the old values besides perhaps the HR people” (Interviewee 5, Director, 08.05.2025)

This is how the new set of values were born. In total, there were three new values that replaces the old values, culture priorities and leadership principles. The old values were based on the ways of working in the Nordics as the case firm used to operate in various countries globally and wanted to

signal its roots and deep heritage through these values. The cultural priorities were another set of principles that supported the old cultural norms, and the leadership principles were only designed to managers and leaders of the case firm, not for all employees across the MNE. This setup created many challenges across the case firm's individuals that also created the need to renew this structure of three separate guiding principles. (Interviewee 1, Director, 25.04.2025.) Therefore, these new values were created to act as the "north star" for the case firm by being clearer, more aligned and easier to understand. The new values were derived from the existing strategic priorities that the MNE had renewed in 2023.

"There were three old guiding principles which were not fully aligned with the new strategy and purpose statement that were launched in 2023. Simplicity was needed on the guiding principles which led the renewal of the values. (Interviewee 2, Project Manager, 02.05.2025)

"We had a clear vision that we need simplification and clarity which made us to be determined to deliver on that promise. We wanted our new guiding principles to be inspirational, aspirational and true, not only something that we already have." (Interviewee 3, Director, 05.05.2025)

MNEs must pay specific attention to personal and organisational fit of the renewed core values so that the potential workplace related issues are mitigated. This approach was partially done during the case firm's core value renewal process with their inclusive and pragmatic design strategy. This meant that the core project team included individuals from different parts of the organisation (HR, communications, strategy, key business units etc.) to get a broader understanding of what needs be changed and how. Due to the large headcount of the case firm a decision was made to exclude most employees from the planning phase when the values were planned and chosen.

"The one thing that we were concerned in the first place was how we are going to do the values renewal and should we include all employees. This decision was made because there was so much going on already and employees were having a lot of change fatigue, so we did not include all of our 4000 employees. Instead, we selected different groups inside the case firm and in total roughly 200 people were involved in the process before the values were launched. (Interviewee 1, Director, 25.04.2025)

Communicating the reasons behind the core value renewal process is crucial for the MNE so that the employees understand the firm's changed and renewed strategical alignment between its mission, vision, goals and core objectives. Practically, this means that MNEs conduct extensive background research to understand how the core values can be renewed in a way which improves the fit of them between its employees and the organisation. This transformation was clearly described in the launch of the new core values as well as in the various post-launch activities such as the workshop day. Moreover, if there are clear signals that there are not enough needs and

interests to renew the core values, this process should be delayed. This was something that the case firm also did which helped them to confirm that there is a clear need to renew the values. The case firm's core team discussed and worked on renewing the core values with roughly 200 individuals across the different business units and with a set of external consultants. This dedicated preparation phase before the launch and reveal of the new core values ensured that there were clear needs and company-wide alignment across the 200 individuals that the values will be renewed.

For the case firm, a clear and key process decision was done to only involve certain employees from various business units to balance a broad engagement without crossing the MNE's limits and capacity to creative sustainable change. This decision was considered a bit risky since conventionally it is advocated that maximal participation would ensure the best ownership across the MNE (Interviewee 1, Director, 25.04.2025). However, the positive reception of the new values suggested this approach was effective by providing enough coverage across the MNE's business units while the values were being renewed. In return cynicism was also prevented when the rest of the employees were engaged during the launch of the values.

One way that was found to indicate whether or not the core values should be renewed is how well the artificially structured core values align with the MNE's naturally formed organisational values. Since organisational values often indicate the absolute truth on how the case firm's employees truly act and behave, the sign that core values are closely related to these shows also how effective they are as well. Practically, this can be understood with a simple example. If the case firm notices that the firm's employees act and live by the core values, the alignment between those and organisational values is very good. However, if the employees do not understand and know the current core values, act and make decisions against what is stated in them, then there is a potential need for renewing the core values. For the case firm, the old values, culture priorities and leadership principles were clearly too confusing which was identified during the pre-launch phase. Once the new core values were launched, the first employee voice survey after the core value renewal showed significant improvement in how the new core values had been adopted and remembered (Interviewee 3, Director, 05.05.2025). To support this, the case firm turned this core value renewal into a larger firm-wide transformation where the launch meant not only that the new values were launched but also that a new era in the firm's history had begun where the purpose, strategy and values are all connected to each other.

To further emphasise this alignment between core values, strategy and purpose, the MNE develop an organisational framework around connecting these three together. This framework or model in

Figure 6 was actively used during the launch of the new values to further emphasise how the values support strategy execution and the overall purpose of the MNE.

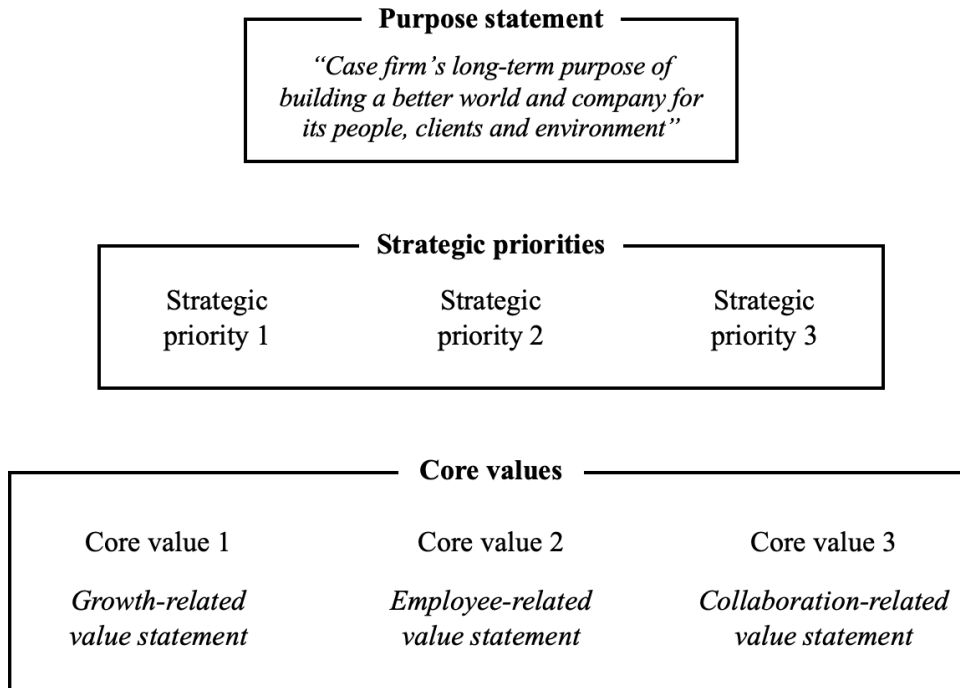


Figure 6 Case firm's framework (anonymised)

Based on the interviews, developing this framework in Figure 6 around core values, strategy and purpose was seen as a major benefit and strength in the process of integrating the new values into organisational culture. This framework ensured that the values were not simply copied from already existing and general corporate ideals but rather derived from the case firm's collective aspirations and strategic needs. This clearly resonated well with the employees as well which led to a successful values launch and initial implementation into day-to-day work based on the feedback heard during the workshop day. Furthermore, this framework was shown across the case firm's various office sites and was also included as part of the post-launch phase's internal trainings and workshops. However, some of the interviewees highlighted that some business units were still operating under the old values which illustrates the overall challenges of any renewal project large MNEs have. However, the idea behind creating the values to solve existing strategic inefficiencies turned out to be very powerful.

“We need (first value) because we are a performance-driven company. We need (second value) to reflect the human aspect of our culture and caring for each other. We need

(third value) because our business units have been operating in siloes. (Interviewee 7, Director, 19.05.2025)

Besides creating the framework around values, strategy and purpose, the case firm also structured the values in a way that those can be used directly in normal sentences to further emphasise how the new values solve current internal issues while supporting strategy execution. This can be seen from the interviewee quote from above where the three value statements have been anonymised. This approach of each value recognising a certain organisational strength or challenge ensured that the new values were immediately relevant after they were launched. This was seen a very effective approach since values can often target a lot of the future's goals which can be often seen too farfetched and difficult to reach with short-term changes in the ways of working. This clear alignment was highlighted during the workshop day where the participants were discussing the easily approachable and actionable new core values while stating that "*It is time to leave the past behind*". When the new values stated a direct impact they can have, employees saw not just arbitrary slogans but rather real strengths and weaknesses that the MNE and each individual can improve or strengthen with their own actions.

In summary, the creation of a case firm's framework and combining the values, strategy and purpose was seen as one of the main success factors and the positive feedback that was received from internal stakeholders. Combining these types of high-level guiding principles also showed how simple and easy-to-digest frameworks can often be the most powerful ways to create change and long-term impact. Furthermore, the innovativeness and courage the case firm had was seen a success factor since clearly visualised and anchored core values and strategy improved alignment and streamlined the MNE's existing guiding principles to a more effective formfactor. Other key success factor can be found from the MNE's iterative and reflective process of having an expansive mindset about what should be renewed while piloting new ideas and getting feedback from various internal stakeholders across the firm's many different business units. However, there still was some resistance to change and some of the ineffective approaches included the initial ambiguity in project ownership and distributing the key responsibilities across different business units. Furthermore, some of the findings also stated that more employees could have been brought to get ownership in changing and restructuring the old values. On the contrary, this would have very likely increased the initial timeline of the process which could have made the effective values-strategy alignment more challenging than what it now was. All in all, the interviewees' responses suggested that initial pitfalls of this type of renewal were avoided and all of the interviewees were satisfied with the current results and feedback they had gained from both internal and external stakeholders.

4.3 Strategic alignment and strategy execution

During the interviews, it was clearly highlighted that the core values were aligned with the case firm's strategy before the values were launched. This meant that values-strategy alignment took place in the preparatory phase of the core value renewal. Furthermore, the role of values-strategy alignment was often noted by the interviewees. In fact, this was also considered one of the main reasons why the values had to be renewed in the first place since the prior values felt very disconnected from the strategy.

“Now connecting the dots is much easier compared to the old values. It is much easier to understand how the new values are the foundation to execute the strategy”
(Interviewee 2, Project Manager, 02.05.2025)

As previously mentioned, the framework around values, strategy and purpose was seen as one of the main success factors in improved post-launch values-strategy alignment. Each of the new core values focus now on different aspects of the MNE's operations that are also emphasised in the firm's three strategy capabilities that form their corporate strategy. These aspects include, for example, focusing on the MNE's growth, excellence targets, internal collaboration, customer-centric solutions, sustainability, safety and people development. The foundational design element of each of these new three values revolved around creating a simple yet effective narrative around the shorter “value statement” which illustrated the strategic relevance. For the case firm, this meant that the new values did not only focus on its operations but also were used to describe things such as striving for excellence through innovations, creating better partnerships with clients and nurturing people internally and externally while breaking the current siloes that limited the MNE's growth potential. These examples also highlight that the new values were a lot more ambitious than the previous ones but still offered clear guidance on actions from day one that employees could do for improved strategy execution. Describing this clear view was often referred by the interviewees as a “line of sight” which was improved after the core values were launched. In practice, this meant that employees were actively encouraged to consider how their actions, decisions and projects reflect both the core values and strategy. A good example of this would be a tedious and not so relevant internal project which was taking too much time and not relevant for the strategy execution or connected to the values. By understanding this, an employee is able to focus on more crucial work tasks that take the individual team, business unit and whole organisation closer to achieving its long-term goals – and execute their strategy.

“Values are an integrated part of strategy execution.” (Interviewee 8, Executive Vice President, 26.05.2025)

The strategic alignment has already created tangible benefits internally which are expected to translate into driving strategy execution once the alignment has matured. Internally, the clear benefit has been improved clarity, consistence and a shared language between what the MNE wants to achieve and how the firm can get there, together. These are all things that support strategy execution. Furthermore, the new values support leaders by reducing confusion when most employees are aligned with what kind of behaviours, actions and decision-making are desired in the new era of the case firm. Also, strong strategic alignment has also improved trust and credibility among the MNE's internal stakeholders. For example, findings from the post-launch workshop observations indicated that the case firm wanted to connect the strategy and values right from the start of it with an introductory video from the strategy team about how the new values and strategy should be aligned. This highlights that core values and strategic initiatives must be implemented and actively emphasised once the new values have been launched.

The post-launch workshop observations highlighted that driving strategy execution with new core values is a long process. It is started by first introducing the new core values and then changing your own behaviours and communication as a manager. Once this is done, a manager must act as a role model that guides other's towards living up to the values. This was trained during the workshop day with various activities such as a storytelling exercise. All in all, this research found that successful core value renewal can drive strategy execution as long as the MNE is aligned on its goals, strategy and values across the home and host countries. Furthermore, the case firm needed to have a clear vision on brining the new values to life by these post-launch activities that create discussions across the company. This happened first on a company-level as part of the launch, then in various business units, the on the manager level as part of the workshop training and finally inside the small teams under each of the 650+ managers that attended the workshops. Furthermore, a clear and value-driven strategy signals reliability and integrity which builds trust among customers. This clear alignment also allows for more focused initiatives when processes are improved, or new services are developed.

“Some managers and teams have started to use the framework around values, strategy and purpose as a ‘checklist’ when a new project developed and started. Then questions are asked around how does this project align with our purpose, how does it connect and align with the strategy and how do we bring the new values to life through this project? This is a very nice thing to see already.” (Interviewee 4, Senior Manager, 06.05.2025)

This example and practice some teams are already doing highlights how strategy execution is increasingly filtered through the lens of the renewed core values. By complying to this practice, teams are able to make more holistic decisions while considering long-term stakeholder

implications even before the project is started in the first place. This approach again helps teams to consider the true impact and potential their projects have, often leading to better structured projects that are more aligned with the MNE's long-term goals. With this, organisational coherence is increased and this synergy between values driving strategy execution leads to positive outcomes for stakeholders as well. It is expected that over time once strong values-strategy alignment is truly integrated across the MNE, customers will receive better service and end-products due to more collaborative and high-performing teams while investors will see improved financial results driven by a more value-driven and engaged workforce and a trusted brand.

However, achieving these expected results can be extremely challenging over the long-term. Firstly, the excitement, engagement and positive energy around the new values can quickly die down when values get slightly older. Furthermore, if the MNE decreases its regular activities around values-driven leadership, internal trainings and supporting value-based decision-making, the positive impacts of strong values-strategy alignment can diminish. This may happen when employees and managers are not fully attached to the new values.

“Embedding the values in the day-to-day work can be achieved, but it's impossible that everyone would feel the impact the same way immediately... it will take years.”
(Interviewee 1, Director, 25.04.2025)

These issues in adapting the new values were quite clear between different business units where some reacted quickly from day one and some didn't. This further clarifies the role leadership and managers have in bring the new values to life to help strategy implementation.

“The executive team and senior leaders need to be role models and keep talking about the new values. The line managers also play a key role in sparring and coaching their teams. If they role model the values, they have a big impact, if not, the impact will be negative.” (Interviewee 4, Senior Manager, 06.05.2025)

This misalignment in the level of action with different business units and managers illustrates how valuable consistent efforts are across the MNE. Therefore, upper management must clearly inform and distinguish the true impact working as “One” company can have. On top of this, it is their responsibility to ensure that the new values are integrated into internal processes, such as HR and communications. For example, the role of values and strategy need to be integrated into recruitment, onboarding and performance appraisal practices. In fact, the MNE had already added a new section to their performance evaluations: “Living the values”. These examples from the case firm's actions further emphasise the endless potential of integrations values-based activities into internal processes.

“Values can be embedded into various regular processes such as monthly meetings with the team or yearly performance development discussions including values-related discussion. These checkpoints can be used so that the values are not forgotten.”
(Interviewee 4, Senior Manager, 06.05.2025)

Besides the important role of managers, the MNE itself can demonstrate value creation through celebrating and communicating early wins. These examples indicate that the success and shareholder value creation lies in treating the new values as an integral part of the MNE’s identity and story what it stands for today. This means that renewing values is not simply an HR program and process but rather something bigger that impacts the whole organisation. When values are eventually integrated into the corporate narrative, such as external media communication and presentations, it not only signals consistency but also shows accountability that the MNE is living up to the values. Lastly, changing the MNE’s culture is a long process and both internal and external stakeholder are required to have patience.

“Changing a proud heritage company and renewing it takes a long time. It requires a lot of patience, repeating and repeating. (Interviewee 8, Executive Vice President, 26.05.2025)

This means that renewing core values is a long process requiring continuous efforts from the case firm. Furthermore, executing the strategy is a also a continuous process. Once the old strategy is renewed into a new one, there will always be new strategic goals and targets that the MNE is striving towards. Therefore, it is crucial that this values-strategy alignment is done effectively to support both of the long-term processes now and in the future.

“We need work together as one company. This emphasises that we cannot succeed as one unit or function at the time.” (Interviewee 2, Project Manager, 02.05.2025)

This highlights that renewing core values is not just about updating the values but rather a company-wide initiative of bringing the employees together and learning together the new ways of working. Once the employees are able to understand the strategy and values clearly, executing the strategy can begin.

5 Conclusions

The concluding chapter of this thesis combines the key theoretical and empirical insights to demonstrate how the renewal of core values can drive efficient strategy execution in multinational enterprises. The discussion connects the findings from the action research with the literature on core values, value renewals, strategic alignment and strategy execution to explain why MNEs renew their core values and how strong values-strategy alignment enhances employee engagement and stakeholder trust. The conclusions highlight that core value renewal is positioned in between both strategic and cultural mechanisms that support the MNEs strategy execution. Therefore, core values are seen to translate behavioural norms, guiding decision-making and strategy execution across the MNE. Besides the discussion section 5.1, the coming sections present the study's theoretical contributions in 5.2, practical implication in 5.3 and limitations of the research in 5.4 to provide a foundation for future studies on core value renewals and strategy execution.

5.1 Discussion

This discussion builds on the literature's emphasis that core values represent the foundation for decision-making and strategic behaviour and that the renewal is a process of organisational learning and adaption (Pant & Lachman 1998, 197). Furthermore, the renewal of core values is seen to facilitate strategic renewal which allows the MNE to solve its various challenges effectively (Floyd & Lane 2000, 156–157). The findings from the semi-structured interviews, document analysis and workshop observations supported in practice the finding that core value renewal can at its best shape strategy execution by aligning people, structures and processes efficiently together. As an example, the case firm deliberately positioned the renewal of its core values as a driver for efficient strategy implementation. Case firm management recognised throughout the core value renewal process that strategy execution succeeds best when values are clearly translated into daily behaviour and operational systems. The alignment of core value renewal with strategy execution was also thoroughly documented in the case firm's value renewal workbook as well as observable through the workshop observation's field notes.

The literature review establishes that multinational enterprises renew their core values to maintain their legitimacy and strategic relevance while operating in dynamic environments (Gelle-Jimenez et al. 2023, 176–177). For the case firm, this observation was supported since the renewal was initially triggered by the need to address both internal changes from company restructurings as well as external changes from the operating market. Furthermore, the case firm had already decided on a

new strategic direction following its 2023 strategy update. However, important misalignments became soon clear thereafter since the company's old values did not fully support the new strategic priorities and targets that the case firm had embarked to execute. The interviewees described how the old structure of separate guiding principles, culture priorities and old core values created a lot of confusion amongst employees (Interviewee 3, Director, 05.05.2025). Once the new values were launched, however, the official launch materials and presentations included a simplified image where the new case firm's framework illustrated in Figure 6 was adopted as a replacement.

Interestingly, the delay between the renewal of the case firm's strategy already in 2023 and core values only in 2025 aligns with the previous research finding that corporate renewals often appear as risky which tends to lead to not making change on time (Meschi & Cremer 2005, 308). However, after that the case firm had spent enough time with the misaligned old values and the new strategy, a decision was finally made to renew the old core values which supports the claim that value renewal can be seen as an innovative and a proactive mechanism for strategic adaptation (Teixeira & Werther 2013, 333). The core value renewal also served the firm in its total organisational renewal by leaving the past behind while starting a new era in the firm's history as one. Figure 6 played a key role in communicating this change which allowed the MNE to connect its purpose, strategy and new core values all together.

However, simply creating one framework and aligning the purpose, strategy and values together is not enough for creating sufficient improvements in executing the MNE's strategy. The new core values also have to be normalised throughout the organisation into concrete action. Previous research emphasises that the effectiveness of the core value renewal process often depends on how well the new core values and strategy are aligned with the daily operations and behaviours of the company's employees (Pant & Lachman 1998, 201). In addition, there is still a need to clearly communicate about the new core values since this change can potentially motivate employees and improve their work ethics (Van Rekom et al. 2006, 176.).

In the present study, the case firm received positive reactions from its employees about how the new core values were materially simpler to understand than before, highlighting the success of their renewal. Through creating a clear alignment between the new core values and strategy execution, the case firm ensured that its employees understood not only what the strategic targets being pursued are but also how those should be achieved through the new ways of working. This was demonstrated, for example, through the case firm's core team structuring the new values to be directly in line with the strategic priorities that the MNE had renewed already in 2023.

More precisely, each of the three new values of the case firm were connected to either growth, employees or collaboration, thus each also tackling the current issues in the MNE's current ways of working that had so far been a limitation from executing strategy effectively. The case firm's approach of building the new core values upon the existing corporate-level strategy can further be connected to the dynamic capabilities framework where successful renewal strengthens the firm's ability to sense, seize and transform opportunities improving the MNEs competitive advantage (Teece 2007, 1320). By aligning the new core values with the strategy from the start, employees had an easier time internalising the new changes and how the new core values act as a support to serve a greater good – executing the strategy and growing each business unit within the case firm. In fact, these positive signs of increased competitive advantage emerged during the interviews where the case firm's customers had reacted positively into the new core values and how those were integrated into the business unit's operations and goals (Interviewee 6, Vice President, 15.05.2025). Furthermore, the observations highlighted managers' positive discussions around the renewed core values shaping decision-making and team interactions. This reinforces the argument that successful strategy execution requires behavioural alignment across different levels of the organisation, not just among C-level executives and core team members. In many areas, the most important part of the execution actually falls to the non-managerial employees (Pettit & Crossan 2020, 1115).

The connection between renewed core values and strategy execution can also be understood through strategic orientation and renewal. The literature review indicates that strategic renewal is achieved when the MNE translates its values into actions through new processes, structures and competencies (Ahmed et al. 2023, 998; Shan et al. 2019, 379). The case firm's actions after the launch during the post-launch phase illustrate this process when the managers started to use a framework around the purpose, strategy and values from the workshop's workbook as part of a checklist in project initiation. Certain questions were asked related to how new initiatives aligned with the case firm's purpose and how the new core values could be brought to life through concrete actions (Interviewee 2, Project Manager, 02.05.2025). This finding supports the claims made in the literature review stating that work process change driven by shared values allows the MNE's employees to conduct consistent strategy implementation (Huy 2001, 602–603; Washburn et al. 2018, 1426–1428). Furthermore, the inclusion of "Living the values" in the case firm's performance evaluations indicates that the new core values were integrated into HR systems which, in turn, aligns with the literature's view on the essential role of performance metrics and internal communication sustaining the alignment between core values and strategy (Bourne et al. 2019, 137–139). In practice this meant that the case firm was able to embed the new core values rapidly

into its operational routines and evaluation systems. This showed in a company-wide commitment to start “living” by the new values, again in order to reinforce strategy execution.

In summary, aligning strategy and core values effectively was emphasised both by the literature review and the empirical part of this thesis. Firstly, the literature suggested that a strong fit between personal and organisational values enhances commitment, motivation and job satisfaction (Diskienė & Goštautas 2013, 94–95; Gelle-Jimenez et al. 2023, 177). The case firm findings supported this since the employees reported higher engagement and energy following the core value renewal in January 2025. The interviewees shared a lot of positive feedback heard from the employees related to the simplicity and meaningful new core values that improved decision-making and collaboration while creating a new shared language amongst the company’s employees. Interestingly, these reactions were heard only a few months after the new core values had been launched, demonstrating that there had been at least initial success in the case firm’s core value renewal project. This supported the findings from the literature where it is claimed that values provided a visionary line and coherence between the individual’s actions and strategic goals. (Van Rekom et al. 2006, 176.)

Besides the improvements and positive impacts on internal stakeholders, previous research also highlights the core value alignment with authenticity and trust among customers (Hatch & Schultz 2008, 12–13). In this area the case firm intentionally designed an “inside-out” approach where it first ensured an internal adoption of the new core values prior to open public communication. This meant that the values were not marketed externally but rather shown to customers only through the changed ways of working of the case firm’s employees. This specific approach strengthened authenticity and credibility among external interactions which corresponds to the literature’s view on deeply rooted values that enhance the MNE’s reputation for accountability and responsible behaviour (Andersen 2017, 486–487). However, these findings from the case firm were still quite limited due to the timing of the data collection only a few months after the new core values had been launched in January 2025. Nevertheless, it is expected that this approach can yield improved customer satisfaction and improved brand equity over the longer-term as long as the new core values are deeply integrated into the new ways of working supporting effective strategy execution.

Additionally, previous research and case firm findings demonstrate that core value renewal is not a one-time initiative but an on-going process. The dynamic capabilities framework is adopted from the literature as part of the theoretical framework of the thesis to explain how MNEs must continuously sense and respond to environmental shifts to maintain their competitive advantage (Teece 2007, 1322–1342; Dunning & Lundan 2010, 1226). However, this does not mean that core

values should continuously be renewed but rather only in instances where there is a material need and evidence to do so. From the case firm's perspective, leadership saw the core value renewal being necessary due to the drastic internal and external changes that the company had encountered. The renewal was seen as an evolving journey which will require continuous communication, leadership role-modelling and workshops across the case firm's different business units. This iterative process reflects Lewin's (1947, 34–35) unfreezing-moving-freezing model of change where the company's transformation becomes sustainable through constant reinforcement. Due to this, the case firm also heavily invested into a long transformation journey that consisted of the three phases introduced in the synthesis and findings in Figures 2 and 6.

Analysing and understanding these three phases and how the core value renewal process should be structured was also one of the main reasons for conducting this study as action research. This research design allowed the researcher to underscore this ongoing process and evaluate it by planning, acting, observing and reflecting the various phases of the case firm's core value renewal process. Further, the action research allowed the researcher to understand and then demonstrate how reflection and feedback between the strategic goals, new core values as well as behaviours fostered organisational learning across the MNE once the new core values had been launched (Weick & Westley 1999, 190).

Lastly, both the theoretical and empirical research suggest that renewing core values can drive strategy execution when it establishes a clear and coherent link between strategic goals, organisational behaviour and stakeholder engagement, especially through the MNE's own employees who are actually driving this values-strategy alignment and overall change (Pettit & Crossan 2020, 1115). As mentioned, core values should be renewed only under substantial reasoning to sustain the MNE's legitimacy and relevance in its dynamic market where it operates. Further, an effective values-strategy alignment can transform the company's renewed core values into behavioural mechanisms that can guide an effective execution of the MNE's strategy. The study suggests that the benefits of renewing core values are increasing when being integrated into the MNE's various leadership practices, communication and internal systems, all which help employees live by the values while enhancing customer trust and long-term competitiveness. Finally, both the literature review and action research on the case firm suggest that core values should be positioned between the MNE's strategy and culture in order to ensure that the company's strategic goals are not only articulated but actually lived at all levels throughout the organisation.

5.2 Theoretical contribution

This study advances theoretical understanding on how the renewal of core values can drive strategy execution in multinational enterprises. The aim of this thesis is to examine *how can the renewal of core values drive strategy execution in multinational enterprises?* Answering this question is completed by examining 1) *why do multinational enterprises renew their core values?*, 2) *how can multinational enterprises align strategy and renewed core values effectively?*, and 3) *how does the core value renewal influence employees and customers?* Based on these, the study shows that the core value renewal drives strategy execution through three reinforcing mechanisms that are connected to the three sub-research questions. Firstly, the thesis clarifies why MNEs renew their core values in response to various strategic and cultural triggers. Secondly, it demonstrates how renewed core values are aligned with strategy through concrete values-strategy framework and associated processes. Third and finally, this thesis illustrates how the renewal reshapes employees' everyday work and over time also affects the customers' perceptions of the firm. With this structure, the thesis moves beyond treating core values and strategy separately into a core value renewal process that links these two key concepts together in driving strategy execution. (Pant & Lachman 1998, 201; Deal & Kennedy 2007, 21; Teece 2007, 1320–1325.)

This study and its analysis on the case firm adds depth to answering the main and sub-research questions. Firstly, the case shows that renewal is triggered by a combination of different internal and external factors. For the Finnish MNE, the triggers were a combination of external turbulence and internal misalignment such as changing market conditions and the Russia Ukraine War that led to strategic restructurings characterised by a fragmented and misaligned previous value system and guiding principles. These findings extend prior work that has mainly highlighted the risks of renewing established values. (Kabanoff & Daly 2002, 89; Khandewal & Mohendra 2010, 20; Bourne et al. 2019, 135.) Secondly regarding the effective values-strategy alignment, the findings highlight the role of an explicit “purpose-strategy-values” framework in Figure 6 and also the role of leadership role-modelling as well as integrating the core values into performance management as part of one of the key activities in the post-launch phase. These findings deepen the existing understanding of values-strategy alignment and strategic orientation as behavioural guides for strategy execution. (Pant & Lachman 1998, 201; Hakala 2011, 200; Schmitt et al. 2018, 81.) Finally, the influence of core value renewal on employees and customers is demonstrated when renewed core values are experienced and adapted as meaningful and liveable by employees guiding their behaviours and ways of working. These positive reactions during and after the launch phase support stronger commitment, collaboration and “line of sight” that are expected to translate into

increased trust among customer and other stakeholder groups. These findings are advancing the existing stakeholder-oriented views on creating value in MNEs and also support the theoretical framework in Figure 2 and its cyclical process of value creation as part of the post-launch phase. (Freudenreich et al. 2020, 3–4; Barchiesi & Fronzetti Colladon 2021, 1; Gelle-Jimenez et al. 2023, 176–177.)

To add, the end goal for MNEs should be to create a strong organisational value system which means that the firm's employees who live by the core values make successful strategic decisions even in difficult situations when faced with ambiguity. This thesis contributes to the existing academic literature by bridging the research gap between MNE's core value renewal and strategy execution. Both core values and strategy execution have been widely researched independently but their connections in the form of renewing core values has been underexplored. By analysing why MNEs renew their core values and how this process affects the firm's values-strategy alignment has increased our understanding of how value-based transformations can influence organisational culture, behaviour, decision-making and perceived legitimacy among different stakeholder groups. This research has positioned core value renewal as a strategic "mechanism" or "process" that can improve strategic alignment and strategy execution thus boosting the MNE's success in international markets. (Pant & Lachman 1998, 197.)

For the multinational enterprise, core values are the enduring beliefs guiding behaviour and decision-making in the company. This was supported by the case firm's evidence where core value renewal acted as the dynamic mechanism that connected the operational reality and supported strategy execution (Gelle-Jimenez et al. 2023, 176–177). Prior research has suggested that core values are often not renewed due to the risks related to company-wide large-scale renewals (Bourne et al. 2019, 135). Moreover, the MNE's operating environments are known to be dynamic and many times uncertain, making the core value renewal processes quite uncommon (Khandelwal & Mohendra 2010, 20).

This study's main contributions are built around conducting action research around a recent core value renewal process in a Finnish MNE. The study describes a concrete real-life core value renewal process from 2024–2025 and its three phases which have not been discussed thoroughly in prior academic research. The findings of the thesis clearly suggest that the core value renewal process strengthens the MNE's dynamic capabilities to sense, seize and transform opportunities in volatile environments, if a strong values-strategy alignment allows the company to practise new and

united ways of working structured around effective strategy execution (Teece 2007, 1320–1343; Ahmed et al. 2023, 998).

The findings from the action research further provide evidence that when renewed core values are embedded to corporate processes and frameworks such as performance systems, those act as behavioural enablers rather than just symbolic and disconnected value statements in employees' day-to-day work. The action research approach allowed the researcher to describe the three core value renewal phases as a continuous and reflective process (Weick & Westley 1999, 190) where the company's new core values were integrated into the day-to-day operations in an effort to transform the whole value renewal journey into a process reinforcing strategy execution. All together, these contributions both support, validate and partly also expand existing research findings by positioning core value renewal between the MNE's strategy and culture, whereby improving an effective strategy execution through a strong values-strategy alignment.

5.3 Practical implications

From a managerial perspective, the thesis and its research findings highlight the critical role that core values, when thoroughly renewed, can play in shaping corporate culture, building stakeholder trust, enhancing employee engagement and in reinforcing strategy execution. Leaders should thus understand the available benefits of core value renewal. The study suggests that an effective strategy execution in MNEs requires that core values are continuously aligned with the strategic priorities and translated into everyday behaviours. Leaders and executives must recognise that core value renewal is not simply a branding exercise to boost the MNE's image but a strategic process that requires efforts across the multinational enterprise at all levels (Pant & Lachman 1998, 201; Van Rekom et al. 2006, 176.). A successful core value renewal process can importantly influence the MNE's organisational resilience, capabilities and long-term competitiveness.

MNE leaders are encouraged to assess the value congruence between personal and corporate values and how the renewal of core values can potentially improve this alignment to boost strategy execution and job satisfaction among the MNE's workforce. In this thesis, the core value renewal's three phases were introduced to guide managers for a successful future value-based transformation. By understanding these three renewal steps, MNEs can concentrate on maximising their added value created for various stakeholders without sacrificing resources into ineffective processes that are not relevant for the end goals the MNE is looking for. For the case firm, this was illustrated by creating a framework around the purpose, strategy and values together which improved the line of sight between employee actions and strategic objectives. This type of an approach around

awareness, clarity and simplification was also supported by the literature review. Renewed core values should be reinforced through on-boarding, coaching and training to maintain the value congruence between personal and corporate values (Diskienė & Goštautas 2013, 106).

Leadership has a direct impact on the core value renewal process and strategy execution. In the study, effective leadership role-modelling and transparent communication emerged as an important factor for sustaining the values-strategy alignment since culture is reinforced through daily managerial behaviour (Schein 2010, 32). In practice this means that core value renewal and the whole process behind it should always be treated as a long-term strategy process and an investment for the future. This means that the momentum from the launch of new core values should be continued as long as possible through various activities which all cultivate the new ways of working (Diskienė & Goštautas 2013, 106). The creation of measurable indicators and including the new core values in the yearly performance review is also important. Through this it can be ensured that the new core values will guide strategy execution both now and, in the future, while inspiring the employees to learn and grow alongside the company-wide growth journey.

5.4 Limitations and suggestions for future research

Although the study provides some qualitative evidence, this thesis has several limitations. Firstly, the action research on the case firm was centred on a single Finnish MNE in the energy sector. This creates clear restrictions to the generalisability of the findings to other industries, countries and cultural contexts. This limitation stems from the fact that national value systems and differences in languages and norms are often limiting the generalisability of the findings between different multinational enterprises (Dunning & Lundan 2010, 1240). Therefore, while this thesis provides various insights into the topic of renewing core values to drive strategy execution, some of the findings may not be well-measured and generalisable for all types of global MNEs. However, this thesis tries to provide broader patterns and best practices around the core value renewal process which can help each organisation to get the most out of their next value transformation project.

The second limitation is related to the reliance of qualitative data since this study relies on only qualitative methods related to action research which included semi-structured interviews, document analysis on meeting notes and post-launch workshop observations. This approach captures various in-depth perspectives which are generalised into actionable suggestions and best practices to drive strategy execution. However, this research lacks quantifiable metrics on the final outcomes and long-term performance impacts of the value renewal process since these are company confidential information and hard to measure numerically. With this in mind, future research could complement

this study by incorporating quantifiable measures that track the effectiveness of improving strategy execution through core value renewal by focusing on various tangible indicators such as employee engagement, financial performance and customer satisfaction (Dahlquist & Lehnert 2023, 10; Bourne et al. 2019, 137–139).

The third key limitation is related to the timeline of the case firm's core value renewal process and the role of the researcher as an external strategy consultant. At the time of data collection and analysis, the case firm was in the early stages of the post-launch phase, three months after the launch of the new core values. This meant that many of the long-term behavioural and strategic effects were still unseen. This is seen as a clear limitation since value-driven work is known to require years to properly materialise (Washburn et al. 2018, 1427). Moreover, the researcher had some bias to the case firm's core value renewal project since the time working as an external consultant allowed the researcher to gather relationships, deep insights and insider knowledge about the recent core value renewal project and the roles of the core project team members some of which were also interviewed. Therefore, it is clear and crucial to acknowledge the limits this setup brought to the study, for example, related to how the researcher also analysed the post-launch workshop, a large project he had been involved in designing and structuring. Finally, the study emphasised employees and customers but lacked a wider scope on all the different stakeholder groups. Therefore, future research could also focus on analysing separate stakeholder groups on how core value renewal is perceived by various stakeholders, and how this affects the MNE's operations and strategy execution.

6 Summary

The renewal of core values is an important strategic process for multinational enterprises (MNEs). The targeted impact of the process is that core values would shape the company's employees' daily behaviour, decision-making and ways of working, thus also forming the basis for the company's corporate culture and efficient strategy execution. Therefore, the aim of this thesis was to examine *how can the renewal of core values drive strategy execution in multinational enterprises?*

Answering this question was completed by examining 1) *why do multinational enterprises renew their core values?*, 2) *how can multinational enterprises align strategy and renewed core values effectively?*, and 3) *how does the core value renewal influence employees and customers?* To further examine these research questions, action research was conducted in a Finnish energy-sector MNE that recently went through a core value renewal process in 2024–2025.

The literature review explored how existing research conceptualises the role of core values, reasons for the core value renewal and the alignment between strategy and renewed core values. It examined why MNEs renew their core values in response to external and internal changes and how effective values-strategy alignment can contribute to sustaining legitimacy and competitive advantage. The synthesis introduced a theoretical framework, building a bridge between the different topics researched as part of the literature review where core value renewal, strategic renewal, strategy execution and stakeholder value creation were connected together and merged with the three phases of the core value renewal process; pre-launch phase, launch phase and post-launch phase.

For the methodology of this thesis, the study conducted qualitative research following Lewin's action research and cyclical process of planning, acting, observing and reflecting. The case firm renewed its core values in January 2025 as part of a broader transformation aiming to strengthen and support its strategy execution. The data were gathered through eight semi-structured interviews with core project team members, document analysis on meeting notes and post-launch workshop observations. Thematic analysis was used to identify certain key patterns in how the renewed core values were aligned with strategy and how it impacted employees and customers.

The study found that multinational enterprises should consider renewing their core values when strategic, internal or external changes create a clear organisational need for the strengthening of strategy execution. In the case firm studied, both market shifts and internal restructuring acted as catalysts for a need to renew core values and to align the existing strategy with the new core values.

The introduction of three renewed core values simplified the previous set of complex guiding principles, involved and energised employees, and also signalled to the whole organisation the beginning of a new strategic era. An intentionally inside-out implementation approach strengthened internal buy-in of the renewed core values before external communication, thus laying the foundation for improved stakeholder trust and engagement. The renewed core values also created a clearer visionary line between everyday decision-making and longer-term strategic objectives, thus importantly enhancing strategy execution.

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Appendices

Appendix 1 Semi-structured interview questions

Below is the full list of interview questions used for the semi-structured interviews with the case firm's core project members, part of the recent core value renewal process.

Looking back – the renewal journey so far

1. *What motivated the value renewal? What issues were present in the old core values?*
2. *Can you describe your role in the core value renewal process and how did the renewal process happen?*
3. *How were decisions made about what the new core values should be?*
4. *What were the biggest challenges during the preparation phase?*

Alignment – Core values & strategy

5. *How were the new core values connected to the strategic vision of the firm?*
6. *Do you feel the renewed core values support the current strategy better than before?*
7. *How were the strategic goals communicated during the core value launch?*

Stakeholder reflections

8. *How did different stakeholder groups (employees, customers, investors etc.) respond?*
9. *Were some stakeholders more engaged than others? Why?*
10. *In your opinion, have the renewed core values added value for stakeholders?*
11. *How will you improve creating value to stakeholders from now on?*

Continuous development – What's next

12. *What have you learned through this process so far and what can be improved from now on?*
13. *What would you improve or do differently in the next renewal cycle?*
14. *What is still missing in embedding the new core values deeper into day-to-day operations?*
15. *How can the firm better track the impact of these core values?*

Appendix 2 Thematic mapping table for semi-structured interviews

First-order codes (Interview insights)	Second-order themes (Conceptual categories)	Aggregate themes (Final four key themes)
Old core values forgotten; employees had to “Google” them	Need for renewal and simplification	A. Why the renewal was needed (rationale and process)
Multiple overlapping frameworks causing confusion	Lack of coherence; need for clarity	A. Why the renewal was needed (rationale and process)
Leadership initially resistant; consensus built through data	Leadership alignment and buy-in	A. Why the renewal was needed (rationale and process)
Desire for inspirational, simple, memorable core values	Designing core values that energise	A. Why the renewal was needed (rationale and process)
Core values explicitly connected to strategy pillars	Core values as strategic enablers	B. How the renewed core values aligned with strategy
Purpose, strategy, and core values integrated into The Company X framework	Strategic coherence and integration	B. How the renewed core values aligned with strategy
Employees see “line of sight” from daily work to strategy	Clarity in operationalising strategy	B. How the renewed core values aligned with strategy
Launch of core values increased employee energy and pride	Boosting employee engagement	C. How the renewal drives stakeholder value
Employer brand more attractive to talent	Enhancing external reputation	C. How the renewal drives stakeholder value
Trust strengthened between employees, customers, partners	Building stakeholder trust	C. How the renewal drives stakeholder value
Core values integrated into recruitment and performance reviews	Institutionalising values in systems	D. How the renewal can be sustained
Line managers’ behaviour crucial for role-modelling	Leadership reinforcement and accountability	D. How the renewal can be sustained
Need for continuous communication, workshops, reminders	Sustaining momentum and cultural consistency	D. How the renewal can be sustained

Appendix 3 Operationalisation table

Main research question	Sub-research questions	Theoretical background	Data collection methods
How can the renewal of core values drive strategy execution in multinational enterprises?	Why do multinational enterprises renew their core values?	Core values Value renewal Internal and external pressures for change	Semi-structured interviews with core project members Document analysis on meeting notes
	How can multinational enterprises align strategy and renewed core values effectively and how it impacts employees and customers?	Strategy execution Strategic alignment Impacts on employees and customers	Post-launch workshop observations

Appendix 4 Interview consent



Research bulletin

1 (3)

2025

DESCRIPTION OF THE STUDY

*Master's Thesis – Renewing core values to drive stakeholder value creation:
Action research on a Finnish MNE*

Invitation to participate in the research

You are invited to participate in a research study as part of a Master's thesis at the Turku School of Economics. The purpose of this study is to explore how renewing core values can drive stakeholder value creation.

The research will be completed anonymously, and interviews will be conducted with selected core team members of the recent value renewal project which was launched in January 2025. The number of interviews is yet to be decided, but presumable totalling to 5–10.

Voluntary consent

Participation in this research is completely voluntary. You can decline participation or withdraw at any time without providing a reason and without any negative consequences. You may also refuse to answer any specific question. If you withdraw your consent within one week of the interview, all material will be deleted.

Please, read this description of research with care. If you have any questions, you can be in contact with the researcher. The contact details are provided at the end of this document. If you decide to participate in this study, please sign the attached consent form.

Responsible researcher

The responsible researcher of this study is Antti Ala-Härkönen as a Master's student with International Business major at the Turku School of Economics at the University of Turku.

Antti Ala-Härkönen operates as the keeper of the register and thereof is responsible of the lawful processing of the personal information gathered within the research. In scientific research the processing of personal data is based on the societal task of universities defined in the university law and it progresses public good.

The research method

With the permission of the interviewee, the interviews will be audio recorded and transcribed to text via Teams. Each interview will take roughly 45 to 60 minutes and are conducted fully virtually. The final interview questions are discussed and chosen in line with the thesis' purpose and core team members' preferences.

The possible harm and discomfort related to the research

No possible harm or discomfort should come from this interview process. All data is conducted and used anonymously.

Confidentiality and data privacy

This research is conducted fully anonymously. The employee's or employer's name will not be mentioned in the final thesis. Interview data and audio recordings will be stored in an encrypted, firewall-protected cloud storage provided by Turku School of Economics. Only the researcher, Antti Ala-Härkönen, will have access to the data. Signed consent forms, interview notes, and original audio recordings may be retained until 31.12.2025, after which they will be deleted from all devices and cloud storage.

Costs of research and funding

Participation is free of charge and each interview is conducted virtually via Teams.

Further information

Please kindly contact the research if any additional questions arise.

Contact information:

Antti Ala-Härkönen

antti.alaharkonen@gmail.com

+358 45 126 3959

INTERVIEW CONSENT

I have been asked to participate in the above-mentioned research. I have received sufficient information about the purpose and nature of the study and the use, handling, and protection of the data collected in connection with it.

I understand that participation is voluntary and that I have the right to withdraw at any point without consequences. I understand that any data collected until the time of withdrawal will be used in anonymized and confidential form.

By signing below, I voluntarily agree to participate in this study as Person A/B/C/D/E...

Signature

Date

Signature clarification

Place

Email

Receiver of the consent


11.4.2025

Antti Ala-Härkönen

Date

The original signed document will remain in the researcher's archive.

The consent to participate in the research will be stored securely for as long as the data is in identifiable form.

A copy of the consent form will be sent to the participant primarily by email. If necessary, the participant may also request a paper copy.

Appendix 5 Research data management plan



Research data management plan

This document will help you plan how to manage your research data. More detailed instructions for each section are available online in the [Research Data Management Guide for Students](#).

1. Research data

Research data refers to all the material with which the analysis and results of the research can be verified and reproduced. It may be, for example, various measurement results, data from surveys or interviews, recordings or videos, notes, software, source codes, biological samples, text samples, or collection data.

In the table below, all the research data is listed that was used in this research. Note that the data may consist of several different types of data, so please remember to list all the different data types. List both digital and physical research data.

Research data type	Contains personal details/information*	I will gather/produce the data myself	Someone else has gathered/produced the data	Other notes
Data type 1: <i>Semi-structured interviews</i>	x	x		
Data type 2: <i>Document analysis</i>		x		
Data type 3: <i>Observations</i>		x		

* Personal details/information are all information based on which a person can be identified directly or indirectly, for example by connecting a specific piece of data to another, which makes identification possible. For more information about what data is considered personal go to the [Office of the Finnish Data Protection Ombudsman's website](#)

2. Processing personal data in research

If your data contains personal details/information, you are obliged to comply with the EU's General Data Protection Regulation (GDPR) and the Finnish Data Protection Act. For data that contains personal details, you must prepare a Data Protection Notice for your research participants and determine who is the controller for the research data.

I will prepare a Data Protection Notice** and give it to the research participants before collecting data

The controller** for the personal details is the student themself the university

My data does not contain any personal data

** More information at the university's intranet page, [Data Protection Guideline for Thesis Research](#)



3. Permissions and rights related to the use of data

Find out what permissions and rights are involved in the use of the data. Consult your thesis supervisor, if necessary. Describe the use permissions and rights for each data type. You can add more data types to the list, if necessary.

3.1. Self-collected data

You may need separate permissions to use the data you collect or produce, both in research and in publishing the results. If you are archiving your data, remember to ask the research participants for the necessary permissions for archiving and further use of the data. Also, find out if the repository/archive you have selected requires written permissions from the participants.

Necessary permissions and how they are acquired

Data type 1: Permission acquired through the case firm's upper management and agreeing on 5–10 anonymous semi-structured interviews about the core value renewal project

Data type 2: Personal meeting notes are analysed anonymously, no need for additional permissions. Both the case firm and researcher's employer (consulting firm) has been informed about this.

Data type 3: Anonymous field notes taken from attending a post-launch workshop about the renewal process. Collecting the field notes was agreed with the case firm.

3.2 Data collected by someone else

Do you have the necessary permissions to use the data in your research and to publish the results? Are there copyright or licencing issues involved in the use of the data? Note, for example, that you may need permission to use the images or graphs you have found in publications.

Rights and licences related to the data

Data type 1: N/A

Data type 2: N/A

4. Storing the data during the research process

Where will you store your data during the research process?

In the university's network drive

In the university-provided Seafile Cloud Service

Other location, please specify:

Data stored in both the university's OneDrive and also through the researcher's employer's cloud storage (OneDrive as well). These are used storing the interview transcripts.

The university's data storage services will take care of data security and backup files automatically. If you choose to store your data somewhere other than in the services provided by the university, please



specify how you will ensure data security and file backups. Remember to make sure you know every time where you are saving the edited/modified data.

If you are using a smartphone to record anything, please check in advance where the audio or video will be saved. If you are using commercial cloud services (iCloud, Dropbox, Google Drive, etc.) and your data contains personal data, make sure the information you provide in the Data Protection Notice about data migration matches your device settings. The use of commercial cloud services means the data will be transferred to third countries outside the EU.

5. Documenting the data and metadata

How would you describe your research data so that even an outsider or a person unfamiliar with it will understand what the data is? How would you help yourself recall years later what your data consists of?

5.1 Data documentation

Can you describe what has happened to your research data during the research process? Data documentation is essential when you try to track any changes made to the data.

To document the data, I will use:

A field/research journal

A separate document where I will record the main points of the data, such as changes made, phases of analysis, and significance of variables

A readme file linked to the data that describes the main points of the data

Other, please specify:

5.2 Data arrangement and integrity

How will you keep your data in order and intact, as well as prevent any accidental changes to it?

I will keep the original data files separate from the data I am using in the research process, so that I can always revert back to the original, if need be.

Version control: I will plan before starting the research how I will name the different data versions and I will adhere to the plan consistently.

I recognise the life span of the data from the beginning of the research and am already prepared for situations, where the data can alter unnoticed, for example while recording, transcribing, downloading, or in data conversions from one file format to another, etc.

5.3 Metadata

Metadata is a description of your research data. Based on metadata someone unfamiliar with your data will understand what it consists of. Metadata should include, among others, the file name, location, file size, and information about the producer of the data. Will you require metadata?

I will save my data into an archive or a repository that will take care of the metadata for me.





I will have to create the metadata myself, because the archive/repository where I am uploading the data requires it.

I will not store my data into a public archive/repository, and therefore I will not need to create any metadata.

6. Data after completing the research

You are responsible for the data even after the research process has ended. Make sure you will handle the data according to the agreements you have made. The university recommends a general retention period of five (5) years, with an exception for medical research data, where the retention period is 15 years. Personal data can only be stored as long as it is necessary. If you have agreed to destroy the data after a set time period, you are responsible for destroying the data, even if you no longer are a student at the university. Likewise, when using the university's online storage services, destroying the data is your responsibility.

What happens to your research data, when the research is completed?

I will store all data until 31.12.2025.

If you will store the data, please identify where:

The data will be stored on either TSE's or Accenture's cloud storage which is backed by a firewall.

Remember to keep the data management plan updated throughout the research project.



Appendix 6 The use of artificial intelligence

Artificial intelligence was used during the researcher's document analysis on personal meeting notes. Microsoft Copilot was used in the consultant's cloud-secure environment where the 51 pages of meeting notes were summarised using AI. The AI was asked to provide certain key words and sentences that were mentioned multiple times throughout the meeting notes. The specific words and sentences were individually checked to verify the correction of them by using manual shortcuts and word-searching with Control + F.

Example prompts included:

1. *“Provide the 10 words that are mentioned the most in this document and provide these as a list.”*
2. *“Provide the 10 sentences that are mentioned the most in this document. Search for sentences that are related to same topics, not necessarily exactly the same sentences.”*

Besides Microsoft Copilot, ChatGPT was used at the start of the thesis work to brainstorm potential topic ideas while narrowing the scope of the thesis around renewing core values.

Example prompts included:

1. *“Suggest topic ideas for a master's thesis in international business related to renewing core values. Consider how my interest of understanding the strategic aspects of the core value renewal process could be linked to the research.”*
2. *“Iterate this idea about renewing core values to drive strategy execution and provide a rough overview of the table of contents on how this type of thesis could look like”*