How Does Organisational Culture Affect Employees’ Perception of the Brand in Service Industries?

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Abstract: Purpose: This paper seeks to consider the influence of organisational culture and its relationship to employees’ perception of the brand of the organisation they work for. It also aims to clarify where the responsibility lies for setting the organisational culture and whether that role is a board-driven function, falls within the influence of the CEO, or both. Design/methodology/approach: The research approach uses phenomenology, which focuses on participants’ lived experiences. Phenomenology is a segment of interpretivism that explores participants’ recollections and interpretations of events. From this, the researcher can gain insights into phenomena that can be grouped into themes for further analysis. A total of nine in-depth interviews were conducted with CEOs and senior management personnel from a range of service industries operating in Australia. Results: All participants considered organisational culture to be vital in guiding employee behaviour and highlighted the need for boards and CEOs to be cognisant of the necessity to communicate organisational values and culture to staff in a consistent manner. The implications of these results reveal that employees’ opinions of organisational culture can negatively or positively affect their attitude and engagement with the brand of the company within which they are employed.

Keywords: corporate culture; boards; governance; brand management; marketing; brand; service industries

1. Introduction

Employees are often considered the first point of contact with customers and should exemplify that which an organisation stands for and delivers in terms of its products, services and quality [1]. Consistent with the expected behaviour from employees, an organisation with a strong leader who creates a culture that employees believe in leads to the promotion of a satisfactory work environment. Cultural traits, such as the just treatment and empowerment of employees to perform their jobs [2] in a way that creates a strong link between customers, employees and that which the brand promises, encourage employees to be more satisfied with their work, producing happy customers. This, in turn, satisfies both employee and customer expectations [3]. Companies are now appreciating that the satisfaction of employees can contribute directly to the organisation’s brand and reputation [4].

The Importance of Culture in Service Industries

Corporate culture creates a set of behaviours to which all employees are expected to adhere, as the culture in an organisation is regarded as representative of how employees treat their customers [5]. As such, the integration of accepted cultural behaviour in organisations is highlighted as an antecedent factor in the internal engagement with the brand. Some scholars maintain that corporate culture contains a set of assumptions, values and beliefs that operate at an intangible level, often below the surface of accepted behaviour [6]. Further, the set of assumptions, beliefs, and ways of doing business are unique and vary from business to business, which sets an example for corporate actions.
The nuanced and less deliberate implementation style of corporate culture can affect the decisions made by employees, their engagement with the organisation and their desire to follow the company’s core values. Employees may also reflect those values in their dealings with customers, affecting the brand positively or negatively [7]. Importantly, it should be recognised that employees who engage positively with the organisation for which they work can make a valuable contribution to building and communicating the organisation’s brand to customers and other stakeholders [8]. Over the past two decades, three issues have specifically affected organisations and have therefore been highlighted as matters of interest: corporate governance, company brands and organisational culture and its influence on staff [9]. Corporate governance relies on self-checking and scrutiny within an organisation, driven by the board, who in turn focus on board processes [9]. At the same time, boards place importance on the brand of the organisation it represents. Not only does the organisation’s brand provide a platform for success, but it also contributes to the value that brands intrinsically hold for consumers. In fact, it is asserted that organisational culture is a contributing factor to that success [5]. Organisations also tend to focus on a differentiation strategy to support their brand rather than understanding that which motivates customers to engage with it. Indeed, some scholars claim that longitudinal studies aiming to measure brand health over time can improve the use of organisational activities that impact brand [10].

There tends to be little acknowledgement of how interconnected brand and culture are and what influence the board has on the organisation’s culture [5]. Though boards are typically concerned with financial and legal obligations and expect that the brand will be managed appropriately, the brand of an organisation presents a significant risk of damage, should anything occur that consumers view as inconsistent with their expectations of how the brand should perform [11]. To date, there are few, if any, formal guidelines around brand protection. More importantly, there is a lack of understanding of the specific components of internal culture that make an organisation flourish and the ways in which the outcomes of these activities can positively impact the brand [12].

Sackmann [13] contends that businesses should address the issue of culture as an important measure of brand health due to the notion that culture and organisational performance are interconnected. As far back as 1992, Kotter and Haskett’s study [14] provided an analysis of the power of organisational culture and its potential influence on a firm’s commercial performance and, as a consequence, the positive or negative effect of such a culture on the brand. Further, Everett [15] maintains that executives of an organisation who neglect to consider the effect of culture on employees’ perception of the brand fail to understand that this can impact employees’ exchanges with customers. Senior managers who dismiss the impact of culture on the brand and instead make superficial comments such as “employees are living the brand” [15] (p. 21) fail to understand that dismissing deep organisational issues within a culture can be a threat to brand success.

The challenge is that as both culture and brand are multi-faceted concepts, the key performance indicators used to measure both constructs can mask the negative impact of culture on the brand. Most employee surveys used to measure employee satisfaction are not necessarily designed to be compared to brand performance indicators, such as market share, innovation measures and customer satisfaction scores [13].

This paper will explore the structure of organisations, starting with boards and CEOs, and gain an understanding of the interaction between organisational culture and corporate brands. There will also be a discussion of who sets the culture and how it is communicated to employees. The literature linking the effect of corporate culture to brand success is scant [14,16], thus providing a gap in the literature for further investigation.

The background will start with a definition and discussion of what culture is and explain the stakeholders in the organisational structure, focusing on boards and their influence in setting the tone for a culture. The method of data collection and the research perspective (in-depth interviews) will also be explained. All participants were representatives of service industry organisations operating in Australia.
2. Background

2.1. What Is Culture?

One of the issues with culture is defining what culture is. This study will focus on the premise that decisions made by board directors and senior management can influence culture and, as a result, decisions made by staff.

Culture is a particularly nebulous concept to define. How a culture is established in an organisation, who sets the tone of the organisational culture and how it is communicated, interpreted and adopted by stakeholders are questions that have not been satisfactorily answered. Flamholtz [16] argues that despite varied definitions, the central theme is that culture is linked to overall organisational values and sets the tone for how people within the organisation behave, including the treatment of customers. Culture has also been defined as a set of values and habits that are shared by a group of people that, despite changes in technology and changes in individual members of the group, perseveres over time [14]. The most entrenched cultures tend to be challenging to change.

However, culture and its impact on a brand are, in the main, unexplored. Though organisations aspire to create sustainable, distinguishable brands, the proprietors of those brands fail to consider the impact of whether that which the brand delivers satisfies the essence of customers’ motivations [5]. Literature on the link between corporate culture and successful brands is negligible [5,16], although there is evidence that the overall financial performance of an organisation can be affected by culture [16].

Central to the discussion on organisational culture is the fact that the senior leaders are the principal element in determining the culture among employees in organisations [17]. Despite this, culture is nonetheless a disputed concept. It can be defined as shared values or attitudes guiding similar behaviour [18]. However, despite significant resources being allocated in organisations to define, implement, and control culture, it continues to be challenging to regulate [19].

2.2. What Happens When the Culture Goes Wrong?

Clearly, organisational values play an essential part in driving culture. If employees engage with the culture of the organisation for which they work, they will understand the alignment between values and the brand and help to deliver a consistent customer experience. If the importance of the connection of values and brand is not communicated to employees, issues can arise, leading to inappropriate behaviour that affects the brand or to inconsistency in the delivery of brand values [20].

It has been established that corporate culture can be identified as a critical contributor to some of the most egregious corporate misbehaviours and transgressions [18]. As a result of poor behaviour by banks in Australia, a Royal Commission was conducted in 2017. The reason for the investigation was the number of reported incidents of money laundering issues by the major Australian banks, which goes against compliance with the legislative provision in which banks should act in the best interests of their customers, leaving at least 75% of the bank’s customers in a worse position when switching products or lenders [18].

Twomey et al. [21] conclude that if an organisation communicates with stakeholders when an issue is first acknowledged, this early declaration builds trust with consumers and distributors of the product or service. However, despite reliable evidence that demonstrates that consumers can sense a loss of confidence in both the product and possibly even the brand, firms rarely address the issue without the threat of litigation [22].

2.3. Boards and Their Influence on Culture

Over the last twenty years, governance has played an increasingly integral function in organisational management [9]. Compliance with potential legal and financial implications has occupied most of the board’s and, by delegation, the CEO’s resources and time [23]. At the same time, though there has been an emphasis on governance and compliance, there has never been a greater focus on brand, the value of branding and the potential revenue from astute and strategic brand management [24]. Branding is about delivering on
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a promise and doing so consistently [11]. Though directors understand the role that brand plays in everything from product sales to share value [11], there seems to be little planning around the critical role that organisational culture has on the brand and its part in securing and keeping customers.

Despite empirical evidence [25] to demonstrate that there is a strong correlation between good corporate governance and higher share valuation by investors and, by association, a strong brand, there are companies that do not routinely consider governance to be part of their brand and reputation management plan [26]. Extensive resources are allocated to brand management, with many larger organisations identifying a brand manager or brand management team amongst their staff, suggesting that brands are considered an asset [27] that is worth managing. Gelb and Gregory [27] also state that some brands are identified on an organisation’s balance sheet, so there is a value attributed to them in the case of a sale or merger.

Despite the recognition of the value of brands, there is evidence [27] to explain that organisations have debated the optimum model of brand management. The board’s activities, functions and strategy will often identify brand and reputation as a risk, but there is rarely a plan to mitigate that risk; a plan emerges only should damage occur. Whitler et al. [28] findings suggest that organisations regularly lack marketing talent around the board table, with solid evidence indicating that only four per cent of board members believed that marketing experience or knowledge is integral to effective governance and protection from behaviour that affects the brand. There is also an emphasis on the positive influence that “Marketing Experienced Board Members (MEBMs)” make on revenue growth, which is consistent with the CMO’s (Chief Marketing Officer) duties to drive revenue in an organisation [28] (p. 86).

Though boards acknowledge that the brand is valuable, the responsibility of managing the brand often falls to the management team, who can be influenced by cultural behaviour in the organisation [6]. This point is inconsistent with early studies on the application of culture in organisations that focused on the discipline of understanding an optimum way for an organisation to perform the above expectations [17]. Though boards clearly expect the organisation to perform well, it is apparent that the link between culture and brand goes largely unnoticed.

Some scholars [6] maintain that corporate culture contains a set of assumptions, values and beliefs that operate at an intangible level, often below the surface of accepted behaviour. Further, the set of assumptions, beliefs and ways of doing business are unique and vary from business to business, setting a precedent for corporate actions. There is also documented resistance from board directors to consider that the culture in the organisation has little if anything to do with them, as they cannot influence organisational culture [29]. Some directors would go so far as to consider that any endeavours to participate in culture could be construed as interference and are unnecessary. However, there is inconsistency in this argument, as there is evidence to suggest that boards should play an integral role in developing a strategy for a sound organisational culture and should be responsible for the implementation of that strategy [23]. It has also been asserted that organisational culture reflects the values of the senior leaders; therefore, it would be prudent for the board to consider conducting culture audits to mitigate the issues faced by organisations.

One suggestion [28] is that an increase in marketing executives who hold positions on boards would contribute to positive future revenue growth; however, this result is more robust when the organisation relies on significant marketing expertise at a management level to support economic growth. This positive outcome can also be enhanced when the backgrounds and experience of the other board members include an appreciation of marketing knowledge [28]. Typically, boards are formed through recruitment and scrutiny, and many board recruiting agents default to a less diverse range of qualifications as a benchmark for the preferred candidate [30]. If boards are composed of individuals of similar disciplines, this may create a situation in which a group is composed of similarly aligned minds. This can cause a culture of groupthink [31] in determining the foundations for the kinds of behaviour that will be tolerated in an organisation. Groupthink is a term
first coined by Janis [31] to describe the failed invasion of the Bay of Pigs in 1961. The invasion, a strategy by the Kennedy administration, was planned to overthrow the Castro communist government [32]. The invasion was considered a failure and an example of the poor decision-making culture that can develop when decisions are made by a group on the basis of retaining harmony within the group, which can result in irrational or poorly thought-out plans.

The issue of skill diversity when recruiting board candidates is challenged by the difficulties in recruiting the appropriate candidates for vacant positions on boards. Shultz [33] observes that the recruitment of members can bias the recruitment process through nepotism, a fear of diversity and the calculation of flawed board remuneration expectations. Further, passive boards and incompetent leadership can lead to inconsistent decision making and a disregard for identifying risks [31]. Whitler et al. [28] suggest that the widespread practice of not including experienced marketers on boards of directors puts firms at a competitive disadvantage. Experienced marketers can balance a board’s skills and reduce the prospect of groupthink [31].

The Governance Institute of Australia [34] maintains that corporate governance provides a framework of internal policies and procedures that are sanctioned by the organisation’s board and communicated, executed and monitored by the senior management team. However, corporate governance does not provide for a standard model that fits all organisations. Each organisation must determine which governance model is appropriate to execute the required compliance obligations properly from a procedural perspective. In the guidance offered by the Institute, there is no mention of the connection between governance and organisational culture to drive expected values.

Whitler et al. [28] (p. 86) claim there is a direct link between organisational governance and “Marketing Experienced Board Members (MEBMs)”, mainly where marketing and strategy are concerned. Though the roles of the CEO, Chair and Company Secretary are identified in the definition of board roles and linked very clearly to compliance and risk management, the dynamics between strategy and stakeholder communication remain part of the general responsibilities of the board. They are tasks that could be assigned to a member of the board with marketing experience. Additionally, only 2.6% of firms’ board members have brand management or marketing experience. Little or no consideration is given to the contribution that marketing executives could make, many of whom have expertise in improving revenue growth and strategic objectives. As governance administration is typically left to board directors, it becomes clear that there is a gap between that which occurs in the boardroom, the strategy that is set and that which is communicated to discipline managers. Drawing on the behavioural corporate governance model, Whitler et al. [28] developed a theoretical framework of various influence moderators that measure the impact of marketing executive board members on firm growth. The results of their research indicate that firms that include marketing executives on their boards have a competitive advantage that leads to the protection of brand integrity.

2.4. Definition of Brand

A brand is a promise that the product will perform as per the customer’s expectations, and the firm should deliver on that promise [11]. Thus, brands can shape the customers’ expectations and provide insights into the future performance of the good, service or product and its performance [35]. A brand is the development of an emotional attachment to a genuine belief in something intangible. Therefore, it would be reasonable to assume that strong brands carry an assurance about specific features that make the product or service valuable and imitable [36].
Blackett [35] claims that many managers who hold the most senior positions in organisations lack a complete understanding of what successful branding consists of and treat it with superficial regard, only of importance in terms of names, logos, and advertising campaigns. At the same time, brands are distinguished through the evolution of recognisable and distinguishable visual triggers [37], which can be protected by trademark and, where necessary, patent laws [35]. In addition to the challenges faced by engaging managers in the belief that brands require special attention, the task of branding or rebranding can sometimes cause scepticism within an organisation [35]. Due to the lag effect of marketing activities, the impact on reputation and other tangible outcomes from brand management is often not evident for some time [35]. The initiator of the branding exercise must be clear on the project’s path and the ways in which it will deliver a clearly sustainable competitive advantage [38]. This objective will only be achieved with organisational support, including product service and operations departments delivering a product that reflects favourably on the brand, positioning it as a clear and indelible mark in the minds of the consumers [39].

Bastos and Levy [40] claim that symbols embedded in consumers’ minds create a desire to be someone who fits a specific mould or aligns with a group. Brands can be both signs and symbols of participation in that group. This participation typically fits with social needs, such as a sense of belonging and love, and self-esteem needs, such as recognition and status [41]. The engagement of the consumer with a brand can create a feeling of oneself as a person of consequence and social identity [40]. The sign and symbol of a brand are essential ingredients of such a branding sensation, which can be perceived negatively or positively by the recipient. Although the collective understanding of branding as the naming of a product is simple, the application of this idea and its philosophy have evolved in dramatic ways. To appreciate that evolution requires an awareness of the difference between a sign and a symbol. Jung [42] (p. 20) refers to “familiar trademarks, names of badges, or insignia”, saying, “Such things are not symbols. They are signs, and they do no more than denote the objects to which they are attached”.

That which is referred to as a symbol is a word, a title or even an image that may be familiar in daily life, yet possesses specific connotations to each individual, in addition to the conventional and obvious meaning. Mercer [43] explains that trademarks are the unquantifiable assets of intellectual property that support a brand, whether they are logos, names, designs, or images and include intangibles such as individual identity and associations with various groups and personality. Branding starts as a sign, a way of identifying an object, and then becomes a tangible, recognisable product [35].

Historically, branding was used to signify ownership of enslaved people and animals [44], and from such significance, implications arose. Being branded an animal, an enslaved person, a prisoner or a product were not merely terms that implied ownership; they also implied other concepts, such as a representation of status and reputation. Branding was usually performed using a mark made on the object or on a label attached to the object. In addition to signifying ownership and status, such marks might be perceived as a sign of excellence [45].

2.5. History of Branding

The term brand originated from an old Norse word “brandr” [35] (p. 13), meaning to burn, which was most commonly associated with branding an emblem into a cow’s hide to show ownership status [43]. Branding was used to identify a specific artisan or crafts-person’s work, which has led to today’s common usage. It guaranteed authenticity and quality that was easily recognised by customers and ensured repeat business [46].

Wengrow [45] claims that 5000 years ago, in ancient Mesopotamia, the birthplace of cities and writing, bottle stops were stamped with symbols that marked them. These are considered examples of the earliest evidence of branded goods. The belief is that they were promotional logos, or that which are known today as logos commonly used by brands that we are familiar with, such as McDonald’s or BMW. Wengrow [45] also states that some time in 6000BC, village-dwelling Mesopotamians started making personalised stone seals,
which they pressed into the caps and stoppers to seal food and drink. Originally used to denote the goods that were directly traded with neighbours and fellow villagers, the habit seems to have changed in 5000BC during the urbanisation of Mesopotamia, when traders encountered an increase in the number of strangers, along with an increase in the population. The marked products were probably used as a symbol to indicate the quality and origin of the product, particularly those of expected high quality, such as wine and oils. Thus, if a traveller saw a familiar mark on a product or a bottle, it assured them of a certain level of quality and the product’s provenance. Moore and Reid [46] claim that Harappan India’s civilisation continued the production of seals, as India was home to various artisans in 2600 BC. They worked in stone and bronze and created seals that were sold to merchants and traders with which to identify themselves. Though these brand identifiers created minor marks, they were indicative of the value the customer would place on the brand and a warranty from the merchant from which they originated. This practice has been replicated in modern times, as consumers have set expectations about the value of a product they are purchasing and a belief about that which the product may deliver, because it is branded in a certain way [36].

2.6. Brand Value

Since the 1960s, brands have been recognised as a valuable commodity, often considered a tangible asset on the balance sheet, a practice Biggar and Selame [47] (p. 36) refer to as “brand asset management”. Keller [48] claims that the level of engagement consumers have with a brand can reveal the level of passion and activity consumers feel and the associated emotional bond. Arvidsson [49] (p. 189) states that in modern decision making, the value of a brand is believed to be a feature of its “brand equity”, that is, the brand can generate revenue either by charging a premium price for the product or its ability to raise investment in the future through stakeholders’ belief in the brand’s past and future projected performance. Equally, some company accountants value brands by taking the net present value of such an asset based on five- and ten-year cash flow projections from a product sold by that brand [27]. Some companies value brands to such an extent that they purchase insurance to protect them, so that a valuation can be apportioned to the asset in the case of a company merger, acquisition or sale. However, it is worth noting that a brand as an asset is only partly insurable [50], leaving a significant onus on the organisation to mitigate that risk. Aon [50] also reports that in a survey conducted with 2672 respondents from various industries, damage to brand and reputation was listed as the second of the top ten risks.

Despite acknowledging this issue, organisations continue to manage the brand in the marketing departments, where staff may be under-resourced or ill-equipped to manage such an asset. Indeed, according to Fournier and Srinivasan [51] (p. 11), it has long been recognised that “of all assets under marketing control, brands are perhaps the most valued“. McGovern et al. [24] also contend that inappropriately executed marketing strategies can significantly affect share value and have done so in a range of industries, from telecommunications to finance, which is consistent with the opinion of Forsythe [52] that marketing should be the responsibility of the broader management team of an organisation. Keller [48] (p. 365) defines consumers’ engagement with a brand as “brand resonance” to describe the level of commitment the existing supporters of a brand have and the relative strength that is linked to a “psychological bond” with the brand. Khamitov et al. [53] (p. 435) assert that brand loyalty is dependent on continued behaviour from consumers that affects brand “elasticities”, which can vary depending on which brand is consumed and the emotional attachment the consumer has with that brand.
3. Method

Qualitative research can derive specific insights into behaviour and lived experiences in which the findings are emergent and allow the researcher to establish themes from the participants and to draw conclusions with a focus on interpretive frameworks [54]. Interpretive frameworks are a valuable tool in allowing social science researchers to use participants’ subjective views to enrich data collection.

With an understanding that qualitative analysis will provide the best opportunity for the researcher to understand similar behaviours within the participant set and its emphasis on lived experiences and narratives of participants, phenomenology was considered an appropriate choice of methodology. Initially devised by Edmund Husserl [55], phenomenology focuses exclusively on the real-world experience of participants in the context they inhabit. The focus of their interpretation of their lived reality enables the researcher to understand deep insights into the complexity of the situation and the ways in which participants perceive and understand their subjective experience.

Data were collected using semi-structured in-depth interviews to understand the nature of the relationship between board decisions, culture and brand and the ways in which such collaboration benefits the organisation in achieving its goal of engaging staff and customers. The data will illustrate the impact of strong values on culture from each participant’s account. The nine participants were CEOs and senior-level managers or board directors in phase one of a larger research project. For details of participants please refer to Table 1.

Table 1. Legend of respondents.

<table>
<thead>
<tr>
<th>Participant Categories</th>
<th>Title</th>
<th>Participants Represented a Range of Service Industries—Aged Care, Legal Firms, Airlines, Principal Racing Authorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>Board Director</td>
<td>Director on various boards, publicly or privately listed. GBE (Government business units)</td>
</tr>
<tr>
<td>P2</td>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>P3</td>
<td>COO</td>
<td>Chief Operating Officer</td>
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<tr>
<td>P4</td>
<td>CFO</td>
<td>Chief Financial Officer</td>
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<tr>
<td>P5</td>
<td>CMO</td>
<td>Chief Marketing Officer</td>
</tr>
<tr>
<td>P6</td>
<td>CLC</td>
<td>Chief Legal Counsel</td>
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<td>P7</td>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>P8</td>
<td>Board Director</td>
<td>Director on various boards, publicly or privately listed. GBE (Government business units)</td>
</tr>
<tr>
<td>P9</td>
<td>CEO</td>
<td>Chief Executive Officer</td>
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</tbody>
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The results are intended to inform phase two of the research project to create an organisational culture framework and to develop tests to measure the impact of culture on brand. The interviews can provide deep insights into complex issues and a basis for future studies. As board- and CEO-directed culture and its link to brand is a novel area of research, and little is understood about the connection of governance guidelines to brand, it is argued that phenomenology is an appropriate approach. An interpretivist philosophy will further allow for the focus of the research to be on participants’ lived experiences. This approach is also considered to be appropriate for studies in a business context.

The interviews were conducted virtually due to COVID restrictions and lockdowns. This phase of the data collection (phase one) was undertaken to understand whether there were determined antecedent factors in the outcome of a culture that could influence employees’ perception of the brand of the company in which they were employed. The interviews explored the phenomenon of culture in organisations and the impact of decisions made by the board or CEO on customer experience and the brand.
The participants were selected randomly through invitations and referrals. However, this phase of the research required seniority to be such that the participants were either responsible for setting the culture in an organisation or tasked with communicating the cultural expectations to employees. The interviews were conducted using a semi-structured approach to allow the participants to focus on the critical and relevant issues. Though qualitative research can be time-consuming [56], it allows the researcher to explore themes with participants, supporting the aim of richer and deeper exploration that can focus on a specific problem [57].

According to Creswell [54], data in phenomenological studies can consist of semi-structured or in-depth interviews in which the participants are encouraged to give their own version of their experiences. Further, Polkinghorne [58] recommends interviewing between five and twenty-five participants who have experienced or consider that they have experienced similar phenomena. In this phase of the research, the focus was interviewing participants who were in senior management positions. Grey [59] (p. 31) contends that as phenomenology tends to be relatively unstructured in its approach, semi-structured interviews will allow data to “emerge from participant’s lived experiences”. It is important to seek the opinions and subjective accounts of participants, which includes a contextual description.

To examine the data, the researcher used manual means of establishing themes and similarities within the discussions with the participants. Consideration was given to using NVivo; however, evidence suggests that manual data analysis produces a more accurate and robust result. Though NVivo is considered to be an acceptable data management tool, one of its drawbacks is that it allows the researcher to disengage from the data [60]. Davis and Meyer [61] suggest that the manual analysis technique allows for a more thorough process of interpreting data, mainly collected during in-depth semi-structured interviews.

To explore the link between company culture and its impact on employees’ perception of the brand, the questions aimed to understand the participants’ own experiences, motivations and interpretations of specific events or situations they faced during their employment and using their own words. As a result, it was concluded that NVivo would not help analyse data in detail. NVivo is inefficient in collecting anecdotes and nuances in the discussion and placing the information in the correct context. Instead, the author used a combination of Word and Excel, manually highlighting and transcribing the themes, allowing for more powerful analysis and robust engagement with the discussion. This approach allowed the researcher to form an opinion as to whether there were similar theoretical propositions that could be tested and reinforced by evidence [62].

The study addressed gaps in both the academic literature and corporate practice by exposing deficiencies in the way organisations address managing organisational culture and the management of a brand, leading to an understanding of the link between the two concepts. The theoretical models developed as a result of the study should be considered an attempt at conceptualising the emergent phenomena that will require further refinement and testing. The study will also provide insights for future research while providing solutions for practical application in business.

4. Discussion

“It wasn’t the best place I have ever worked from a culture perspective... so I guess when you’re aware of that there is a tendency to be focused on the things you don’t like...”

P4 CFO

This comment was made by a senior-level employee in an organisation in which stakeholder engagement and customer opinions matter during an interview to explore the connection between culture and brand and to understand who sets the culture and how it was communicated to employees.
Over three months, nine in-depth semi-structured interviews were conducted. The participants were all CEOs or senior management personnel of ASX (Australian Stock Exchange), publicly listed companies or SOCs (state-owned corporations) who reported directly to the CEO. All participants either reported directly to the board or interacted significantly with the board.

A set of questions was created to encourage some consistency in the interview process; however, because of the semi-structured style of the discussion, there were often specific points the participant wished to make that took the interview in another direction. The questions focussed on organisational structure, board structure, culture, decision-making processes and the delegation of authority, organisational communication processes (both formal and informal) and attitudes towards the organisation’s brand.

A complete list of questions is available in Appendix A.

All participants gave informed consent, consistent with the guidelines of the Swinburne University of Technology Human Research Ethics Committee (SUHREC). The study focused on senior-level management employees, CEOs and board directors. All participants represented service industries that operate in Australia, although some had reporting lines in overseas head offices.

The most recurring theme in the discussion was the culture in the organisation for which the respondents worked, how the culture was set and by whom and how this affected employees and their attitudes. Despite most participants quoting company values as a commodity in the organisation that are a constant theme for discussion, there remained a level of doubt as to whether management would understand that for the areas in which staff were sceptical of the legitimacy of the values, they also had little faith that the board and executives would be aware of or care about how customers were treated.

5. Does the Board/CEO Set the Culture?

One of the most critical aspects of engaging staff is communicating the importance of culture and precisely what elements that culture consists of [63]. To ensure success in the communication process, the board and CEO must be visual in their support of the agreed values that underpin the culture.

All participants agreed that the culture should be driven by the board and/or the CEO in collaboration with board support. There was general agreement among the participants that staff should be aware of the culture and that which is expected of them in their duties. However, opinions differed on the efficacy of cultural implementation. Some participants had positive experiences, although the consensus was either a level of ambivalence or a negative experience.

“I definitely foster the belief [as a board director or Chair] that the management team needs to be exposed to what the issues are...” P1 Board Chair

Some participants’ experience with culture was positive:

“We saw an enormous change in culture with the change of CEO. The new CEO drove a really positive engagement culture with the majority of employees but got some [significant groups] of employees offside. This in turn meant individuals from those groups were moved aside . . . .” P5 CMO

“As the CEO I knew I could influence the culture of customer service... I took the attitude that if a customer had a complaint and wanted to talk to someone then I would take the call. And the staff would see that....” P7 CEO

The following participant believed that culture was a fabricated notion to appease staff:
“One of the greatest lies that anyone spreads about an organisation is that they are interested in anything except money. Any sort of commercial organisation is interested in one thing and that is making money. And if firms make money the board leaves them alone. Part of the problem with law firms is how boards have evolved over the years because the boards are comprised of partners. Which effectively puts the shareholders in charge of running the ship” P6 CLC

6. Decision-Making Processes and Acceptable Culture

One of the issues highlighted in this line of questioning was inconsistent culture or a culture that was changeable with few communication processes in place. That which was acceptable in terms of resolving customer complaints regarding authority could change depending on several issues, such as a change of CEO, a change of board chair or more rigid austerity measures due to cost cutting. These rules placed further pressure on staff when dealing with customers, particularly when there were previously tools in place to support resolutions.

The issue of evolving cultures was also raised, as staff members who had been employed in a company for many years found it difficult to adapt to values that were altered over time consistently with societies’ values. A culture that is inconsistent with brand values can confuse employees and result in a less successful brand [5]. Comments from respondents underpinned this assertion, some in a positive way:

“There was a delegation of authority so people knew what issues they could resolve and that was managed by ongoing training and understanding what the company policies are” P8 Board Director

“The culture really focussed on safety which is an important issue for any mining company and was always the first thing on the agenda in any board meeting. Any interactions with stakeholders [whether they be customers, or the state premier] were secondary to safety... so this [culture] naturally filtered down from the CEO and other executives” P8 Board Director

Other participants believed that there were issues that negatively impacted the brand:

“The staff authority to resolve issues with customers was limited to their level of seniority in the company. And it would change from time to time depending on whether there were cost cutting controls in place or not. So, the culture became a little flexible . . . ” P5 CMO

“In my time of running airports for [airline] I certainly empowered staff to make decisions but [there were other areas of the organisation] that had very little empowerment to [for example] offer extra commissions to agents which [staff] used to bitch about all the time, to be honest” P3 Chief Operating Officer

7. Governance, Marketing and Brand

The questions in this category focused on internal governance procedures around brand and reputation, managing the brand as an investment and crisis management plans, which are typically a board/CEO responsibility [19,28].

In response to the question regarding investment in the brand or the management of such an asset, each participant believed that there was a significant investment in the brand. However, they were not always clear on how that investment was formally managed, nor what the brand’s value was (from a balance sheet perspective).

Most participants agreed that the responsibility for the brand sat with the marketing department; however, one believed that it was the board’s responsibility to set the strategy for the brand. Therefore, the participant was advocating for a top-down approach, in which the board dictates brand values, essence and personality, rather than a bottom-up approach, in which the CMO develops the strategy, which is then approved by the board:
“The board is responsible for the brand management... I think the board has to take ownership of it” P1 Board Chair

On the question as to whether there was a place on the risk register to capture reputational risk, the responses were varied:

“Yes, we capture reputational risk. I think it is key...” P2 CEO

“I know brand and reputation were on the risk register, but I would be guessing if I said where it ranked. Other issues [such as safety] ranked as number one...” P3 COO

Apart from airlines, most participants were not confident regarding the level of risk associated with brand and reputation as a documented issue, but in the discussion, they identified that customer complaints and issues were dealt with on a case-by-case basis. The research exposes an awareness of the connection between organisational culture and brand success within service organisations in Australia. Strong brands are likely to produce more successful organisations, and culture is perceived as the foundation of a successful brand. It became clear in the discussions with participants that regardless of whether their experience had been positive or negative in terms of culture in the organisations within which they were employed, happy employees equalled positive engagement with stated brand values. This outcome, in turn, signalled the optimum way for employees to interact with customers and stakeholders.

The other point that was made clear was that the organisation’s values need to replicate the values attached to the brand. When this does not occur, there is an inconsistency in service delivery. In the case of P6 CLC, the brand was representative of a professional organisation that prided itself on specific values that, from an external perspective, were to have replicated the culture internally. In the participant’s view, this was not the case. Similarly, P4 CFO felt that the culture was poor, which was reflected in how employees behaved in the organisation (this participant has since left the organisation due to poor culture). Where an organisation’s culture is deemed to be adversarial or combative, it is likely to have a negative effect on employees, potentially affecting their performance by creating an environment of fear.

8. Conclusions

This study has identified several gaps in organisations’ acknowledgement of a connection between a supportive, engaging culture and brand success. Some issues have been identified in this research that, if addressed, could support a positive relationship between culture and brand values, as well as improve financial performance.

It is proposed that this study provides insight into organisational gaps regarding the link between culture and brand and suggests a further study be conducted to provide valuable, useful data to allow managers to consider improvements to strategies in connecting culture and brand. A future study should focus on employees at the middle-management or line manager level, so that some generalised themes can be established, and tests can be considered to measure the impact of culture on brand.

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Appendix A

Interview questions

Organisational structure
- Please explain the structure of the organisation.
- What is the number of employees in the Australian business?
- Does the organisation have its own board who meet in the local office?
- Is the Chief Executive an Executive Director or other?
- What is the number of board members?
- Does the board structure demonstrate a level of diversity in the skill set of individuals that contributes to the way the board functions?

Decision-making processes and accepted culture
- How are decisions made in the organisation? At what level are decisions made?
- Is there a decision-making delegation process? Is the delegation of authority a formal or informal process?
- What is an example of a typical organisational process? For example, if an employee at management level wished to make a purchase on behalf of the company, how would they go about it?
- How are these procedures communicated internally? SOP (standard operating procedure)? Other?
- Are staff aware of these procedures at a formal induction?
- Describe the culture of the organisation.

Marketing and brand
- Does the organisation have a significant investment in the brand?
- How is that investment managed?
- Is there a formal marketing department? What is the structure of that department? Is there a senior person responsible for the marketing function?
- Is the marketing department responsible for brand management?
- Does brand have a place on the balance sheet as an asset?
- If so, is that asset managed by facilities, asset management, marketing or other?
- In your opinion, does the brand of an organisation have a place on the risk register?
- If so, is there a crisis management plan in place in the case of an issue?
- Alternatively, is there a mitigation plan to avoid such issues? Should there be?
- Can you give me a little more detail around staff engagement with the brand—that is, their attachment to the brand as unofficial “brand ambassadors”—do they see themselves in this way?

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