

Corporate Brand Management: Aligning Core Values, Strategic Vision, Corporate Culture and Image.

Johannes G. Lorenz,

University of Twente

Correspondence concerning this article should be addressed to:

Johannes Lorenz

University of Twente

Faculty of Behavioural Sciences

Department of Communications Studies

7500 AE Enschede

E-Mail: johannes.lorenz@student.utwente.nl.

Abstract

Although the importance of corporate brand alignment is generally recognised, only a limited number of tools are available to assess and manage corporate brands proactively. In this article the Vision, Culture and Image (VCI) method by Hatch and Schultz (2001) was used to assess corporate brand alignment. The main research objective was to investigate the role of core values in gaps identified using the model. An alternative model, with core values at the centre of the VCI model is proposed. Data was collected in a manufacturing organisation in the Netherlands. A selected group of 39 employees participated in structured depth interviews to describe the current situation.

Results show that the VCI method is a useful method to explore potential gaps between vision, culture and image. Eleven different gaps were discovered among vision, culture and image, and illustrated with additional information regarding the extent of gaps and the perceived effects on the organisation. Moreover, a positive relation between the link to core values and the effect of gaps was found. Gaps that are strongly linked to core values have a significant negative (perceived) effect on the organisation. Further, it appears that different management and employees use different perspectives on core values in order to link them to misalignments. Depth interviews show that in this case study managers link values-in-use to gaps meanwhile the employees links espoused values to gaps.

Keywords: corporate brand alignment, core values, VCI model, branding tool, brand management

Introduction

Corporate Branding

Corporate branding can be defined as a systematic process of creating and maintaining positive images and a positive reputation of the company as a whole by sending signals to all stakeholders, by managing behaviour and all internal and external communication (Einwiller & Will, 2002; Van Riel, 2001). Christensen and Askegaard (2001) describe corporate branding as the sum of organisational expressions, that are communicated to its various audiences, through core values (Ind, 1997), the behaviour of employees (Duncan & Moriarty, 1998; Tomczak & Bexendorf, 2003) and via all corporate communication to all internal and external stakeholders (Rode & Vallaster, 2005).

Corporate branding has received a lot attention recently (e.g. Balmer, 2001; Hatch & Schultz, 2001; Ind, 1997; Schultz & de Chernatony, 2002; Schultz & Hatch, 2003). Academics increasingly acknowledge that corporate branding refers to creating an organisation's unique characteristic, (De Chernatony, 1999, 2001, Esch, Tomczak, Kernstock, Langer, 2004) and that managers must pay attention to corporate branding, as it is acknowledged as an important driver for added value for all stakeholders of a company (Hawabhy, Abratt, Peter, 2009). Empiric research shows that a strong corporate brand has positive effects on the positioning of new products and product extensions (Brown & Dacin, 1997; Ind, 1997), customer attractiveness, investor confidence and employees motivation (Balmer, 2001a). The effects on a number of different key stakeholders (Balmer, 2001a, Brown & Dacin, 1997; Ind, 1997) underpin the importance of strong positioning for both, external and internal positioning (Harris & De Chernatony, 2001).

Vision, Culture and Image approach

The growing recognition of the importance of corporate branding and corporate brand positioning piqued Hatch and Schultz's interest. According to Hatch and Schultz (2001) successful corporate branding is typically based on the alignment between (1) the strategic goals of the top management level (strategic vision), (2) the knowledge and attitude of the employees (corporate culture) and (3) the perceptions of external stakeholders (image) (see figure 1). In other words, Hatch and Schultz claim that the strategic goals need to be supported by and fit with the corporate culture and must fit with the perceptions of key stakeholders to build and maintain a strong corporate brand.

Hatch and Schultz's (2001) method depicts a process that is focused on the cohesion and consistency between the three elements: strategic vision, corporate culture and the image. They noticed during their work at LEGO and British Airways, that a strong cohesion between all three elements is vital for effective corporate branding (Hatch and Schultz, 2001). Hatch and Schultz (2001) state that inadequate or faulty alignment of these three factors is in many cases an indicator for poor or faulty brand management and branding.

Hatch and Schultz (2001) call this corporate branding approach the VCI method. The key for a strong corporate brand are closed or small gaps between vision, culture and image. The relations between strategic vision, corporate culture and the image are key problem areas for corporate branding, e.g. relations must be monitored and maintained for effective corporate branding (Hatch and Schultz, 2001).

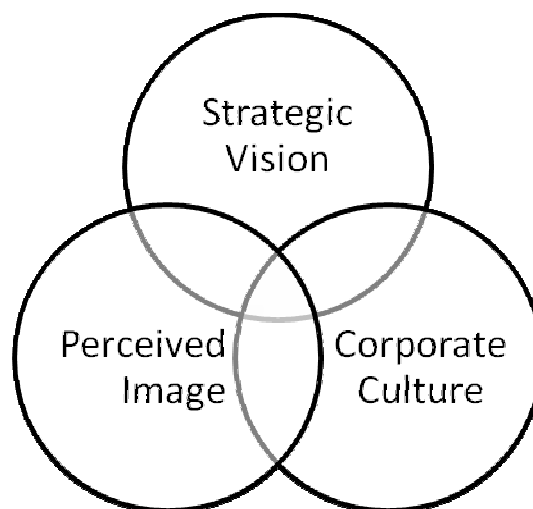


Figure 1: Hatch and Schultz's VCI method

Core Value Approach

Another theory that approaches corporate branding is based on core values. Urde (2003) speaks about core value based corporate brand building. Urde (2003) describes that well established and maintained core values influence all kinds of decisions varying from product related matters to internal or external communication within organisations. According Urde (2003) core values are guiding themes for brand personality, the positioning of brands, present in the strategy and the corporate culture. Urde (2003) suggests core values as the guide for internal and external brand building and as guiding factors in organisations.

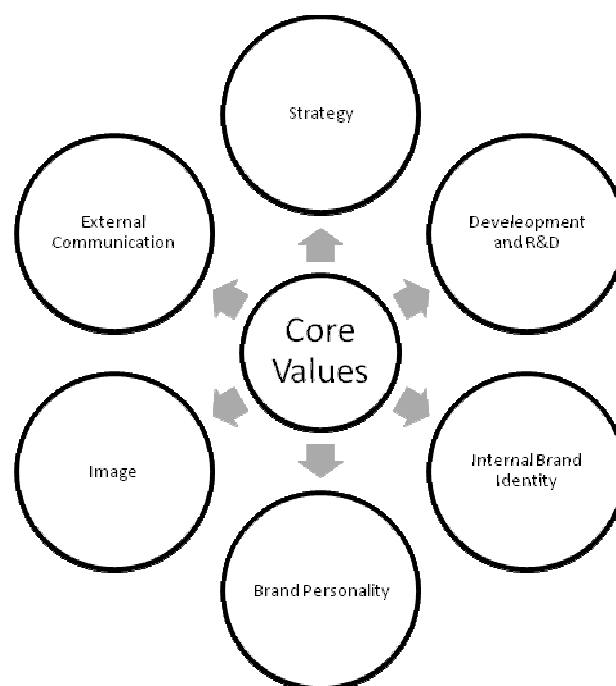


Figure 2: Impact of core values

According to Urde (2003), value based brand building and management consists of creating an integrated common approach, that is omnipresent in the entire organisation and persuaded by all sections and members in order to achieve the organisational goals (see figure 2). This would mean that successful corporate branding is related to a common approach all members share, which is based on core values. This common approach influences the entire organisation and the corporate brand. Therefore, core values need to be monitored and maintained (Urde, 2003).

Combining vision, culture, image method and the core value approach

Hatch and Schultz's (2001) method and the core value approach (Urde, 2003) are conceptual frameworks that describe different types of corporate brand management. Hatch and Schultz's (2001) method focuses on important relations between the areas they identified as vital cross points for corporate branding: vision, culture and image. Their method could be used in empiric research, even if the VCI method has not been used in empiric research yet, as they describe three specific starting points to explore corporate brand alignment (e.g. potential gaps between (1) strategic vision and corporate culture, (2) corporate culture and image, (3) image and strategic vision). Urde's (2003) core value approach on the other hand is focused on the effects of core values on organisations and the corporate brands. This method is a managerial approach that involves the basis of corporate brands, but is less usable to design empirical research.

The VCI method Hatch and Schultz (2001) present and the core values approach (Urde, 2003) have, even if they these methods approach corporate branding very differently, an objective in common: Both approaches are focused on alignment - between vision, culture and image or alignment of every organisational aspect to core values, in order to establish strong corporate brands. This conformity between the two approaches triggers the idea that both approaches could be linked. Matches between the areas the models address also support the idea that the core value approach and the VCI model are somehow related to each other. The corporate culture Hatch and Schultz (2001) describe is similar to aspects Urde (2003) links to core values, such as internal brand identity and brand personality. Also aspects as strategy and development, that Hatch and Schultz summarize as strategic vision, are according to Urde (2003) subject to core values.

As both approaches are apparently focused on similar aspects and the same objective, combining the VCI method and the core value approach could pool the strengths of each single method. Adding core values in the centre of the VCI model (see figure 3) has a number of advantages: First of all the empirical value of core values could be improved as the basic VCI method offers structure to design research. As a result the usefulness of core values in the actual corporate (brand) management can be enhanced. Moreover, valuable additional information regarding the gaps in the VCI model could be gathered by reviewing the relation to core values. Particularly the origin and the importance of gaps in the VCI model could be closer described using to core values.

Therefore, it is argued that extending the VCI model by core values to review the relation between (1) core values, (2) vision (3) culture and (4) image could give a deeper insight in the corporate branding process. Adding core values, as a fourth element, at the centre of the model Hatch and Schultz (2001) present could improve the understanding and management of corporate brands.

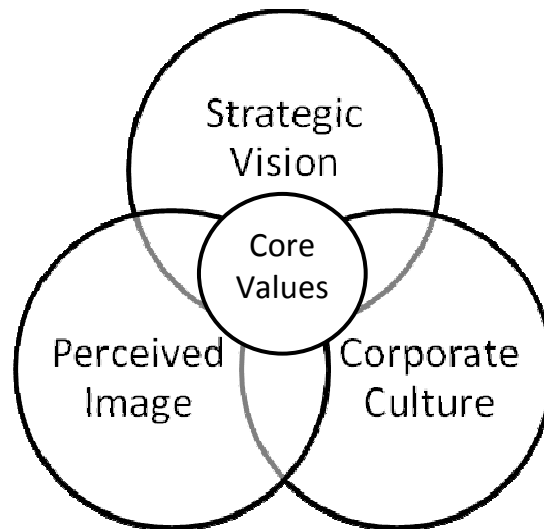


Figure 3: Introducing core values in Hatch and Schultz's (2001) VCI method

Research questions

In order to analyse the expected relation between the VCI method and core values, two main questions and five sub questions are formulated. As the VCI method has not been used in empiric research earlier, the first question addresses the VCI method before the extended VCI model is reviewed.

- (1) To which extent can Hatch and Schultz's (2001) model be used to analyse corporate brand alignment empirically?
 - a. What kind of gaps can be detected using the VCI model?
 - b. What is the perceived effect of these gaps?

- (2) To which extent is there a relation between the effects of gaps in the VCI model and core values?
 - a. To which extent is there a relation between gaps and core values?
 - b. What is the perceived importance of gaps related to core values?
 - c. How are gaps and core values linked?

Theory

In the following section the relations between (1) strategic vision and corporate culture, (2) corporate culture and image as well as (3) image and strategic vision are described. After that, (4) core values and (5) the link between the VCI method and core values will be reviewed.

Strategic vision and organisational culture

Collins and Porras (1998) define strategic visions within organisations as a description of a future objective. The function of a defined strategic vision is to provide organisations with inspiration and decision making criteria that can be applied in the entire organisation. Defining strategic visions is a vital element of strategic management as it is the basis for all decisions within organisations and applies to all units, departments and sectors equally (Collins & Porras, 1998).

Hatch and Schultz (2001) argue that alignment of the strategic vision and the existing corporate culture, e.g. the pattern of shared assumptions that the group learned [...] and are considered as valid [...] (Schein, 1999), can be a source of competitive advantage. They claim, when both aspects are aligned, strong corporate brands can develop.

Research confirms this theory. Balmer and Soenen's (1999) ACID test™ showed that vision and culture are strongly linked and that mutual support is needed for strong corporate branding. Balmer and Soenen (1999) built the ACID test based on a literature review and confirmed their concept in a qualitative study among 20 UK's major corporate identity agencies. They interviewed professionals in depth and conclude based on the experiences the respondents shared that vision and culture are linked to each other and influence corporate brands. Hawabi, Abratt and Peter (2009) also advocate, based on their findings in a qualitative study among branding professionals and managers who are involved in brand management and the effects of corporate branding, that corporate culture has an important effect on behaviour and alignment with the corporate objectives. Hawabi et al. (2009) claim that the management must pay special attention to the culture, particularly the employees and the behaviour to build a strong corporate brand.

Jones (2010) also argues based on a literature review that the strategic vision is powerful to connect existing perceptions of brands to the corporate culture. In Jones' (2010) view the strategic vision is the most important aspect in corporate branding, as the vision can connect all existing perceptions with the internal culture. Senge (1990) also claims in his management textbook that an accurate view on the current corporate culture is as important as a clear vision for future development. The stretch between vision and culture is jointly responsible for consistent corporate branding (Senge, 1990).

Organisational culture and image

Moreover, Aaker (1996) argues that when corporate images, e.g. perceptions of corporate brands, are consistent with the organisational culture and its values, they will create credibility in the eyes of key stakeholders. A number of researchers claim that particularly in corporate branding the alignment of organisational culture and corporate image magnifies awareness among all shareholders, and enhances reputation and attractiveness (Barich and Kotler, 1991; De Cheratony, 1999, De Cheratony 2001; Dowling, 2001; Fombrun, 1996). A successful corporate brand is based on aligned messages throughout the organisation (Hawaby et al., 2009), and is closely related to the interactions between employees and customers (King, 1991; McDonald, De Cheratony, Harris, 2001). Employees behaviour is important for corporate branding due to its crucial role in transmitting the brand's values to external stakeholders (Davies & Miles, 1998; De Cheratony, 2001; Stuart, 2002). This is in line with Keller (2000 a); brand promise and brand experience must fit, to influence stakeholder behaviour in ways that generate brand equity. Also the auto communication theory by Broms and Gahmberg (1983), Christensen (1997) and Morsing (2006) describes underpin the importance of members of the corporate culture for corporate branding and illustrates the relation between image and culture and vice versa. According to the auto communication theory organisational members are the most important audiences for organisations and influence the image through direct contact.

Davies, Chun and Kamins (2010) showed in a study among nine service organisations in the UK that the alignment of internal and external views is a competitive advantage and that valence and magnitude of the gap influences future performance. That means, customers who sense information from interaction with employees that differs from their perception of the company's reputation will experience a negative effect (Davies et al., 2010). Vice versa, their research shows that companies with a clear positive image and averaged gap grow 16% points higher in sales than companies with a clear negative gap. Also, Kowalczyk and Pawlish's (2002) study among Silicon Valley firms indicates that the external perception of culture affects the corporate brand. Kowalczyk and Pawlish's (2002) found correlations between Fombrun's Reputation Quotient and the Organisational Culture Profil and have therefore reason to believe that image and culture are related to each other.

Image and strategic vision

Similarly research shows (Dhalla, 2007; Dutton & Dukerich, 1991; Gioia, Schultz & Corley, 2000), only when strategic vision is confronted with the actual images among the key stakeholders and if this input is used, the organisation can develop a strong corporate brand. Alignment is again the key to a strong corporate brand. Dutton and Dukerich (1991) as well as Gioia et al. (2000) showed that even if identity and image are products of the strategic vision, the image can also have an impact on the strategic vision.

Dutton and Dukerich (1991) discovered this vital relation during research for the Port Authority New York and New Jersey. Depth interviews and content analyses showed the effects of the authorities' response to homeless people in the harbour area. The results show, that executing the vision can have negative effects on the corporate image, weaken the corporate brand and influence the vision in the end.

Goia et al. (2000) base their theory on Albert and Whetten (1985); who claim that organisations became sensible to the question who they are as organisation and what they communicate, as well as on Dutton and Dukerich (1991); who claim that over time members receive feedback on their organisation as members of the organisation are simultaneously members of external groups and this heightens according to Hatch and Schultz (1997) the chance to critically review internal and external perceptions and intercede.

Gioia et al. (2000) outline this circuit using the Shell Oil example - the plan to dispose of a platform by sinking it in the Atlantic. The original plan was opposed by Greenpeace as environmentally unsound. The controversy and negative feedback not only influenced Shell to reconsider and revise its plan but also to reconsider its own identity. Shell asked a series of self-reflective questions, prompted by the images it projected to the public and the images decided in return to revise its identity towards a more socially responsible organisation.

Also Davies and Chun (2002) showed in a case study among 50 department stores in the UK that varying perceptions of corporate brands exist. Davies and Chun (2002) interviewed 50 randomly selected customers and members of the organisation to analyse potential gaps. Davies and Chun (2002) demonstrate that measures of image can correlate with measures of identity and claim that gaps can exist and that the effects of the gaps vary.

Core values in corporate branding

According to Van Riel (1995) and Hawaby et al. (2009) is corporate branding the expression of core values. Core values are the starting point for corporate branding (Van Riel, 1995) and are the value foundation of a corporate brand (Urde, 2003). Collins and Porras (1998) define core values as the organisation's essential and enduring elements – a small set of timeless guiding principles that require no external justification. In short, core values are the essence of the organisation and the corporate brand and are an element of the strategic vision, mission and organisational values (Hankinson, 2000; Urde, 1994; Urde, 1997), as they summarise the organisational identity and form the starting point for corporate brand management according to Louro and Chunda (2001).

Also, Urde (2003) states that core values are a decisive factor in corporate branding based on a number field studies in organisations such as Ericsson, DuPont, Nestlé, Tetra Pak, Volvo etc. He illustrates his findings using the Volvo example. Based on qualitative research as interviews and the analysis of Volvo internal management reports and partly on quantitative research to confirm his previous conclusions, Urde (2003) describes the process of corporate brand building on core values.

According to Urde (2003) the process of core values based brand management begins with the mission, e.g. the definition of a general overarching task, the vision of the organisation, e.g. a vivid description of what the organisation wishes to accomplish (Collins & Porras, 1998) and the organisational values that are implicit present in the organisation. These three elements form according to Urde (2003) the basis for the organisational core values, or in other words influence the core values. Based on these values, Urde (2003) explains how this so called “common threat” influences corporate branding with a double function. Internally, they guide the organisation's efforts and externally the values are translated into added values for customer groups. As core values are an integrated element in the early stage strategy, core values influence brand architecture, products, brand positioning, communication strategy and brand identity and therefore the corporate brand (Urde, 2003). Finally, Urde (2003) points out that these guiding principles for corporate brand building have, even if they can be seen as lasting factors, a dynamic nature and must constantly be monitored and adapted as the requirements on the core values are constantly revised. Thus, active management of core values is needed.

Core values in strategic vision, organisational culture and image

Corporate brand alignment is a powerful tool to build a strong corporate brand in order to develop a strategic competitive advantage according to Hatch and Schultz (2001). However, up to date the advantages of corporate branding have proved elusive in practice (Jones, 2010). The current focus on the alignment of elements such as vision culture and image appears to be a useable starting point (Barich & Kotler, 1991; Broms & Gahmberg, 1983; Davies & Chun, 2002; Davies et al., 2010; De Cheratony 2001; De Cheratony, 1999; Dowling, 2001; Dutton & Dukerich, 1991; Fromburn, 1996; Gioia et al., 2000; Hawaby et al., 2009; Keller, 2000 a; King, 1991; Kowalczyk & Pawlish's, 2002; McDonald et al, 2001) as it identifies specific elements that need to be compared and managed, but in practice it remains unclear to which extent alignment is possible, needed, and positive for a corporate brand. Core values on the other hand are in most of the organisations clearly defined. But they do not offer a specific starting point like the VCI method to analyse and manage corporate branding. A possible solution, that has been introduced earlier, is to combine both methods in order to pool the strong points and downsize the shortcomings of each single method.

It is argued that core values could be an important fourth element that can be placed central in the vision, culture and image model to compensate shortcomings of both single corporate branding approaches. Combining both (see figure 3), the VCI method and the core value approach can improve the empiric value and the usefulness of core values in corporate branding and also extend the VCI model to detected core value related gaps. Potential relationships between core values and gaps between vision, culture and image can moreover help to successfully implement corporate brand alignment in practice.

Support for the idea of the extended VCI method (see figure 3), can be found in aspects that both approaches the (1) VCI method (Hatch & Schultz, 2001) and the (2) core values approach (Urde, 2003) as mentioned earlier, have in common (see figure 1 & 2). But also other sources support this idea. Collins and Porras (1998) showed for instance that successful companies build their vision on core values that are also present in the organisational culture. Hatch and Schultz (2001) also recognise that core values are important for corporate branding. In their point of view, core values connect vision and culture. Projecting and showing core values is according to Hatch and Schultz (2001) important for the positioning of corporate brands. They claim that core values are the basis for corporate branding and must fit with the values members hold (Hatch & Schultz, 2001; Urde, 2003). Balmer and Wilkinson (1991), Balmer (1995), Harris and De Cheratony (2001), Ind (2001), Urde (1999) all claim that in strategic managed organisations, the main objective is to live core values, this includes thinking, the way of working, behaviour and is influencing the corporate brand.

Core value based corporate brand management is strongly related to the extent to which core values are actually present inside the organisation (Balmer & Wilkinson, 1991; Balmer, 1995; Harris & De Cheratony, 2001; Ind, 2001; Urde, 1999). In line with this conclusion, Schein (1992, 1999) made a useful distinction between defined core values (espoused-values) and the present values in the organisation (values-in-use). Espoused-values are according to Schein (1999) goals describing the ideal situation and values-in-use are the present values among members. Bearing Schein's (1992, 1999) distinction in mind when core values are added to the VCI method, might result in additional information on the effectiveness of core values as tools for corporate branding.

Finally, it is argued that core values have an effect on the vision, culture and image of organisations as well as on the important alignment Hatch and Schultz (2001) describe. We argued that core values are according to Louro and Cunha (2001) the hub around for instance strategic vision, corporate culture and image develop. In order build a strong corporate brand, alignment between these three domains is vital as Hatch and Schultz (2001) claim, but Urde (2003) shows that alignment with the core values is also important for a strong corporate brand. We claim that sound corporate brand management is based on the alignment of (1) core values, (2) strategic vision, (3) corporate culture and (4) image.

Method

Context

The research phase was supported and executed in an international manufacturing and project management organisation in the Netherlands. The organisation is operating on business markets in the Netherlands, Germany, the UK, France and the United states. Approximately, 2000 people are working for this organisation.

Respondents

An uninvolved department was asked to produce a representative sample of the entire organisation. The department was asked to select a group of 44 potential respondents that fulfil the two inclusion criteria: (1) Potential respondents need to work for the organisation directly and are no contractors or contract workers, to be sufficiently involved in the organisation, (2) potential respondents need to work for at least 12 months for the organisation to assure that they know the organisation sufficiently. Among these 44 respondents were members from various departments and organisational levels of the organisation, e.g. blue collar workers, engineers, sales managers, accountants, HR managers, strategic planners, executive board members, etc. All potential participants were invited to participate by email. Three respondents had to decline the invitation as they were not in during the interview period and two respondents had no time to participate (87% response rate). In total 39 employees participated. Sixteen respondents were members of the strategic vision group (middle, senior and executive management) and 23 participants were members of the corporate culture (shift leader, blue collar workers, white collar workers, etc).

Procedure & Instrument

Preliminary Phase

Schein (1992, 1999) shows the differences and effects between espoused-values and values-in-use. As these differences might be important and allow further insights in the role of core values, respondents were asked to describe the (1) core values-in-use and to describe (2) presence of espoused-core-values in the organisation, before the relation between core values and the VCI method was further explored. To respondents who were not familiar with the term “core value” Urde’s (2003) definition, “values that sum up the identity of the organisation are core values”, was presented.

Interview Part 1:

1. Please describe the core values you experience

Main Phase

In the main interview relations between (1) vision - culture, (2) culture - image, (3) image - visions were reviewed. During the interview, each relation was outlined entirely before the next constellation was discussed. That means there were a number of questions and tasks regarding one specific fit before questions regarding the other relations were asked. Respondents were asked to rank the relation they experience on a five point scale (from 1= extremely poor, to 5= excellent) and to motivate their answer and explain their decision using examples. Then, participants were asked to scale the effect of the gap on a five point scale (from 1= very disadvantageous, to 5= not disadvantageous). Again, the respondents had to motivate their decisions and try to explain the answers. Finally, the respondents were asked to which extent core values are related to the earlier described fit. Here respondents were free to use decisions and overviews they made during the first interview part. This order of questions and tasks was reproduced for all three possible fits.

Interview Part 2

1. Scale: Ranking of the fit between vision culture or image from 1= extremely poor, to 5= excellent
 - a. Respondents were asked to motivate and explain their answers using examples
2. Scale: Rank the effect of the of fit in question from 1= very disadvantageous, to 5= not disadvantageous
 - a. Respondents were also asked to motivate their answers using examples
3. How are core values related to the fit?
 - a. Which core set of values are you referring to?
 - b. Which specific values play an important role?

Debriefing

After the interview all respondents were debriefed. Before and during the interview the respondents were not aware of the objective and goals of the interview. In the invitation participants were only told they have been selected and are kindly asked to help improving the general organisation of the company they are working for.

Results

Part 1: Perceived core values

The overview of the perceived core values (see table 1 to 3) shows that the espoused values (see table 1) are not the only present values in the organisation. The list of espoused values is enlarged by a number of values-in-use that can be clustered in work related values (see table 2) and product related values (see table 3). Both, management and employees experience these additional values-in-use such as “collaboration” (see table 2) and “quality” (see table 3) as more present core values than most of the espoused-values. This indicates that the espoused-values are not strongly integrated in the organisation or that the espoused-values do not fit the organisation perfectly. This and the varying perceptions of values-in-use indicate that it shall be useful to keep not only espoused-values in the view.

Table 1: Experienced presence of espoused core values

	Management	Employees
Safety	14%	14%
Integrity	7%	7%
Development	5%	7%
Flexibility	7%	2%
Cost effective operations	2%	2%

Table 2: Work related experienced core values

	Management	Employees
Collaboration	9%	14%
Social	7%	7%
Respect	5%	4%
Bureaucratic	3%	2%
Employee satisfaction	3%	1%
Fun	2%	0%
Proud	0%	0%

Table 3: Product related experienced core values

	Management	Employees
Quality	9%	8%
Know How	7%	7%
Reliability	3%	6%
Production focus	5%	5%
Profitability	3%	2%
Continuity	2%	4%
Accountability	2%	2%
Intellectual	3%	1%
Motivation	2%	1%

Part 2: Vision, culture and image alignment

The data show that 62% of the participants think that the vision - culture alignment is below average (see table 4) meanwhile only 5% suggest the alignment as “above average”. Image - vision alignment scores comparably, 44% suggest the alignment as “below average” meanwhile 18% of the respondents suggest the alignment as “above average”. The alignment between culture - image scores higher, 46% think that the fit is “above average” meanwhile, 21% suggest the fit as “below average”. Among the three gaps the culture - image fit is the most positive. This is striking considering the number of reported issues (5 of total 11 reported issues). Wilcoxon tests indicate a significant difference between the perceived gaps. Between vision - culture and culture - image, $z = -3.97, p < .001$ and the vision - culture and image - vision, $z = 2.24, p < .025$. Meanwhile the Wilcoxon Test indicates no significant difference between the perceived gaps between culture - image and image - vision, $z = -1.77, p < .08$. E.g. the vision - culture gap is the major gap among these three.

Table 4: Reported fit between Vision, Culture and Image

	V - C	C - I	I - V
Extremely Poor	3%	3%	5%
Below Average	62%	21%	44%
Average	31%	31%	21%
Above Average	5%	46%	18%
Excellent			5%
Total	100%	100%	100%

Effects of vision, culture and image alignment

The participants also estimated the effect of the reported gaps on a five point scale. The vision - culture gap has the most negative effect, (see table 5) 21% of all participants suggest this gap as “very disadvantageous”, meanwhile only 8% are convinced that the disadvantage applies. The culture - image and image - vision gap on the other hand score opposite. Only 5% (culture - image) and 3% (image - vision) suggest these gaps as “very disadvantageous”, meanwhile 33% (culture - image) and 26% (image - vision) suggest these gaps as “not disadvantageous”. The Friedman test, which evaluates differences in medians among the three gaps, is significant $X^2(2, N = 36) = 15.50, p < .01$ and indicates fairly strong differences, e.g. the obvious discrepancies of effects are actually related to the gaps only. The Wilcoxon tests indicate a significant difference between the perceived effect of the gaps between vision - culture and culture - image, $z = -3.95, p < .001$. and the vision - culture and vision - image gap, $z = 3.24, p < .001$. The test indicated no significant difference between the perceived effect of the gaps between culture - image and image - vision, $z = -.37, p < .72$, e.g. the vision - culture gap also has the strongest effect on the organisation, in this case the effect is negative.

Table 5: Reported effect of (mis)alignment between vision, culture and image

	V - C	C - I	I - V
Very disadvantageous	21%	5%	3%
Disadvantageous	36%	15%	23%
Moderately disadvantageous	21%	21%	21%
Of little disadvantageous	15%	26%	21%
Not disadvantageous	8%	33%	26%
Total	100%	100%	100%

Gaps between vision and culture

In total eleven different gaps were described during the interviews between vision, culture and image. Overall, the 39 respondents described three different issues between the (1) vision and (2) culture. Issue 1: “Unclear priorities and objectives cause various interpretations that hinder each other”, e.g. within the organisation goals, strategy etc. are not binding enough to force all parts of the organisation to work similar and towards the same objective.

“At the highest level, it is not clear what the organisation really is. Are we a production, R&D, or project management organisation? These different ideas make it in all levels hard to work together.”

Issue 2: “The production and output orientation versus the passion for quality and amicable collaboration”, e.g. that the focus of effectively producing units is perceived as a danger for the quality of the product - the working climate, and vice versa.

“We want to achieve goals, but we are not binding enough and very focused on relationships with colleagues. The project manager who is not performing and always leaving on time is not held responsible for instance.”

Issue 3: “The Manufacturing focus versus the Research & Development orientation”. E.g. that the perceived vision and culture are focused on different key aspects of activity and cause problems.

“Compared with other commercial organisations, we are a socialist organisation that is only technically oriented and not business driven.”

Among these three gaps between (1) vision and (2) culture, the first one (the unclear priority issue) is the only gap that is clearly linked to one of the two elements only. Issues number two and three are related to the interaction of both, the strategic vision and culture.

Gaps between culture and image

Between (1) corporate culture and the (2) perceived image, respondents reported four different issues. Interestingly, the first issue in this matter is a perceived fit between the culture and image. In fact, issue 4, “the wealth fit”, e.g. suppliers and employees see XYZ as a very rich organisation, is no advantage according to the majority of respondents. Expressions as “*we are ripped-off...*” and “*we waste...*”, or “*we have enough...*” dominated the explanations. This raises the question if every fit within the VCI method is positive.

Issue number 5: “The slow and bureaucratic organisation versus the modern production environment”, e.g. the organisation is seen as bureaucratic and slow organisation among stakeholders as suppliers, customers and local residents, whilst the internal culture - the modern and output oriented organisation is not appreciated.

“When I tell my friends that we are working differently now, modern and output oriented, they simply don’t believe that we produce something and are not into research only.”

Issue number 6 is: “The best supplier versus the internal culture”, a number of the participants complained that the organisation is seen as the best supplier; meanwhile the organisation internally is focused on the production processes only. This gap is according to the respondents very present but not as negative as it could be right now, as internally these shortcomings are compensated, but still have the potential to become major issues. Again, an unambiguous gap is not directly negative for the organisation.

“I think that we are too much focused on the internal aspects. We are only focused on our production and miss a lot of customer focus. This is in my point of view the reason why we have problems. We need to focus on our customers and not our output only.”

A number of participants reported the 7th issue, “the project management organisation versus the lack of customer focus”. The organisation is by a part of the customers “*not only seen as a supplier of a generic product, but as a project management organisation*”. If the organisation is seen as a supplier of entire solutions, a lack of customer focus is more flamboyant.

Issue number 8 is also related to a fit between culture and perceived image. The organisation has a, “R&D focused corporate culture that is still recognised”. This match is according to the respondents negative as it dysfunctional to achieve corporate goals.

“Well, we still act as an R&D organisation; we search for the best solution, instead of the ideal solution. This certainly influences our image.”

Gaps between image and vision

The image - vision gap is, as the earlier culture - image gap more diversified, as perceptions vary according to the key stakeholder groups. Issue number 9 is “the conflicting image among customers and strategic vision”, e.g. important customers experience the organisation negatively in some areas as the scope of supply is not clear to all customers.

“An issue is that among five customers, we encounter three different ideas of what we do for them and should do, and related to that, how good we are. It is not clear what we offer. This has a negative impact on our image occasionally.”

Issue number 10 is due to the fact that the general public and potential employees have the same image e.g. the bureaucratic research organisation.

“Before I started working here, I have had a very different idea of the organisation. “That is also something I experience in job interviews, potential employees have an entirely different idea of how we work and what we do than it actually is.”

Issue number 11 is: “The big spender versus the commercial organisation”. Particularly among suppliers, contractors and also among local residents the organisation is seen as a big and careless spender meanwhile commercial awareness is very important in the organisation.

“I have the impression, that as soon as suppliers hear our company name, they double their margin and try to sell us much more than we need.”

“Often, you hear people say, that when you work at XYZ, you don’t have to worry and that money does not count in this organisation, meanwhile we are keen on return on investment, and creating cost awareness and a sense for effectiveness.”

Relation between core values, vision, culture and image

The vision - culture gap is according to 32 of the total 39 respondents related to core values (see table 6). The remaining seven respondents do not link core values to the gaps they described. That means that 82% of the respondents claim that the three different reported gaps between vision and culture are related to core values. A Mann-Whitney test between the effect of the vision - culture gap ($M_{no\ link} = 3.6$; $M_{link} = 2.3$) and the link to core values, $U = 38.5$, $p = .005$, $r = -.45$, shows that core values are significantly related to disadvantageous effects of gaps. E.g. there is a relation between the effect of the vision - culture gap and the link to core values.

The culture image gap is according the respondents also related to core values (see table 6). Twenty-three respondents (59%), see a link between core values and the existing gaps. The effect of these gap is only of little disadvantage ($M_{no\ link} = 4.1$; $M_{link} = 3.4$). No statistical difference was found between the effect of gaps that are related to core values or not. The image - vision gap also appears to be related to core values (see table 6). Twenty respondents (56%) link core values to the existing gaps. The effect of the gaps is moderately disadvantageous ($M_{no\ link} = 3.8$; $M_{link} = 3.3$), and no differences were found between the effects of the gap and the relation to core values.

In addition, the link between the vision - culture gap and core values appears to be significantly stronger than the link between the culture - image and image - vision gap and core values (vision - culture - $CI_{.95} = .77, .87, >^*$ culture - image - $CI_{.95} = .54, .64$ and image - vision - $CI_{.95} = .51, .61$). The Mann Whitney test also shows that gaps that are strongly linked to core values have a strong negative effect on the organisation.

Table 6: Link between core values - vision and culture gap

Gap	No Link		Link		Mann-Whitney-U	p
	Count	Avg. Effect	Count	Avg. Effect		
V-C	7	3,6	32	2,3	38,5	0,005**
C-I	16	4,1	23	3,4	138,5	0,179
I-V	16	3,8	20	3,3	124,5	0,244

Note:* Scores: 1 - "very disadvantageous", 2 - "disadvantageous", 3 - "moderately disadvantageous", 4 - "of little disadvantage", 5 - "not disadvantageous"; **p < .01, two tailed;

These findings indicate that core values are related to corporate brand alignment. The earlier found clusters (see table 1-3) are a entry to further explore the link between core values and gaps. Qualitative data is reviewed to show possible differences between espoused-core-values and core-values-in use and the two groups, management and Employees.

Differences between management and employees

The interviews show discrepancies between the groups in the way they link values-in-use and espoused-values to gaps. As the vision - culture gap is strongly related to core values, the underlying issues will be further explored using qualitative data regarding the vision – culture issues.

Surprisingly, most of the members of the management motivate gaps using values-in-use. Meanwhile the Employees motivate gaps differently. The employees group tends to link issues more to aspects that are elements of the espoused -values, unlike the management group.

Values-in-use (Management)

We are in my point of view even too social. Compared with other commercial organisations, we are a social, almost communist organisation.

“...we are far too open, none binding very much focused on relationships. All these things I have mentioned earlier when I described the good collaboration here do certainly play a role. Who is really in the lead? In our flat hierarchies things are always unclear.”

Espoused-values (Employees)

“I think that when we are more flexible we can optimise our output and support XYZ better to meet its commitments. This is in my point of view the necessary change that has to happen.”

Development and flexibility influence the problem. Development needs to be improved in the entire organisation meanwhile is flexibility is an issue of the R&D section compared with the rest of the organisation and particularly the manufacturing sector.”

Interestingly, the first issue, “Unclear priorities and objectives cause various interpretations that hinder each other”, is an issue that is only reported by a group of members of the management. This group relates shortcomings of the strategic vision very well to the present culture among top management. Special about this observation is, that even among top management, ideology (e.g. strategic vision) and present culture vary, e.g. are not aligned and cause organisational problems.

“We are far too open, none binding and very much focused on relationships. I think, on the highest level the vision is not clear, as we,” the management” are a part of the organisational culture and are also far too much focused on relationships.”

Concerning the other two gaps, both groups experience and circumscribe the same issues. Noticeable is that groups see completely different connections to core values. E.g. the majority of the employee group motivates gaps using espoused-values (we must be flexible) meanwhile the strategic vision group tends to link values-in-use (we are far too social) to these gaps.

Values-in-use (Management)

“I think we are too much focused on internal aspects. The reason that we have an issue is that we operate only production oriented.”

Espoused-values (Employees)

“Our problems are related to our flexibility. When it comes to support our colleagues we are very flexible. But when we need to deal with organisational changes we behave very differently.”

The above example illustrates, that the role of the respondents in the organisation is of major importance. Most of the members of the employee and management group identify the same values-in-use and espoused-values (see table 1 to 3). Moreover, perceptions of existing gaps do not vary extremely among the groups. However, the way respondents related core values to gaps varies according their role in the organisation. The management group suggests values-in-use as responsible for the gaps meanwhile the employee group is convinced that the gaps exist as espoused-values are not fully appreciated.

Discussion

Theoretical implications

In this study, it is argued that the vision, culture and image method, Hatch and Schultz (2001) present, can be used in combination with core values to highlight and further explain the most vital problems, organisations and corporate brands can have. Adding core values as a fourth element at the centre of the VCI method grants deeper insights and highlights main issues. Adding core values to the VCI method grants more insights in the roots of problems, varying perceptions among management and employees and can highlight internal conflicts that can cause gaps and help designing interventions.

The vision, culture, image method

In total, eleven different gaps between strategic vision, corporate culture and perceived image were reported by 39 (n=39) respondents. Questions regarding the extent and the effect of experienced gaps grant further important insights in Hatch and Schultz's (2001) model. Results show, that not all gaps between vision, culture and image are even large and disadvantageous, or occasionally not disadvantageous at all. The gathered results indicate that the vision, culture and image method, Hatch and Schultz (2001) present, can be used to explore corporate brand alignment.

The extended vision, culture, image method

Further, it seems that core values can be used to extend the VCI method to explain problems corporate brands can have. Adding core values as a fourth element at the centre of the method grants additional insights in problems and can highlight key issues. The negative perceived effect of links to core values (see table 6) support this theory. Adding core values to the VCI method grants moreover insights in the roots of problems, varying perceptions among management and employees and can highlight internal conflicts that cause gaps and help designing interventions.

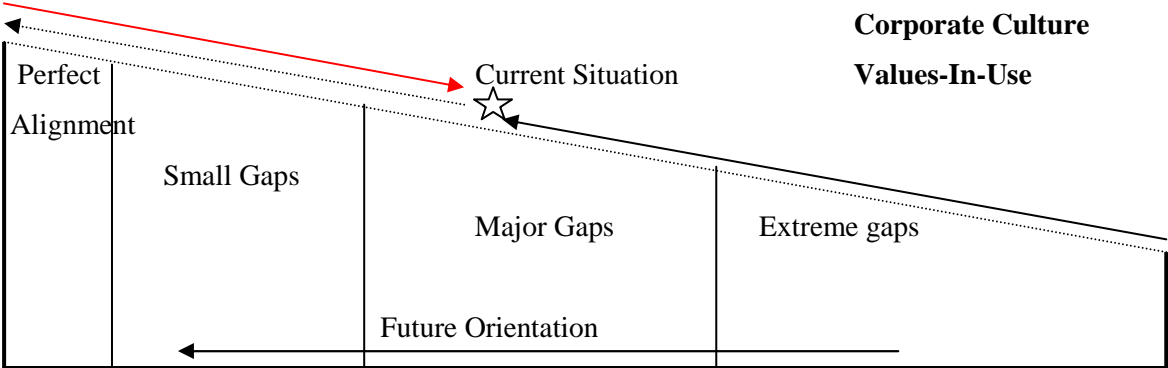
Linking core values to the VCI method

The extended VCI method shows that the role within the organisation can influence the function and the view on core values. Managers tend to motivate gaps using values-in-use meanwhile the employees motivate answers the opposite way. The managers appear to compare the ideal situation with their perception of the current situation and link discrepancies to the values-in-use. Therefore, they often suggest values-in-use as reason for organisational issues. Members of the employee group are similarly referring to the values-in-use. When these respondents relate gaps to core values from their point of view, they use espoused-values to illustrate what is needed to improve the gap. That means that the viewpoints on issues often vary according to groups. E.g. respondents use different sets of values to motivate their answer, even if they address the same issue. It cannot be stated the gaps related to values-in-use or espoused-values have a more negative effect for the organisation.

Figure 4: Perspective and effects on core values

Strategic Vision

Espoused- Values



The role of core values in the VCI model

Results show that the vision - culture gap is strongly related to core values. Eighty-two percent of the respondents see a connection between vision - culture gaps and the core values they mentioned. The culture - image and image - vision gap, on the other hand are for 59% or 56% related to core values. E.g. even if the vision - culture gaps are significantly stronger linked to core values, core values are related to all gaps in the VCI model. These findings exceed the role Hatch and Schultz (2001) give to core values in the VCI model. According to Hatch and Schultz (2001) core values connect vision and culture and have no effect on the entire VCI model. However, the links between the culture - image gap or the image - vision gap and core values underpin Urde's (2003) view that core values influence more areas within organisations. The vision - culture gap is, even if it is argued that all gaps can be linked to core values, the most present gap in this study. This could be related to the earlier found varying perceptions of core values. Table 1 to 3 show that particularly the espoused-values are not strongly integrated and that the perceptions of values-in-use vary. E.g. in other organisations where values are filled in differently, the focus could lie on other gaps. Moreover, it needs to be stated that even if the vision - culture gap is significantly stronger related to core values and the effect varies significantly from the other gaps, it does not mean that the other gaps are unimportant. But, in this organisation, the vision - culture gap has a more negative effect than the culture - image and image - vision gap.

The results underpin that core values as Urde (2003) speaks about play a vital role in corporate branding and that adding core values at the centre of the VCI method Hatch and Schultz (2001) present is useful to extent the understanding of corporate branding. The extended VCI approach is focused on the alignment of vision, culture and image that is important for corporate branding (Barich & Kotler, 1991; Broms & Gahmberg, 1983; Davies & Chun, 2002; Davies et al., 2010; De Cheratony 2001; De Cheratony, 1999; Dowling, 2001; Dutton & Dukerich, 1991; Fromburn, 1996; Gioia et al., 2000; Hawaby et al., 2009; Keller, 2000 a; King, 1991; Kowalczyk & Pawlish's, 2002; McDonald et al., 2001), plus it draws also on corporate core values that are the backbone of organisations (Collins & Porras, 1998; Hankinson, 2000; Louro & Chunda, 2001, Van Riel, 1995) to analyse and manage corporate brands.

Limitations & further research

One important conclusion is that employees appear to be focused on realising the defined core values whilst managers are focused on discrepancies between the ideal status and the current culture. The varying functions, interpretation and roles of core values between different groups of organisational members offers room for further research. Particularly in this case espoused-values are not fully appreciated. Therefore research in a number of organisations, and organisations where espoused-values are fully appreciated could grant further insights in the actual role of core values.

Hatch and Schultz (2001) propose to interview external respondents to analyse the image element of the VCI method. In this sample only members of the organisation were involved, as not the image itself, but the relations between image and vision respectively the culture are of key interest. Knowledge of both is a prerequisite to participate. Members of the organisation can depict the image among different types of stakeholders such as, customers, suppliers, banks, contractors, potential employees, local government and other authorities. They can also compare these impressions to the corporate culture and actual strategic vision. Key external stakeholder's perceptions could partly be added to further research to underpin the conclusions that members of the organisation draw.

Managerial implications

In theory finalised or no gaps between vision, culture and image result in strong brands. In practice, closing all gaps is not possible as organisations must manage corporate brands effectively, e.g. organisations are confronted with budgets and return on investment. Focus on the most vital, or negative gaps is needed to maintain a successful and affordable strong corporate brand. This article shows, that analysing the relation between gaps and core values can provide important information for organisations and help organisations to focus their attention on the most important issues.

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