



UNIVERSITY OF
GOTHENBURG

Brand and Culture - The external influence on the internal

A case study of culture building in relation to brand
and challenges with the concept of building culture
from the outside-in

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Essay/Thesis:	30 hp
Level:	Second Cycle
Semester/year:	Spring 2018
Supervisor:	Freddy Hällsten
Examiner:	Ola Bergström
Report no:	xx (not to be filled in by the student/students)

Abstract

Essay/Thesis:	30 hp
Program and/or course:	PV2500 Master Thesis in Strategic HRM and Labour relations
Level:	Second Cycle
Semester/year:	Spring 2018
Supervisor:	Freddy Hällsten
Examiner:	Ola Bergström
Report No:	xx (not to be filled in by the student/students)
Keyword:	Culture building, Brand, Culture from the outside-in, Institutional pressures, Organizational culture, Shared assumptions, Retail sector

Purpose: This study investigates how a culture building process within the retail sector might be influenced by the case organization's external brand. The study also aims to identify possible challenges with the concept of building culture from the outside-in (driving culture from the brand). Consequently, the research questions in this thesis are; *How is the internal process of culture building influenced by the external brand?* And *What institutional and cultural pressures might challenge the concept of building culture from the outside-in?*

Theory: To answer the research questions, a theoretical framework based on institutional and organizational culture theory was developed. The chosen theories have guided the study with the following understandings. Firstly, organizations are influenced by their environmental context in terms of different mechanisms of isomorphism. Secondly, organizations are carriers of history, which will influence decision making processes. Thirdly, culture is manifested on different levels within organizations, where shared basic assumption are the on deepest level and most difficult to manage and change. Lastly, shared basic assumptions around how members of the organization deal with issues of external adaptation and survival are important to explore in order to understand how internal culture activities can respond to external change.

Method: The study is a single-case study based on a qualitative research approach. The methods used in this study are observation, open-ended question questionnaire and one interview.

Result: Results of this study revealed that certain parts of the culture building process were influenced by consumer demands and an idea about how the external brand should be. The parts of the culture building process that were influenced by this were the formulations of vision, mission and business idea. Other, more internal aspects, of the culture building process, such as espoused values and behavioural guidelines were however highly influenced by the company's current brand and identity. Several factors were identified that challenge the idea of driving a culture building process from the outside-in. Firstly, although it can influence culture building, an external brand is not always in line with current customer needs. Secondly, existing culture may influence decisions within culture building processes, which can hinder new culture to emerge. Thirdly, inside-out models on culture building are adopted more easily by practitioners because of normative pressures within the field. There needs to be empirical evidence of the usefulness of an outside-in perspective in order for the approach to be legitimized. Finally, the existence of subcultures when it comes to members' assumptions and understandings of the external brand indicate a need for HR practitioners to combine internal and external operations (especially marketing operations) into their work.

Foreword

Gothenburg, 2018-06-01

Writing this thesis together has been an important learning process. It has taught us about cooperation and project management. This project has also taught us the importance of challenging your own ways of thinking. We have had many interesting and eye opening conversations along the way and we have experienced delightful moments of comprehension that have taken us forward in the process.

There are many people we would like to show our gratitude towards. First, we would like to thank our supervisor Freddy Hellsten. Thank you for your support and guidance. You have helped us to stay on track and believe in ourselves in times of hesitation. We would also like to thank our families and friends who have been supportive throughout the process. Thank you for being there!

We would also like to thank our case organization. Thank you for the trust, cooperation and most of all your warm welcoming. By granting us an opportunity to observe and be a part of the important process of culture building you have helped us to grow professionally and also inspired us to work with corporate culture in the future.

Yours truly,

Ivette Kilian Bareja and Petra Kervinen

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1 Introduction

Successful business strategies are continuously adapted to the changing environment and driven by customer needs (Day & Moorman, 2010). According to Day and Moorman (2010) successful companies, such as IKEA, Apple and Amazon, do not only focus on their internal capabilities, instead they drive the entire organization from outside market insights. This outside-in perspective on strategy building is largely accepted within the business management and marketing operations (Day & Moorman, 2010). It is argued that in order to bring real value into the organization, human resource operations also need to be a part of the business strategies, in other words be in “the real business”, as stated by Ulrich et al. (2012, p. 1). However, HR strategies still often focus on the internal needs of organization, instead of driving HR strategies from an outside-in perspective, as “real” business strategists (Ulrich et al., 2012).

Corporate culture, and the efforts and strategies around it, is an interesting phenomenon because it combines business strategies, such as business idea, vision and mission, with HR-strategies, such as employee behaviour, attitudes and values. The creation and management of a strong corporate culture has been identified as an important strategic aspect by company leaders (Graham et al., 2017). Success factors such as goal achievement, employee satisfaction and organizational commitment, which in turn increase profit, has put corporate culture on a prioritized agenda for many companies (Lencioni, 2002; Nongo and Ikyanyon, 2012; Ramdhani et al., 2017). Emphasizing the importance of driving HR strategies from a business perspective, Ulrich and Brockbank (2016) have raised the question; why is corporate culture often driven inside-out? “As cultural stewards, HR professionals need to have an outside-in perspective where they make sure that the internal culture and the HR processes through which the ideal culture is created and sustained directly reflect the external brand promise” (Ulrich & Brockbank, 2016, p.53).

This quote from Ulrich and Brockbank (2016, p.53) caught the researchers` interest. The perspective is particularly interesting to look at within the Retail sector, where the brand is continuously presented in the daily interactions between customer and employee (Burt & Sparks, 2002). The researchers have been studying Strategic Human Resource Management (SHRM) for almost two years without hearing or reading about this outside-in perspective within the field of SHRM before. As the researchers started to dig in to the concept of “outside-in” management and strategy, discoveries were made around the interrelation between brand and organizational culture within the field of marketing (Girod, 2005; MacIntosh & Doherty, 2007; Mosley, 2007; Wilson, 2001; Hatch & Schultz, 2001). Even though corporate culture is discussed among these scholars, it surprised the researchers that the role of HR has not been incorporated in the research field around this important interrelation to a larger extent. The researchers also started to look into potential empirical studies around how culture building processes

can be managed from an “outside-in” perspective. Although acknowledging the relevance of the approach and Ulrich et al. (2012) arguments of driving HR processes (such as organizational culture) from the outside-in, practical implications of the approach were however not found within the field of HR. Therefore the researchers decided to collect findings from a practical case of an organizational culture building process and investigate how this, traditionally internal process, might be influenced by the organization's external brand. The researchers also started to wonder; how can organizational culture (that is characterized as deep-rooted and hard to change (Schein, 2010) possibly be influenced and continuously managed according to “outside-in” aspects, such as brand (that is characterized as something that needs to evolve and adapt according to market changes (Davis, 2017))?

1.1 The research problem and objectives

According to Ulrich and Brockbank (2016) leaders attempt to build a successful organizational culture should always start by looking from the outside-in, meaning understanding the firm's most important customers and adapt the culture according to their needs. However, it is rather unclear how this perspective can be manifested in practice. The alignment of brand and culture seems to be a trendy topic in professional publications within leadership management, marketing and business strategy management (e.g. Click, L. 2017; Mikolai, T., 2018; Yohn, D., 2017). However the outside-in approach presented by Ulrich and Brockbank has not been academically studied within the field of HRM before. Thereby, it is still rather unknown under what conditions the concept can be applied and what possible factors organizations should take into consideration before attempting to build their culture from an outside-in perspective. Is Ulrich's and Brockbank's approach to culture building applicable to every company?

Within the marketing field it is argued that the external organizational brand in retail operations is coexisting with the internal organizational delivery through customer service (Burt & Sparks, 2002). The interaction between customer and employee is much more extensive and regular than in other sectors (Burt & Sparks, 2002). According to Davis (2017) consumers today look for a dialog and deeper connection with company brand. They also want transparency, meaning that they want to see the company operating behind the brand (Davis (2017)). Specifically within the retail sector, where employee behaviour reflect the company behind the brand, there needs to be a red tread between the brand, employees behaviour and the identity of the company (Davis (2017)). These culture and brand arguments from the marketing field therefore imply a need for larger cooperation between Marketing and Human resource operations. The influence of external brand on internal culture building is however still rather unexplored within the academic field of Human resource management and organizational culture management. Previous research on organizational culture indicate that changing organizational culture is far from simple (e.g. Philipson, 2004; Schein, 2010). A culture that has been developed

through history, symbols and events over a long period of time is a complex phenomenon to rebuild. So managing the process from a customer perspective in addition, must come with additional challenges.

The first aim of this study is to explore how culture building processes within retail operating organizations can be influenced by their external brand. The second aim of this study is to identify factors that might challenge the concept of building culture from the outside-in. The study objectives include:

- 1) Investigating why and how culture building efforts are made in an organization operating within the retail sector.
- 2) Assessing in what ways the culture building process is influenced by the corporate brand.
- 3) Exploring what institutional pressures and cultural shared assumptions might influence the culture building process.
- 4) Identifying theoretical and practical challenges with the concept of building culture from the outside-in.

The study contributes to research within the field of organizational culture management because it provides a deeper understanding of how organization's culture building activities are influenced by company brand. In addition this research contributes to both the field of marketing and strategic human resource management by highlighting institutional and cultural aspects that might need to be taken into consideration before attempting to theoretically or practically build organizational culture from the outside-in.

1.2 Research question

This study is a case of culture building in connection to corporate brand, which is closely linked to the outside-in approach of culture building presented by Ulrich and Brockbank (2016). Based on the gap in previous research, the first research question of this study is formulated in order to bring new knowledge into the field about how culture building efforts in retail organizations may be influenced by their corporate brand. In addition, the second research question of this study aims to develop the theoretical and practical implications for usefulness of the concept of building culture from the outside-in by identifying possible challenge that need to be taken into consideration before adopting the outside-in perspective on culture building.

The research questions for this study are as follows:

How is the internal process of culture building influenced by the external brand?

What institutional and cultural pressures might challenge the concept of building culture from the outside-in?

This thesis will use a case-study approach in order to answer the stated research questions. An organization's efforts of building culture will be observed and analysed. The case organization is a large Swedish company operating within the sports retail sector. In regards to the first research question, the researchers will start by investigating the background to why the leaders of the company have decided to initiate a culture building project in their organization and what impact the brand positioning might have had on the decision. The researchers will then observe and analyse the culture building activities that are performed by the organization and explore how the external brand might work as an influencer. After answering the first research question, knowledge will be gained about the extent of external brand influence on the culture building process. The researchers can then address their next research question by analysing the factors that have prevented the process from being driven from the outside-in, which will lead to the identification of important factors that may challenge the concept.

2 Previous Research

A description of previous research that is of relevance to the study will be presented in this chapter. Section 2.1 explains the concept of brand and presents previous findings where brand and culture has been combined. Section 2.2 presents previous studies about branding in the retail sector. The following section (section 2.3) presents previous findings around the connection between external brand and internal employer brand. Section 2.4 describes important findings concerning cultural change from the outside-in and summarizes Ulrich's and Brockbank's (2016) study on culture building. Section 2.5 will discuss the concept of organizational culture and present previous findings on how cultural change has been studied and explained historically. In connection to previous findings around organizational culture, section 2.5.1 highlights some of the challenges that have been found with building culture and creating espoused values in organizations. Section 2.6 summarizes the findings from the previous studies and what the implications from the literature review might be for this study.

2.1 Brand and image in relation to culture

Ulrich and Brockbank (2016) argues that the internal culture should be defined by the company's desired external brand. This approach indicates that there needs to be some sort of alignment between the culture-building strategies and corporate branding-strategies. It is therefore relevant for this study to investigate how the concepts of brand and culture have been connected in previous studies within the marketing field.

According to Kotler (1999) the concept of a brand is a combination of social and psychological aspects and often aimed to add cultural and symbolic value for a specific social group. A corporate brand is also explained as the symbolic actions, communications, and promises that are made by the organization about its identity (Balmer, 2001). In the marketing literature, corporate brand is distinguished from corporate image by its conscious internal formation made from within the organization and communicated out, instead corporate image are those impressions and perceptions made by outsiders about the organization (Balmer, 2001; Hatch & Schultz, 2001).

Based on research of 100 companies around the world, Hatch and Schultz (2001) states that there needs to be alignments between a company's vision, culture, and image in order to succeed with a strong corporate brand. Vision is defined by the authors as the top-management's aspirations for the company. Culture is defined as the organization's values, behaviours and attitudes and Image is defined as the outside world's overall impression of the company (Hatch & Schultz, 2001). According to Hatch & Schultz (2001) three different alignments must be in place; the alignment between managers and employees (the vision and the culture), the alignment between employees attitudes and the perception of the outside world (the culture and the image) and the alignment between where the company is going and the stakeholders perceptions (the vision and the image) (p. 4).

2.2 Branding in the retail sector

The importance of a company's brand is often discussed in general terms within the marketing field, but the very nature of retail organizations has shown to be raising different issues when it comes to branding than in other sectors (Burt & Sparks, 2002). “The challenge in retailing is that your customers experience your product directly (...) what they experience in the store is the brand. So the stores have to be both internally and externally coherent” (Norman, 1999, p. 29). Burt and Sparks (2002) identified in their study that product-based corporate branding alone is not enough for this sector due to how the brand is coexisting with the organization's service delivery, the human interactions with customers and the layouts in the stores that the customer is visiting (Burt & Sparks, 2002). “It is essential to think about one of the key dimensions of corporate branding, namely people” (p. 209).

Scholars often speak of “customer service” in relation to branding within the retail sector (Pettinger, 2004). Broadbridge (1991) findings suggest that customer service should include “product knowledge, patience, submissiveness, pleasantness, friendliness, and an attractive appearance” (p.46). However other scholars argue that what customer service really entails is still rather unclear, and that the definition should be depend upon the specific brand and the subjective needs of customers (Pettinger, 2004). The emotional demands on workers, where an authentic interaction that is dominated by customer needs has also raised questions in regards to neglecting of other aspects of work, such as employee satisfaction and well-being (Wolkowitz 2001; Harris & Ogbonna, 2000). Recent marketing literature has increasingly thereby embraced the importance of an authentic customer-company-employee alignment in regards to branding. This has led to a growing interests for, not just how the company presents the brand to customers, but also how the company brands itself to employees (Employer brand) and how employees are branding the company directly to customers through customer service (Backhaus & Tikoo, 2004; Schlager et al., 2011).

2.3 Internal branding - The role of HR

According to Mosley (2007) “sustainable brand-led culture change will only be effective when the brand ethos is deeply embedded in the everyday leadership and people management processes of the organisation” (p. 132). Organizations need to ensure that employee management tough-point is in line with the brand ethos. There need to be mechanisms within the organization that align employees’ brand experience with the desired customer brand experience. For employees to feel the connection between the internal and external brand, organizations cannot have internal brand values that are conflicting with external ones (Mosley, 2007). Additionally, in order for organizations to shape culture from external brand insights, the leadership behaviours need to be consistently aligned with the stated brand believes (Mosley, 2007).

HR is an important partner in immersing the desired brand ethos with culture, according to Mosley (2007). HR's strategic role in brand-led culture management is to shape people management practices to reflect the desired brand experience. The challenge for HR however is according to Martin and Beaumont (2003) that HR is traditionally seen as the communicator of brand values rather than being the creator of such values. However, recent studies (such as Ulrich et al. 2012; Ulrich and Brockbank, 2016) point out that HR role and attitudes towards branding and brand management have changed. Today, it is more common for organizations to combine the HR-led role of employer brand management with the marketing-led role of customer brand management. The integrity of the corporate brand is maintained through proper communication (marketing) and behaviours (HR) (Mosley, 2007).

2.4 Building culture from the outside-in

More recent academic work on organizational culture points to arguments that the ability to turn customer promises into an internal tailored company culture, is what gives the shared beliefs and values of corporate culture real value (Ulrich et al., 2009). According to Ulrich and Brockbank (2016) culture change must create added value for both the organization and its customers in order to be effective. It is according to the authors the externally driven image and brand that then turns into a set of internal actions, behaviours and thoughts. “A company’s ideal culture should be defined by its desired external firm brand or identity” (p. 52). The authors state that the concept of “culture” can no longer be looked at through a traditional inside-out perspective, with the main focus on internal norms, values, expectations or behaviours (Ulrich and Brockbank, 2016). Instead the culture is defined as “the identity of the organization in the mind of key customers, made real to every employee every day” (p. 9). Ulrich and Brockbank (2016) propose a five step approach, which HR practitioners should follow in order to create and maintain an ideal culture. The first step is about defining the right culture for the company, meaning a culture that is consistent with customers` expectations and needs. The second step is to “create an intellectual agenda”, meaning communicating the culture that was defined into the “internal employee mantra” (p. 54). Thirdly this ideal culture needs to be translated into specific descriptions of ideal behaviours. The fourth step is to design and implement key structures and processes that are in line with the ideal culture and the fifth step is to define and implement a leadership brand (Ulrich and Brockbank, 2016).

Deriving from a similar “outside-in” perspective on culture, Matinaro and Liu (2016) emphasizes that changing, or even managing, internal corporate culture cannot be done if the members of the organization are blind to the firm's operations. The authors suggest that customers as the foundation of organizational culture and imply that culture is not only about how employees behave, but also about how the employee behaviour relates to the customer behaviour (Matinaro and Liu, 2016).

2.5 Organizational culture

The concept of organizational culture within organizational theory has historically been largely analysed and conceptualized as something that is developed and created *within* organizations. According to Philipson (2004) corporate culture is created through a history of common experiences, stories and traditions, which makes it deeply embedded in the core of the organization and not easily changed or controlled. Philipsson (2004) states that corporate culture consists of those values that commonly create basis for the firm's external actions towards its customers and other stakeholders, and those actions and attitudes showed and performed by leaders and employees towards each other (p. 52). Schein (2010) defines organizational culture as a “*pattern of shared basic assumptions that was learned by a group as it solved its problems of external adaptation and internal integration, that has worked*”

well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to those problems” (p. 18). Another perception of culture is Hofstede's theory that generally deals with culture, but which can also be applied to research on organizational culture. Hofstede et al. (2010) defines culture as "the collective programming of the mind which distinguishes the members of one group or category of people from another" (p. 6).

Further on Sadri and Lees (2001) has developed the definition of corporate culture by identifying key elements in positive cultures. Firstly the culture should be fostered by an articulated (by the top-leaders) desired future for the company (vision) and not just a mission. Second, the corporate culture should be supported by espoused corporate values, which are aligned with the personal values of the company's members. Third, employees should interact within and across functions and departments and be highly valued members of the organization. Fourth, the culture should be flexible and adaptable to external changes but consistent in equal and fair treatment of its member. Lastly, the organizational culture should be continuous through symbols, stories or other artefacts that remind the members of the corporate values (Sadri and Lees, 2001).

2.5.1 Challenges with culture building

A critical approach to culture building processes has been presented by several scholar. For example it is argued by Ogbonna (1992) that although behavioural patterns may change in response to pressure, deep-rooted values (the taken for granted assumptions), and thereby employee attitudes cannot be strategically managed. Another raised challenge is that individuals may experience conflicts between their personal values and espoused company values that are defined in a new desired culture (Brown, 1976; Philipson, 2004). Since the work context is not similar for everyone within an organization, it is also argued that members will choose to adopt the guiding principles of a corporate culture according to their subjective understanding (Brown, 1976).

Ogbonna & Wilkinson (2003) also found in their research on middle managers in grocery retailing that specific understanding and control is needed when interacting with employees and their already deeply embedded basic values and assumptions. Difficulties and unintended consequences may occur when implementing corporate espoused values on employees (Ogbonna & Wilkinson, 2003). Ogbonna and Wilkinson (2003) found that a cultural transformation process, that entails the approach of replacing old values with the right values and “new blood”, can be treathful to middle managers and result in a changed behaviour which may not be in line with their real sense of identity. “Hence, the desire of managers to maintain their careers can be seen as a primary reason why, like their `colleagues´ at the checkout, managers might be smiling and saying please, but not necessarily meaning it” (p. 1172).

Important findings concerning culture building within the retail sector were also derived by Harris and Ogbonna (2000), identifying challenges with organizational attempts of creating a “customer-driven culture”, which is often desired within retail operations. The authors found that the standard of service is more related to the way employees act rather than what they think. Hence, it is suggested that although a customer focus may be achieved, the real culture within the organization may still be perceived differently by the members and thereby still remain elusive. This study also shows that the extensive customer focus within the retail sector compared to other industries brings a new level of issues when it comes to managing culture (Harris and Ogbonna, 2000). An often desired “market-oriented culture” by the top-management emphasizes the importance of always putting the customer first, which implies that in short term, employee needs and wellbeing should also come second after the importance of satisfying the customer (p. 335).

2.6 Summary of previous research and implications for this study

The literature review has shown that scholars from both the marketing management field and the human resource management field have recognized the interrelation between brand, image and culture work. The perspective of how culture should be created from the “outside-in” is interrelated with previous studies about corporate branding and differs from organizational culture theories, where culture is described as something that is coming from within an organization and the core values of its members. Within the marketing field, there is a focus on creating a successful brand, where culture, vision and image are contributing factors. The concept of corporate brand has been defined as a symbolic promise from a company to its customers and other external stakeholders. A brand can be tangible (e.g. logo or a product) as well as intangible (e.g. an experience or interaction) and is often a conscious strategy from the organizations leaders. In the customer-service intensive retail sector, leaders may face greater challenges when trying to strategically create a brand, since customers are interacting with the brand everyday through the company's employees. It is therefore evident that the concept of employer branding has both the function of adding attraction value for the company towards new potential employees, but also the function to get employees on board with the brand so that the right brand is then delivered to customers through the daily customer-staff interaction.

The concept of corporate image has also been introduced in the above review and defined as the subjective perspectives of external actors about the company. This study will therefore differentiate corporate image from corporate brand, by looking at image as something that can be a result of branding, however the brand being something that, unlike image, can be consciously or unconsciously produced by the organization's members. The theoretical perspectives have been used by previous scholars in order to question whether culture can be truly “created” and interesting results have been found, which

are presented above. The idea of creating a culture from the outside-in has however not yet been examined using institutional theory and organizational culture theory.

3 Theoretical Framework

The theoretical framework and the key concepts that have been guiding this study are presented in this chapter. In order to understand what factors can challenge the concept of building culture from the outside-in institutional theories such as the mechanisms of isomorphism and the concept of Path Dependency are discussed in detail in chapter 3.1. In chapter 3.2 organizational theory and more specifically the layers of culture by Schein (2010) are presented. In order to understand what happens in the core of culture in relation to external pressures when building culture, chapter 3.3 will present the theory of Shared assumptions about external adaptation issues.

3.1 Institutional theories in organizational studies

Richard W. Scott (2001) summarized institutional theory and distinguished three elements of which institutions can be seen to consist of. Institutions consist of regulatory, normative and cultural-cognitive elements. These elements form a continuum: at one end actions are seen to be based on laws and rules (regulatory elements) and at the other end on culture, shared assumptions, and beliefs (cultural-cognitive elements). This does not, however, mean that the elements would exclude one another. Instead one institution may be built on several elements (Scott, 2001). Hoffman (1999) defines institutions in organizational context as “rules, norms, and beliefs that describe reality for the organization, explaining what is and what is not, what can be acted upon and what cannot” (p. 351). According to Scott (2001) “institutions are transmitted by various types of carriers, including symbolic systems, relational systems, routines, and artifacts” (p.48).

There are two dominant trends in institutional theory: old institutionalism and new institutionalism (DiMaggio & Powell, 1991). In the old institutionalism, organizations and organizational environments are largely seen as local communities where acceptance and trust arise as a result of interaction. Values, norms and attitudes of organizations are seen as the main elements of institutionalization and commitment happens as values are internalized by an organization. New institutionalism in organizational theory highlights the perception that organizational patterns reflect the surrounding society (DiMaggio & Powell, 1991). According to Powell (2007) the core idea of new institutionalism is that organizations are closely linked (embedded) to their social and political environment, and that their functions and structures are often reactions to the rules, beliefs, and practices set by the environment. From this theoretical perspective individuals and institutions are not seen as individual actors, but instead they and the environment are constantly interacting with each other (Powell, 2007).

3.1.1 Institutional isomorphism

DiMaggio and Powell (1983) argue that institutional pressures create environmental isomorphism, meaning that over time organizations operating within the same environment begin to remind each other in terms of structures and practices. One key element of isomorphism is imitation. Instead of seeking for optimal solutions in decision-making, practices and structures, organizations tend to seek answers for appropriate behaviour from their peers (e.g. from companies operating in the same business field). Isomorphism is a kind of a self-acting force that drives organizations to adopt similar formal structures. Isomorphism is also self-reliant as the adoption of formal structures will ultimately lead to organizational stiffness and make it increasingly difficult for organizations to change ways of acting (Dimaggio & Powell, 1991). There are three main types of institutional isomorphism: mimetic, coercive and normative.

According to Dimaggio & Powell (1999) mimetic isomorphism occurs when organizations imitate organizations from the same organizational field. Mimetic mechanisms are often triggered by environmental uncertainty. For example organizations tend to imitate organizations that they consider as successful or legitimate in situations when there is no available models at hand (Mitrev et al., 2017). According to Mitrev et al. (2017) employee turnover, customer demands, and the activities of consulting firms or industrial associations are causing mimetic isomorphism because they diffuse already existing organizational models. Coercive isomorphism is related to external pressures. According to Dimaggio and Powell (1983) and Mitrev et al. (2017) organizations experience both formal and informal requirements that are enforced on them by other organizations and wider society. Organizations experience pressures especially from organizations they depend on (Mitrev et al., 2017). Normative mechanisms emerge mainly from professionalization meaning that for example different organizational models, approaches, professional norms, and mind-sets are diffused by professionals and became legitimized through this diffusion (Mitrev et al., 2017). A good example of how normative isomorphism is spread and/or strengthened is HRM practices such as selection, promotion and training. These practices are considered as legitimate and for that reason adopted by managers. This leads to limited variation among managers (Mitrev et al., 2017).

3.1.2 Path Dependency

In addition to the institutional pressures of isomorphism, the organizational history is an important aspect to understand when analysing a change process through the institutional lens. The concept of Path Dependency is used in organizational studies to explain the impact history and previous decisions have on decision-making in organizations (Sydow et al., 2009). The theory in a nutshell highlights the fact that previous choices in history will guide future activities and opportunities strengthening the prevailing thinking of an organization taking space from new ways of thinking and in some cases even lock-in the development of a certain path (Sydow et al., 2009).

The theoretical framework by Sydow et al. (2009) explains how organizations become path dependent. The theory has three phases: Pre-formation, Formation and Lock-in phase. The first phase - Preformation - can be characterized as an open situation where the search for alternatives starts from scratch and decisions are made without constraints (Sydow et al., 2009). However, history plays a role in the preformation phase too, and for this reason the development of a path cannot be considered “a completely separate process without any imprint from the past” (p. 698). In organizational context choices and actions are embedded in routines and practices that reflect the heritage (the rules and the history) of an organization. This heritage is displayed in the Figure 1 as the grey shadow. According to David (1994) “institutions are carriers of history” and for that reason history will at all times have an impact on decision-making in organizations (p. 205). However, competing solutions do not always result in path dependency. In some situations organizations are able to identify the cases in which path dependency starts to develop and brake free (Sydow et al., 2009).

In phase two - Formation - a path starts to emerge. The development of path can be seen in the Figure 1 as the narrowing down shadow. According to Sydow et al. (2009) organization's ability to see multiple solutions is reduced. This is the result of the pull cost by of the evolving path (Sydow et al., 2009). Sydow et al. (2009) explain that there is initially unknown regime that takes over favouring particular type of decision or action pattern. Overtime the regime reproduces those patterns and they become self-reinforcing. The self-reinforcing processes are known to result from different factors such as emotional reactions (e.g. uncertainty avoidance), cognitive biases (e.g. selective perception, blind spots), and political processes (e.g. gaining and maintaining power) and be driven by positive feedback. Self-reinforcing processes strengthen the prevailing thinking of the organization taking space from new ways of thinking (Sydow et al., 2009).

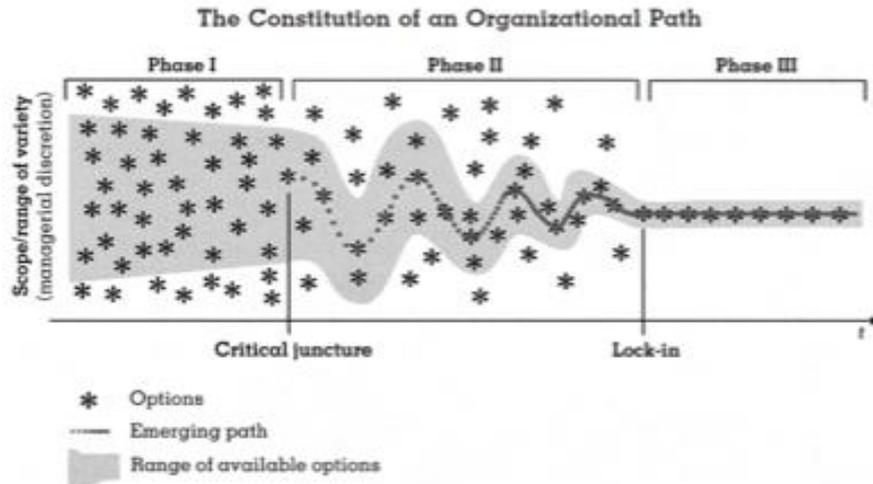


Figure 1. *The Constitution of Organizational Path* (Sydow et al., 2009, p. 692).

In phase three - Lock-in phase - the path dependency process becomes strategically inefficient (Sydow et al., 2009). According to Sydow et al. (2009) the action pattern of an organization becomes even more replicated which in the end leads the whole setting into a lock-in. These lock-ins are results of managerial cognitions or beliefs or resources or combinations of these three dimensions (Sydow et al., 2009). However, organizational processes are complex and ambiguous in nature because of their social character and for that reason are not likely to fully lock-in meaning that there is still opportunities for alternative choices (Sydow et al., 2009). In organizational context reinforcing patterns are expected to generate action patterns that can be replicated and for that reason are not always seen as negative forces (Sydow et al., 2009).

Institutional theory can explain how organizations are influenced by their external context and how external factors shape an organization and its behaviour. When studying organizational culture it is also important to look at the internal processes of organizations. The next chapter in the theoretical framework will continue with a presentation around two important organizational theories formulated by Edgar Schein (1985); Levels of organizational culture and shared assumptions about external adaptation issues.

3.2 Levels of organizational culture

In 1985 Edgar Schein introduced three distinct levels of organizational culture, *Artifacts*, *Espoused values*, and *Assumptions*. in his book “Organizational culture and leadership” (Schein, 2010). According to Schein (2010) all three levels need to be understood and managed in organizations. *Artifacts* are the most visible level of organizational culture such as architecture, dress code, structures and business processes. Artifacts also appear to visitors as they enter the workplace for example in terms of how they are being received, what kind of pictures and statements they see on the walls and how people communicate with each other. Although artifacts are clearly visible, it is impossible to say purely based on them, why members of an organization behave in a particular way or why an organization is constructed as it is (Schein, 2010).

The second level in Schein's model is *Espoused values*. Those are values that an organization has established as guiding principles for business and that are designed to impact people's behaviour (Schein, 2010). According to Schein (2010) *espoused values* may manifest in different ways and depending on the context of values, create different cultures. In connection to espoused values, Schein (2010) talks about the importance of leaders and founders as creators of company values. According to Schein (2010) and Bourne & Jenkins (2013) the personal values of a leader or a founder usually play a significant role in the formation phase of company values and often serve as the basis for espoused values.

The lowest level in Schein's model is *Assumptions* such as taken for granted beliefs, perceptions and feelings that have been learned together over time (Schein, 2010). Schein (2010) states that basic underlying assumptions are difficult to describe and particularly difficult to change due to their self-evident nature. As artifacts and espoused values embody the culture on a visible level, assumptions on the other hand are the most invisible and unconscious part of culture and therefore the hardest to detect and change (Schein, 2010). According to Schein (2010), the essence of culture can be found on the deepest level. Once one has developed an understanding of the patterns of underlying assumptions, the other more prominent levels of culture can be easily understood and appropriately dealt with (Schein, 2010). According to Schein (2010) assumptions are the source of values and actions. Schein's model is presented in Figure 2.

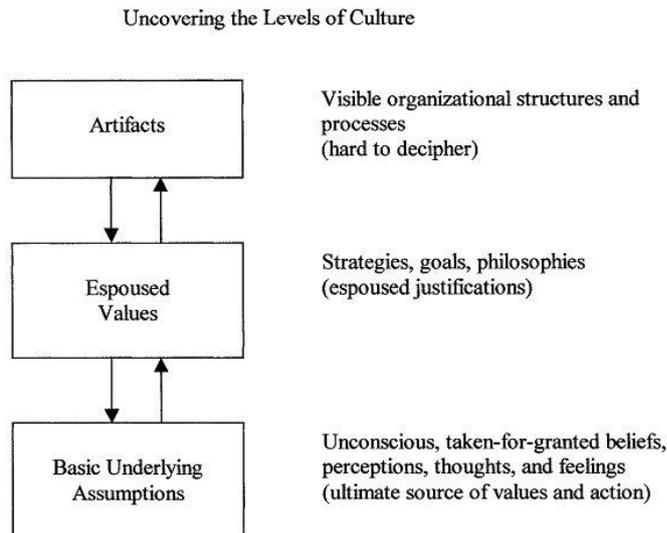


Figure 2. Schein's Levels of Culture adapted from Schein (Schein, 1985, p. 14)

3.3 Shared assumptions about external adaptation issues

The presented levels above can help us illustrate the structure of organizational culture. Schein (2010) argues however that artifacts, norms and values in a culture can only be really understood if one digs down to the levels of basic assumptions. More specifically, in order to understand how and why certain cultural assumptions arise and survive one needs to look at what these assumptions are about and what the assumptions are serving for the given group (Schein, 2010).

For the purpose of this study, which examines how the external brand influences a culture building process, it is highly relevant to investigate how the members of the organization deal with problems of external adaptation and survival, the shared assumptions about mission, strategy and goals. What are the common assumptions about coping and learning from the external environment and how is this influencing the internal integration of the group? “Ultimately, all organizations are socio-technical systems in which the manner of external adaptation and the solution of internal integration problems are interdependent” (Schein, 2010, p. 91). The shared understandings or assumptions that are dominant within a culture will influence both minor and major decisions making processes within an organization (Schein, 2010). For example, rational ideas, although proven to create profit, may be neglected or dismissed by the organization if they are not in line with the dominant shared assumptions in the organizational culture (Schein, 2010). In order to adapt and integrate the internal with the external, organization’s main challenge is to obtain shared assumptions and consensus on; 1. Identity and Mission, 2. Goals, 3. Means to achieve goals, 4. Measurement, and 5. Remedial and repair strategies (Schein, 2010).

Firstly, assumptions about the company's identity, the understandings around “who we are”, and its fundamental mission, the “reason to be” are according to Schein (2010) important elements of the culture (p. 78). These assumptions will influence and/or limit the available strategic options. They can for example create challenges for external consultants to give strategic recommendations if they are not in line with the assumptions that the organization has about itself (Schein, 2010).

Secondly, assumptions around concrete goals need to be aligned in order for the organization to understand and comprehend the abstract mission into the daily work (Schein, 2010). Although there might be a consensus around the identity and mission, sub-cultures might still work towards different directions unless there is a consensus around the goals (Schein, 2010). According to Schein (2010) the goals can differentiate across levels, functions and time horizons, but should always be in line with the mission. Further on, a consensus around goals is not enough, unless there is a consensus around the structures, systems and processes about how to achieve the goals (Schein, 2010). Shared assumptions around the means to accomplish goals are therefore additional elements of the culture. When such means are taken for granted, they might be the hardest to change (Schein, 2010).

According to Schein (2010) organizations also need to share assumptions around how they are succeeding with their goals and if they are living up to the mission. Basic assumption are therefore also created in regards to what is measured, how it is measured and how corrections are made if goals are not achieved (Schein, 2010). In other words, the consensus around how the organization's success is judged. Finally, organizations need to have consensus around what to do when change is required and how to make the change (Schein, 2010). This area of shared underlying assumptions is connected to the motivation and commitment within the group. An important indicator of how organizations maintain their effectiveness is the consensus on what kind of action is taken when sensing changes in the environment or when a crisis situation occurs (Schein, 2010).

If the above described assumption are shared in the overall organization, they are a part of the corporate culture. If they are only found in certain units they are reflections of subcultures within the organization. Subcultures that are not conflicting can coexist in harmony without disrupting organizational performance. However, conflicts can also create new learning and adaptability potential when the environmental context is changing (Schein, 2010).

4 Method

This study will focus on one organizational setting using a single-case study based on a qualitative research approach. The single-case study approach was chosen because of the strategy's usefulness when a study aims to gain in-depth understanding of a specific situation of an organization and answer "how" and "why" questions in relation to one case (Yin, 2003). Questions of "how" and "why" are important to ask in this study because the authors believe that efforts of building culture within an organization can be complex, conflicting and informal. Due to the limitations that single-case study brings in regards to generalizability, it is important to justify why the case was chosen for the study (Yin, 2003). The case organization for this study was chosen for three main reasons. Firstly, it is a worldwide known company with a historically recognizable brand which makes brand management interesting. Secondly, the geographically spread retail stores of the company have previously been franchised and owned by different owners, which implies specific challenges when it comes to creating a unified culture for the currently centralized organization. Lastly, it is of common knowledge that the company, due to a challenging consumer market in the retail sector, is going through severe financial struggles. It is then particularly interesting why the company leaders have decided to invest in cultural building at this specific challenging time.

At the beginning of this study the researchers faced a dilemma concerning whether a qualitative, quantitative or mixed-methods approach would be most suitable. In regards to the research questions, it was evident that a qualitative approach would provide the in-depth analysis of individual behaviours and perceptions in order to understand how and why things happen the way they do within the organization. However as the company is located on several different locations, the researchers questioned whether it would really provide an accurate picture of "the organization" (as intended) if qualitative interviews were conducted only within certain units of the organization (Bryman, 2012, p.68). Would the organization then be the unit of analysis or would it rather than be the few unit-samples? A mixed methods approach would be the ideal choice in this case. It would provide the researchers with qualitative data from observations and interviews on a few locations, which then could be strengthened with quantitative data from a survey and would allow the researchers to test and confirm that the data derived qualitatively from the few samples apply on the rest of the other units of the workplace. Although heavily considered, the authors agreed that collecting and analysing both qualitative and quantitative data would not be managed due to the limited time-scope of this thesis. Although it comes with its own challenges (described under chapter 5.2.3) the researchers solved this issue by collecting qualitative data through an open-ended question self-completion questionnaire in addition to the collected data from observations and interviews.

4.1 Research strategy

Epistemologically, the authors do not believe they can be detached and completely objective in this study. The research philosophy is therefore based on interpretivism, which points to the importance of the researchers ability to interpret human actions and others understanding of their social world (Bryman, 2012, p.30). In this study the authors believe that they will be influenced by their own conscious and unconscious subjective ideas about what they find interesting. Objectivity will however be improved by close collaboration and discussions between the two researchers about the different choices that are made throughout the process, as well as interpretations of findings.

Theory, according to a deductive approach, at the starting point of this study is based on existing theories. The collected data in this study will however also be used in forming of new theory, pointing to the inductive approach. The authors therefore used an abductive approach, which is a combination of deductive and inductive approaches. Existing theory is used, but theory is also formed and developed along the way based on a case (Patel & Davidsson, 2011). The challenge with this approach is to keep objectivism along the way and there is a risk of loss of generalizability beyond the specific area of study and (Patel & Davidsson, 2011).

4.2 Empirical Data Collection

When conducting a case study research, it is advisable to use several sources of data in order to gain a deeper understanding of the case (Yin, 2003). The purpose of this study was to investigate how the company's process of creating culture was influenced by the company's external brand and what the challenges might be with the concept of creating a culture from the outside-in. The researchers did not find it necessary to go outside of the company and investigate what customers think of the company's brand or what the needs of customers are. Instead it was the organizational members' understandings and perceptions of what the customer needs are and therefore the company's *perceptions* of their external brand that is of interest in this study. In order to understand if the brand was influencing the culture building project it was important to investigate *why* the culture initiative was started by the company in the first place. The first source of data therefore derived from an unstructured interview with CEO of the company. The aim was to achieve a general understanding of the background and purpose for the cultural-building efforts but also to understand what kind of culture is desired and undesired by the company leaders. The second source of data was collected from observations of four sets of culture-building workshops with several leaders and representatives from the company, including the top-management and HR. In-depth knowledge was derived about *how* the process of culture building within the company was performed.

The first research question, which is mainly considering the culture building process, can be answered from the data collected from the observations and the interview. The specific context of the organization and the collective patterns of understanding culture and the brand needed to be further investigated. More data needed to be gathered from other parts of the organization than just the top-management and the workshop participants. The researchers did not think this would be achieved by only sampling a few additional representatives within the large geographically spread organization. Therefore a survey to all the different units was sent out, which resulted in this study's third category of data collection.

4.2.1 The Interview

The data collection for the study started with an interview with the CEO. The interview was unstructured. This approach was chosen because the interview was conducted in an early stage of the study process. According to Bryman (2012) an unstructured interview is a valid choice in a situation where researchers still have a very general view of the topic. Another reason motivating the choice of unstructured interview is that the researchers wanted the respondent to answer as freely as possible. The interview situation could be described as a conversation rather than an interview. The aim of the interview was to gain general information about the culture project and to understand the case company's motives behind it. Another aim was to understand what kind of culture is desired and undesired by top-management. This information was needed to understand what kind of behaviour is seen as important when building culture.

4.2.2 The observations

The main observations were conducted in four sessions of culture building workshops during spring 2018. The company granted access to their workshops that were designed to facilitate the culture building process. The researchers were also granted to conduct and finalize the thesis in the company's office spaces, which allowed for additional observation about the organization's background and general environment in the daily operations. Although guided by the theoretical framework and research questions of this thesis, the observation process was unstructured, meaning that the researcher did not beforehand know what would be observed and what findings to expect (Bang, 1999). According to Bang (1999) an observer can take on four different roles/attitudes in the observation process. The observer can either be a *complete observer* (anonymous or invisible to the participants), *observer-participant* (the task of collecting data is primary and being a part of the group is secondary), *participant-observer* (the researcher is participating but the role as an observer is clear) or *complete participant* (the researcher is a member of the group that he or she is observing) (Bang, 1999). Both researchers were part of the observations process and due to their history and previous relationship to the organization, the researchers took on two different roles. Although it was clear to the group that both researchers were observing for the purpose of this thesis, one of the researchers could not take on a different role than being a complete participant as well as an observer since she is a member of the

group due to her employment at the company. The role taken by the other researcher, who is not employed at the company, was conflicting. Although agreed beforehand that she would take on an observer-participant role, meaning only observe without participating, the group members made efforts and continuously tried to involve the observer in all activities and group-discussions. Therefore, although aiming for the role as observer-participant, the role shifted towards participant-observer for one of the observers.

4.2.3 The Questionnaire

A questionnaire with open-ended questions was sent out as a third method for collecting data. Although open-ended question in a survey require more time to code and categorize, it was important for the researchers to achieve insight about how organizational members view and explain their reality without the limitation of given answers (Cozby & Bates, 2015). It was decided that the questionnaire would only be sent out to *managers*. The response from each manager would therefore represent data from each unit. The criteria for a “manager” in this case was an individual working either in the head-office, the retail operations or the warehouse operations with a formal responsibility for personnel. The researchers evaluated the possibility to send the questionnaire to all employees within the organization, but reached the conclusion that this approach would not be manageable. If the data would be collected from all employees within the organization (approximately 1500), the data would be impossible to manage within the short time-frame of this project. It would also be difficult to collect email addresses to all employees, since a company address is not used by all employees. The survey was sent to 130 managers, of which 77 responded. The questionnaire was sent to the respondents in Swedish and then translated to English for this study. The Swedish questionnaire can be found in the appendix 1 and the English version in the appendix 2.

4.3 Data analysis

Qualitative data analysis was done on data collected with three different methods. First of all it was important for the researchers to understand what kind of motives the organizational leaders had for initiating the culture building project. What is the background to the project? What are the desired results? Is the initiative to the project connected to the company's branding? An unstructured interview was conducted with the CEO of the company in order to collect answers to these questions. The interview was transcribed and the most interesting parts of the data was discussed and analysed between the two researchers in order to understand the background of the organizations initiative, what the desired outcome was with the initiative and if the outside-in perspective on culture was visible in the motives and background for the initiated project.

The interview helped the researchers to gain a general understanding of the company's background and the background to the culture project. The researchers could understand *why* the culture initiative was important for the company. In order to investigate *how* the project was actually conducted observations were done in order to further investigate if the process was influenced by the company brand. The researchers collected data by observing four workshops that were specifically organized in order to define a business idea, vision, mission and values and result in the creation of an organizational culture framework. While observing the workshop activities the researchers wrote down notes and initial reflections. Language analysis was done about talking points, presentations and discussions among participants. In addition the researchers also looked at phenomenon and discourses beyond language, such as how decisions were made and what symbols were used. The researchers also observed and reflected over activities and discussions during the workshop breaks and interactions after the meetings. As soon as something interesting was said or happened field notes were written down and an initial analyses process began. The researcher also discussed and compared their findings among each other after each observation session. Having previous research and the theoretical framework in mind, the most interesting field notes were highlighted straight away and analysed further after the workshops.

In order to analyse the text-data derived from the questionnaire, the researchers used a coding approach which was conducted with the help of the digital tool "Survey Monkey". The researcher started by looking at each question individually. The words and phrases for the specific question were coded thematically. For example, answers about the company's customers that included words or phrases connected to something family oriented, such as "family", "mother", "kids" were coded into the theme "family". Answers that included several sentences were sometimes coded with several different themes. For example if one answer described the culture in two different ways, such as both goal-driven and cooperative, the two words were coded as two separate themes. This way the authors could summarize how frequently each theme was described and the authors could also find patterns and differences by filtrating the answers and the themes with the help of the chosen background answers. For example this is how differences were found between office-working respondents and store-working respondents.

4.4 Authenticity and trustworthiness

It is suggested that qualitative studies and quantitative studies should be evaluated according to different sets of criteria (Bryman, 2012). The two suggested criteria for assessing qualitative research are *authenticity* and *trustworthiness* (p.390).

The authenticity is concerned around the wider impact of the study (Bryman, 2012). By sending out the survey to all parts of the organization and providing the members with the opportunity to reflect over and describe their own perceptions of their culture and values, this study has lived up to criteria of

fairness, tactical authenticity (empowerment of members) and ontological authenticity (“to help members arrive at a better understanding of their social milieu”) (p.393). Further on, since the results of the study will be presented to the organizations leaders and eventually available to all members within the organization, the authors believe that it will generate educative authenticity (create better understanding among members) as well as catalytic authenticity (help members engage in action) (Bryman, 2012).

Trustworthiness is divided into four main sub-criteria; *credibility*, *transferability*, *dependability* and *confirmability* (Bryman, 2012, p.390). Credibility is about assuring that the researchers has understood the case and the social world of the members correctly and transferability is about whether the findings will hold in a context other than the specific case. As two researchers have conducted this study and used several different sources of information (observation, survey and interviews), the credibility is strengthened. However it is also strengthened by a descriptive presentation of the results of the study that will increase transparency between analysis and conclusion. This will also increase the transferability. The authors believe that the findings of this study will hold in other cases with a similar context, but the finding will not provide possibilities for generalization on other organizations, in a statistical manner.

Dependability is connected to the properness of the research process. This has been strengthened through clear descriptions in the method section about how data has been collected, managed and analysed. It should however be clear to the reader that the purpose of this study is not to make it replicable as it will investigate the process of culture and the subjective perceptions and understandings of members within a particular organization. The last criteria of confirmability, which is concerned with the possibility that the researchers may sway findings according to own personal values or theoretical inclinations (Bryman, 2012, p.392). This has previously been discussed in regards to the authors’ epistemological orientation. The authors have realized that complete objectivity is not possible when conducting this study. They have however reflected over and omitted all personal values in order to obtain as much of an objective and observational perspective as possible.

4.5 Ethical considerations

There are some important ethical considerations to acknowledge in this study. Anonymity was important for the researchers, both in terms of the company's anonymity as well as individual respondent's anonymity. The questionnaire was therefore completely anonymous and the respondents were given the chance to adjust their answers. The researchers were also conscious of the fact that their long presence at the company during the observation period and their personal relationship with the members of the organization have some impact on the level of trust from respondents as well as the

research results. The researchers are well known at all management levels and, all though one of the researchers is currently an employee at the company, both researchers have made it clear that they are undertaking a course of study that is disconnected from other work-tasks. However the issue of potential bias and trust had to be considered before this study begun.

5 Results

This section will present the data collected from the researcher observations, the interview, and from the conducted open-ended question questionnaire. The researchers' interpretations of the data around patterns, differences and interesting findings will be present in the following chapters. Chapters 5.1 and 5.2 describe the background of the case organization and the culture project. Data collected from the workshops is presented in chapter 5.3. The process of defining business idea, vision and mission of the case company is presented in chapter 5.3.1 and the process of defining company values is presented in chapter 5.3.2. Results from the survey are presented in the chapter 5.4 and chapter 5.5 summarises all the findings from the different sources to clarify the key findings of the study.

5.1 Background of the case-organization

The case organization is a large Swedish retail company with approximately 1500 employees, including 130 in management position. The main three functions of the organization are; one head office, one large central warehouse and around 150 retail stores which are geographically spread across Sweden. Even though the brand of the company has existed for over 40 years, the centralized organization only developed around 4 years ago when 100 previously franchised stores were bought up and centralized. In addition to selling sportswear and sport-equipment in the stores and online, the company also has a business-to-business operation where clothes and accessories are sold to sport-clubs, businesses and other organizations. The company is also a partner of multiple sport teams and associations as well as sponsoring sport events.

The company has gone through several major changes during the past 5 years. In addition to the large merger where 100 previously franchised stores were bought up into one centralized company, the company has also undergone several internal reorganizations, including reducing staff and closing unprofitable stores due to financial difficulties over the past recent years. The strategy is said to focus more on digital sales due to changing market demands. In addition there has been several changes in the top management. A new CEO recently entered the company with a clear agenda to shape organizational culture in order to improve organizational effectiveness and performance.

5.2 Background to the culture project

The culture project was initiated by the CEO of the company. It was decided from the beginning that the project would be led by an external consulting firm. As the culture project was launched, it was motivated as something that will create a “winning culture” for the case company. The concept is created by the consulting company and the aim of building a winning culture is a selling point on their own consultancy web-page.

The culture project’s first phase, that this thesis concentrates on investigating, was explained as gathering top-management and “ambassadors” from around the organization to two workshops where the participants will discuss and eventually decide on a new desired culture. The rest of the members within the organization will continually be informed about the work-process so that everybody feels as part of the creation process. One strategy for this will be to post inspirational videos and interviews with famous Swedish athletes that will speak about what it means to be in a “winning” team. After deciding on how the culture should be and what the desired behaviours are, the ambassadors and all leaders will be educated and given tools on how to implement the new cultural values around the entire organization.

According to the CEO there are currently several subcultures within the organization due to the fact that stores are geographically spread and due to the history of stores being previously separately owned and managed. It is therefore important to set a common direction for the organization, create unity around that direction and eliminate potential subjective goals and personal agendas that are not in line with the direction. The process of culture building is expressed by the CEO as:

This work will mean; CLEAN out history, DIG where we stand, SET a new plan, and RUN with that plan. So it's very very complex. But very majestic! (...) You will either think “WOW, this is something I want to be a part of, I want to go on this journey and I can identify myself with it”. And then we'll have the second group that will say “no, this isn't for me” (...) Then instead we will reload with new heroes, who want to be a part of the journey we are about to do.

The goal is also to create a more “proactive behaviour” and “action-taking behaviour” culture. The current culture is described by the CEO as “too careful” and “apologizing”. The company would like to see more “bravery” among organizational members and encourage towards individual problem-solving and initiative taking. Daring is explained by the CEO as an important value that needs to be more incorporated into the culture:

We have to teach people to think for themselves. 10 out of 10 people who ask questions we can get down to maybe 2 or 3 instead. That releases time and we can grow. People are waiting for solutions and decisions. Everything goes so fast these days so we have to dare.

The process of building culture is presented by the consultancy firm as something that is derived from the company's business idea and positioning on the market. The first step for the top-management in the culture building process is therefore to agree on and clarify these external company promises. From the articulated business idea, the company's purpose of existing should be clarified through a reformulation of vision, mission and value statements. From the values, a set of behaviours should be stated that are related to the chosen value words. This will be the articulated culture. All these aspects together will then, according to the consultants, create a "promise" to the market from the organization, which in turn, if lived through, will create an experience for the company's customers. The consultants' approach to culture building is presented in Figure 3.

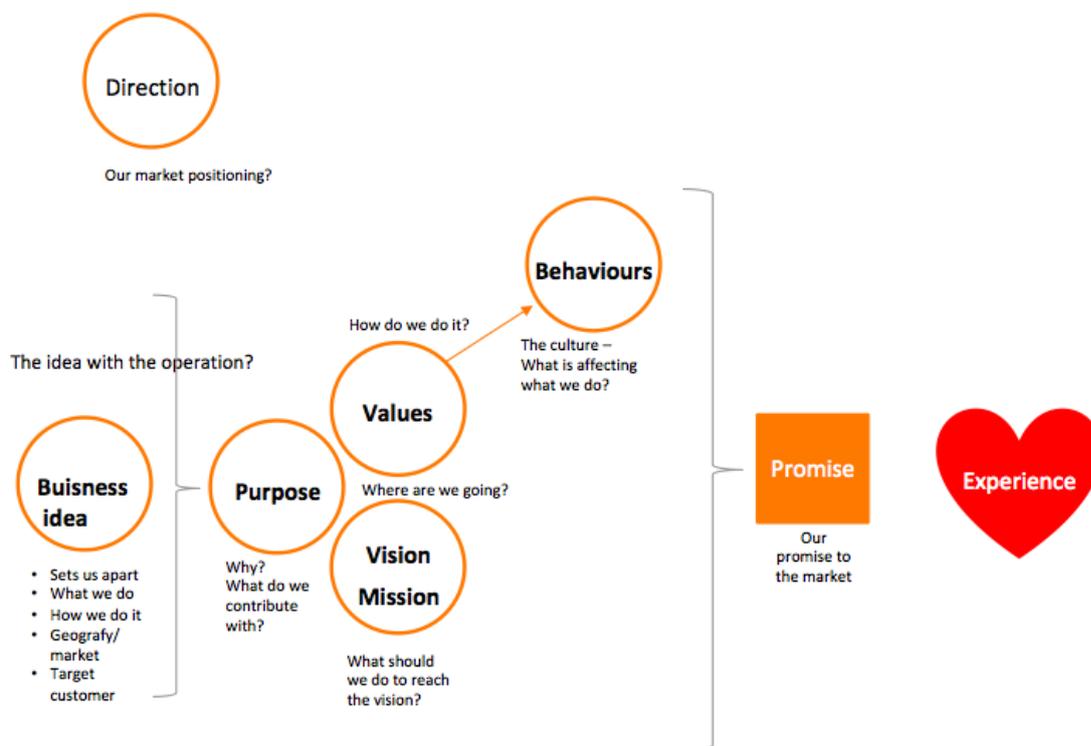


Figure 3. Culture building approach by the consulting company (2018).

5.3 Culture building workshops

Observations were conducted during in total four sets of workshops. The workshops were organized and held by the external consultants. The goal for the workshops was to define a culture for the company that the members of the organization can relate to. The process of defining the company culture had two stages: defining the business idea, vision and mission in the first stage, and defining values and desired behaviours towards each other and towards the customer in the second stage. The first parts of the workshop was only for the top management and the agenda was to define business idea, vision and mission. In the second stage both top management and ambassadors were gathered with the agenda to define the company values and what behaviours should be promoted in the new culture.

5.3.1 Defining the business idea, vision and mission

The first step in formulating the business idea was to define the most important customer. Although there were different opinions within the group, the consensus was that “families”, more specifically “active families”, are important customers. The next step was to define what the company offers to its customers. The group decided that “competence” was the most important factor the company should offer to its customers. A discussion however began about what kind of competencies the company should have in order to stay competitive. It was mentioned that the company needs to move away from too “nerdy” product knowledge, because in many cases, customers already have looked for information of the products they want to purchase before entering a store. However, it was also mentioned that knowledge about the products among employees is a strong part of the company's history and for that reason it can be challenging for the organization to change this focus. It was however agreed among the members that there needs to be a shift from the emphasis of knowledge about *what* the company sells towards an emphasis on *how* to sell.

Later in the conversations, customer needs were discussed. For example one participant pointed out that consumers of today want to dream and that the company should help them to dream about their future sport-achievements. Another participant further emphasized the idea and stated that consumers are looking for a thrill and that the company should focus on offering an experience for its customers instead of competence. There was a short discussion about what the company's positioning is on the market. The group agreed that the company needs to concentrate more on storytelling and build the company brand from that perspective. In practice this means that instead of selling products the company should sell feeling. It was said that the customer should feel that the company has made him or her better when leaving the store.

The formulation of vision and mission derived from a marketing presentation, where the company's future brand-strategy was presented to the group. The presentation was not incorporated to the

workshops by the consulting company. Instead it was chosen to be part of the workshop by the top-management because they thought that the information in the presentation was valid and important to know when formulating the vision. The presentation highlighted two aspects about the company's customers. Firstly, although the brand itself is well recognized due to its long history, consumers do not seem to have strong feelings about it (nor positive or negative). This was said to indicate that, although the brand is well-known, consumers don't seem to identify themselves with it anymore. Secondly, according to the presentation, consumers' needs have shifted from performance-oriented lifestyle to a more sustained, stress free and well-being-oriented lifestyle. It was also said that the company needs to have an increased focus on fashion in order to meet current market demands within sports retailing. All participants were positive to the new marketing approach. There was a consensus that in order to get through the current financial struggles, there needs to be a shift in the company's brand positioning on the market.

The points made in the marketing presentation influenced the formulation of the business idea, the vision and the mission. For example phrases such as “we need to get into the heart of customers” and “we need to sell lifestyle and well-being”, “we offer sustainable lifestyle” and “we are for those who want to feel better, not to compete” were present in the discussion and elaborated on in the formulations. The participants agreed that the “real” customer is not a professional athlete, instead it's an everyday person or a family that is active in order to live a healthy and sustainable lives.

5.3.2 Defining values

When the “ambassadors” joined the workshop the activity started with a ceremony where the CEO handed out t-shirts with printed numbers and names of the workshop participants. It was articulated that the t-shirts symbolized that the groups was a “team”. The ambassadors were then divided into groups and asked to discuss their personal values with each other. Further on they were asked to discuss what parts of the current culture they are proud of, what they would like less of and what they would like to see more of. Some ambassadors working outside the head office (in different areas across the country) highlighted the fact that it is hard to identify with the company because it is so geographically spread and there is very little communication between the head office and stores in terms of company culture and goals. One ambassadors mentioned that this workshop, due to its variety of representatives, was the first time he felt that the organization was united. It was agreed that the organization as a whole needs to work more as “a team” and that this should be reflected in the new espoused values. Clearer and unified guidelines, structures and routines were also highlighted and participants agreed that the company's history of previously franchised stores is still haunting and creating subcultures where people are acting upon their own beliefs rather than following the company's centralized guidelines. “Accepting

made decisions” was therefore agreed to be important. The importance of “daring” and taking own initiatives was also highlighted.

The same marketing presentation that was previously held for the top management was showed to all ambassadors. The participants were enthusiastic about the presentation and about the new approach of moving the brand towards fashion, sustainability and well-being. Most participants expressed that they could identify themselves with this brand and were inspired and excited about the new approach. One participant was however sceptical to the word “sustainability”, implying that it could be misunderstood by outsiders as something that is related to environmental sustainability. Besides the group discussions other activities such as “team photos” and competitions were organized by the consultants.

At the last stages, the consultancy team handed out drafts of formulated corporate values and behaviours in connection to the values. The proposed values were written by the consultants and had derived from the previous discussions about personal values, desired and undesired behaviours that were mentioned previously by the participants. The groups were asked to discuss and redefine the proposed values and the written behaviours. They were also instructed to consider the new presented marketing approach. One group pointed out that they did not think that the words on the paper were in line with the new presented brand and they argued for reformulation of the words. Notable to the observers was that this group consisted of many new employees at the company. However in the other groups most agreed that, although it needs some small adjustments, the values and behaviours presented on the paper were “catchy” and represented a culture and those behaviours that are necessary for all employees to align with. The word “winning” was discussed in one group, one participant argued that the value was too performance driven and not in line with the new brand strategy. The response from another participant was; “if we would stop trying to win sales, we might as well get out of the retail sector all together”. Other participants agreed and more remarks were made that the culture needs to reflect and push towards increasing sales and market share and provide economic success. The consultants’ finalized values as words such as “dare” “want” and “win”, related to the importance of feedback, initiative-taking, openness to change and competing for sales.

5.4 Findings from the survey

Most survey respondents described the company's brand in general terms. The customers reasons for buying sport equipment, clothes and other products in the company's stores were explained in terms of for example “to be active”, “to be healthy”, “for training” and “sport”. The word “sport” was mentioned by most respondents, and often described in connection to sport club (Föreningsliv) and performance. For example “The customer is a sport family that wants to perform sport and be a part of sport club activities” or “The customer is an active family where one or several children are in some kind of team

sport and where the parents train around three times a week”. The company's most important customers were described as families by the majority of the respondents, but many also responded that they think that all customers are important and not just one specific kind. Those who specified the customer further mentioned females, especially “active females”, “females in their thirties” or “women with their family”, while males were not mentioned separately at all. Knowledge was described as important by most respondents, when asked what they would like the company to be known for. Customer service was also highly emphasized, however more so by store-managers than office-managers. The importance of being known as trendy and fashion-oriented was only mentioned by one respondent as “we are number one in sport and sport fashion”. While other respondents toned down the importance of trend and fashion with responses such as; “Focus should be on real sport. There is too much textile in our stores right now” and “We are known for tradition and a long history, we always been there. Not the most trendy, but in many cases we provide good service”.

When asked about what they were most proud of in the current culture, many middle-managers (both store managers and office managers) mentioned the ability and action towards continuous improvements, developments and individual initiatives in their survey responses. One respondent for example answered “Proactiveness, that we are not standing still in the boat”, another responded “We take risks” and another stated “the freedom and encouragement to take own initiatives”. Goal orientation, competitiveness and “being driven” was described as important aspects of a desired culture by the management in the office. However, when looking at giving negative feedback, only one of the respondent within this group of managers mentioned giving negative feedback on not delivering or achieving goals. Poor customer service and not achieving promising sales was however mentioned by store managers as an important aspect they provide feedback on to the employees in the stores.

Interestingly, most managers working in the head office described the current organizational culture as close and helpful. One respondent for example answered “There is a family like feeling in the company, we are really team players” and another stated “We have good values in the company, the fundamental attitude that we help each other out”. When asked how they would like the culture to change this group of managers respondent that they would like to see more goal orientation, competitiveness and effectivity. For example one respondent stated that “we need to become more results driven and understand profitability factors”, another answered “Bravery, Proactiveness and challenge each other more”. “Winner Mentality” was mentioned by two of these respondents. However within the other group of respondents, the store managers, result drivenness was not mentioned as something they would like more of in the culture. Instead one respondent answered “It’s a lot of focus on numbers and sales, sometimes the person behind it is forgotten”. Teamwork and closeness that the office managers described as something already existing in the culture, the store managers seemed to be missing; “I would like to see more openness in general in the company, especially towards us in the stores”, “There

is a division between office and store, less of that and more unity”, “We need to create a better togetherness, for example through more gatherings”.

5.5 Summary of results

The case organization for this study is large geographically spread Swedish company that was previously operating as separate franchises with a common brand name. The new CEO initiated the culture building process with the aim to unify the organization around a common direction and a clarified organizational value framework. A fresh start seems to be the aim of this cultural project, the CEO for example explained the purpose of the project as; “CLEAN out history” and “reload with new heroes”. The reasons for the cultural change initiative seems to be about internal productivity, efficiency and unity rather than strengthening the image, reputation or recognizability. The results show that the project from the start was highly influenced by the company's interrelation with the sports world. The culture project was addressed and spoken of as the creation of a “winning culture” and the activities decided by both the consultants and the top-management contained sport references (e.g. competitive games, team t-shirts etc.)

The company aspires to meet the newly found customer needs with a brand approach that moves away from performance, which is also reflected in members’ discussions around the new business idea, vision and mission statements. The final formulations of the business idea, vision and mission were influenced by a marketing presentation which showed the participants in the workshop what customers need and look for in the current market. However when discussing new corporate values, the discussions were driven by internal organizational issues and the current company identity rather than by the company's new external brand approach. Although some ambassadors mentioned the importance of reflecting over aspects mentioned in the marketing presentation, the overall observation was that most of the participants seemed to look at marketing of the brand, and culture and value work as something that needed to be addressed on separate levels.

The questionnaire data shows that perceptions of current and desired company culture differed between respondents who work in the head office and respondents working in the stores. Office managers and top-management perceive the current culture as family-like, friendly and cooperative, whereas the store managers see it as result-driven. Representatives from the office stated that they would like the culture to be more result-driven and goal-oriented, whereas the store managers would like to see it as more familiar, friendly and cooperative. Results from the questionnaire also indicate that, although office managers would want a more result-driven culture, they do not provide feedback based on delivery. This sort of feedback is however more common within the store operations. A difference in regards to risk-taking and Proactiveness was identified between top-management perceptions and middle

management. Proactiveness in terms of daring to take own initiatives and taking risks, that was emphasized by the CEO in the interview, was also visible in the survey responses from the other top-management members. The culture seems to however already be perceived as proactive and encouraging to take risks and own initiatives by middle managers.

6 Analysis & Discussion

The first aim of this study was to explore how culture building processes within retail operating organizations can be influenced by their external brand. The second aim of this study was to identify factors that might challenge the concept of building culture from the outside-in. In this chapter the findings will be analysed and discussed in relation to the theories presented in chapter 3. From the analytical findings each section of this chapter will present the researchers` identified implications for theory and practise.

6.1 Institutional pressures

The case company has a long history of producing and selling sportswear and sports equipment. Due to this, the currently existing brand is strongly sports related. The long history in sports has created many relationships and close connections with sports industry including sport clubs and national sports associations. According to new institutionalism, organizations are closely linked (embedded) to their social and political environment, and their functions and structures are often reactions to the rules, beliefs, and practices set by the environment (Powell, 2007). The observations and the survey data show that these relationships are considered important and valuable by the case company and its members. Additionally, business to business sales and partnerships is a large part of the company's operations, which indicates a financial dependence.

6.1.1 Mimetic isomorphism

Organizations tend to imitate organizations operating in the same organizational field that they perceive to be successful or legitimate. This phenomenon is defined as mimetic isomorphism by Miterov et al. (2017) and DiMaggio and Powell (1983). Mimetic isomorphism can also be strengthened by the use of consulting firms, because they are known to be common driving forces behind diffusion of organizational models (Miterov et al., 2017). The chosen consulting company in this case has worked with different culture projects and used the concept of “Winning culture” with their other clients. This has probably caused mimetic isomorphism in the field since the same approach to culture building has been used with multiple organizations. Even though the consulting company brought structure to the process, it also proceeded the process with the help of familiar sport-related symbols and concepts, which may have enhanced rather than changed the existing culture among the participants. The findings

of this study indicate that, through a process of mimetic isomorphism, consultants and organizations within the same field seem to be confirming each other. The question is whether the organization would have trusted the consultants and been on-board with the process if the concept had not been this familiar?

6.1.2 Coercive isomorphism

According to theories around coercive isomorphism, organizations experience pressures, especially from institutions they dependent on (Miterev et al., 2017). The findings indicate that the current identity and brand of the company is influencing how the espoused values and desired behaviours were formulated in the culture building process by the members. However, the business idea, the vision and the mission were influenced by how the company thinks they should change the brand in order to meet customer needs. Whether the new branding approach will be a real change in the brand, a short-term marketing campaign, or an addition to current brand is outside of the scope of this study. This analysis however indicates that in this case, a business idea, vision and mission seem to be more easily adaptable according to new external consumer insight. Internal corporate culture aspects, such as statements about espoused values and behaviours, seem to be harder to decide on based on something that is still rather “unknown” by the members. Although the current brand is well recognized, the organization is aware that the current brand is not generating profit because consumers don't identify themselves with it anymore. In order to tackle this problem the business idea, the vision and the mission were reformulated to meet current customer needs. However when the culture building process moved closer to discussions about HR-related organizational factors, such as employee values, behaviour and even customer interaction, the company's historical identity was a stronger influence than the new desired external brand.

6.1.3 Normative isomorphism

Ulrich and Brockbank (2016) argue that most culture building processes traditionally begin by looking from the inside-out. It can be concluded through the findings of the study that the consultants were driving this process from an inside-out perspective on building culture. Although external aspects, such as business idea, positioning on the market, vision and mission were important aspects, these concepts were explained by the consultants as something that is originated from the core of the organization. For example when discussing the business idea and the organization's purpose on the market, the concepts are explained as something that should answer questions such as “what do we do?” and “what do we contribute with?” rather than “what *should* we do?” and “what *should* we contribute with *in order to meet current market demands?*” It is evident that building culture from the inside-out is a legitimized model among both the consultants and the organizational leaders (e.g. the CEO). It resembles the mind-set of traditional culture theory presented by for example Schein (2010). Theoretical ideas around how

to build culture can be seen as normative mechanisms, which have established their legitimacy among practitioners. New ideas around how to approach a culture building process may therefore be difficult to accept. The diffusion of legitimizing new approaches and models among professionals (e.g. consultants, HR and leaders) needs a large amount of evidence and success stories before it can become “the norm” (Miterev et al., 2017). It can be questioned if the outside-in approach presented by Ulrich et al. (2009) and Ulrich`s and Brockbank`s (2016) has gained enough legitimacy in the field of culture building.

6.1.4 Path dependency

According to Path Dependency theory, history influences decision-making processes in organizations. In newly established companies, there is more room for competing solutions but in older companies, it is harder to ignore history (Sydow et al., 2009). When looking at the case organization's process of formulating espoused values, observation showed that it was natural for most participants with long tenure in the organization to incorporate sports related terms into to their values, such as win, sports teams, game etc. It seemed like the participants with longer tenure and closer connections to sports largely influenced the decision-making process. Even though there were attempts during the ambassador workshops to break free from the usual ways of thinking, those attempts did not receive much attention. For example some participants, mainly newer employees, in the workshop did not agree on the values connected to winning. It seems that the organization is at the last phase of the path dependency process, the lock-in phase, due to the long history and the senior members` cognitions and beliefs. However, as explained by Sydrow et al. (2009), organizations are not likely to fully lock-in, due to a social order that is often complex and ambiguous. In this case, alternative choices were expressed by newer members of the organization.

6.2 Levels of organizational culture

According to Schein (2010) there are three levels of culture in organizations; *artifacts, espoused values, and assumptions*. *Underlying Assumptions* are defined as the hardest to change (Schein, 2010). Therefore the other levels of culture in an organization can only be dealt with once one has understood the patterns of the organizational members underlying assumptions (Schein, 2010). The findings of this study indicate that the organization's purpose of the culture building project is to increase the internal coherence, efficiency and performance, but also in order to create a basis for the organization's external action; how the organizational members act towards customers in order to increase sales. Solving the company's financial situation by aligning the organizational members` common values and goals seems to be driving force for this initiative. It is also stated by the organization's leaders that those who are not aligned with the new espoused values will soon come to that realization and choose to leave eventually. This indicates, when looking at culture through Schein's (2010) perspective, that it is not really the

organization's ambition to "change" the organization's members' underlying assumptions. Instead the aim is to identify members with the "right" assumptions and create the espoused values around these highlighted attributes. As specific ambassadors were chosen to participate in the workshops, perhaps there is a desire to create this cultural path based on already existing behaviours and values found in these members. In the workshops the ambassadors were asked to discuss their personal values, which indicates that, rather than being ambassadors for a completely new culture, perhaps the purpose of the project is to enhance and make visible the invisible assumptions (Schein, 2010) that are already existing in these chosen ambassadors. If all the participants were chosen as ambassadors because they are considered to be high-performers and their work and behaviour is considered to be reflecting what is desired, achieving consensus within this group in regards to espoused values should be of importance (Brown, 1976; Philipson, 2004).

6.3 Shared assumptions and subcultures

In order to adapt and integrate the internal with the external, organization's main challenge is to obtain shared assumptions and consensus on; 1. Identity and Mission, 2. Goals, 3. Means to achieve goals, 4. Measurement, and 5. Remedial and repair strategies (Schein, 2010).

6.3.1 Shared assumption of Identity and Mission

The survey results of this study indicate that there is a coherence in the culture about the company's identity and brand. In the survey, respondents often highlighted sports associations, team sport and performance as important aspects of the brand. Findings from the observations at the culture building workshops where the new mission was discussed, however showed that new external market insights has created pressures for the company to adjust their mission and brand according to new market demands. For example, fashion in relation to sport was highlighted as an important aspect in order to meet new customer needs, and was taken into consideration when formulating a new mission statement. According to Schein (2010), shared assumptions about a company's identity and brand will influence and/or limit available strategic options. The findings of this study show that the top-management, who were the only participants at the workshop where mission was discussed, were open minded when it came to adapting the company's mission according to external demands. This new mission doesn't however seem to be in line with how other units of the organizations understand their "reason to be". Fashion was for example barely mentioned in the survey. Instead some even wanted to see less "textile" and more "real sport". It can be assumed that due to their position and strategic line of work, it comes more easily for the top-management to adapt to environmental changes. Perhaps it is a shared assumption within the group of top-management? If shared assumptions are only found in certain units they are reflections of subcultures (Schein, 2010). According to Schein (2010) the different assumptions of subcultures can either coexist in harmony or conflict hindering organizational performance. In this

case when the assumptions around mission differ, the challenge is how to implement shared assumptions around the new mission to those units that do not share the same mind-set as the top-management.

When the new brand approach was presented to the other ambassadors in the later workshops, all participants were positive to the change. However only some of the ambassadors were advocates for implementing the new approach not only to the mission but into the internal espoused values as well. These employees might be more open to alternative value statements because they are not as impacted by the organization's history and existing identity. It was evident in the ambassador workshop that employees with longer tenure were dominating the discussion about company values. The underlying assumptions which have evolved over a long period of time impacted the process more than the assumptions of newer employees. This can be explained by David's theory (1994) that "institutions are carriers of history" and history will at all times have an impact on decision-making in organizations (p. 205). For employees with long tenure in the organization, it is harder to take in new approaches into already strong assumptions, whereas the newer employees, who are not as strongly influenced by the company's history, can see alternative solutions and incorporate those into their values.

6.3.2 Shared assumptions of goals

As mentioned in the introduction of this study, consumers look for a deeper connection with the brand (Davis, 2017), meaning that they want to see the company behind the brand. The findings of this study display that this was also a conclusion that this organization came to realize in their discussions around business strategies such as vision, mission and business idea. Yet, goals about how to create this deeper connection with customers were not formulated. Shared assumptions around goals seem to be connected to sales and profit and deriving from the competitive retail sector. It is interesting that although a mission was formulated through words such as well-being, sustainability and fashion, goals are still looked at in terms of sales rather than for example "happy customer-index" or innovation. Discussions about espoused corporate values were also highly in relation to what they would bring to the end game - effectiveness and sales, rather than for example employee well-being or motivation. The quote from one participant at the work shop; "if we would stop trying to win sales, we might as well get out of the retail sector all together" indicate that there are rooted shared assumptions that goals are connected to sales and profit, perhaps not only within this specific organization but within the retail sector in general.

6.3.3 Shared assumptions of means to achieve goals

The findings from both the survey and the observations show that members within this organization agree that knowledge and customer service are important means to achieve their goals. Knowledge was the main focus in survey answers as well as formulated in the final business idea. However product

knowledge among employees was also discussed by the participants as something that is not as relevant for consumers anymore. It seems that although this insight about consumers was provided and discussed, the participants still emphasized knowledge in the culture building process. Knowledge was discussed as something that has historically been an important part of how the company interacts with customers. There is therefore a strong coherence around the assumption that knowledge is an important mean of how to achieved goals (sales), even though it has been rationally explained as not important. According to Schein (2010) a dominant shared assumption in a culture will influence decision making processes. These culture driven decisions and action may not always go in line with what would actually provide profit or what is the “right” decision according to market demands. It is evident that “giving up” the focus of knowledge and educated employees would go against the organizational culture, even though the company could actually save money by less investments in educating staff. Which is why, although further investments in knowledgeable employees is evidently not a necessity anymore in order to be profitable on the market, it is not something that the organization is willing to give up due to cultural drivers.

6.3.4 Shared assumption of measurement and change strategies

According to Schein (2010) organizations also need to share assumptions around how they will measure their success of living up to the goals. It is outside of the scope of this study to investigate all the relevant measurements used by this particular organization. What the results have shown is however that the organization is facing internal challenges with efficiency, lack of initiative taking and proactiveness to changes among employees and different agendas that are leading units towards different directions. Measuring, following up and feed backing on goal achievement (sales goals) seems to be a large focus in within the store units, but such measures seem to be lacking in the office unit. This indicates that subcultures in regards to shared assumption around what is measured exist within the organization. According to Schein (2010), goals and how goals are measured can differentiate across functions and time, but it is still important that it all goes in line with the mission so that the organization in driven towards the same direction. The findings show that feedback on performance is more common in store operations than in office operations. Since it is more difficult to measure performance in terms of sales in office environment, it is important that this unit finds a consensus around what they should be measured on.

According to Ulrich et al. (2012), all internal operations (not only business strategies) should be driven from the outside-in. This implies a need for all functions to articulate goals and measure goals against the mission and the external brand promise. For example, information from the marketing department about new marketing demands should therefore be communicated and understood throughout the entire organization in order for all units to really be able to set goals and have shared understandings about

how the goals should be measured and achieved. These findings have important implications for traditionally internal HR operations. Especially in the retail sector where employee behaviours are continuously reflecting the company brand towards customers. Employee values and behaviours should be guided by the company mission, which in turn is guided and moulded through information about the changing needs of external customers. In order for HR professionals to adopt the outside-in perspective and make sure that the internal culture is reflecting the external brand promise (as suggested by Ulrich and Brockbank, 2016) this study indicates that there needs to be an intensified interrelation with external business strategies (such as marketing) and internal HR strategies.

According to Schein (2016) organizations also need to have consensus around what to do when change is required and how to make the change. This further enhances the importance of an interrelation between business strategy and HR strategy. As identified previously, top-management operations are more capable in their roles to identify important environmental change. Which further shows the importance of HR to be a part of top-management in order to successfully drive relevant internal change according to the external changes.

7 Conclusions and implications

The following chapter builds on the conclusion of the most relevant findings in relations to the research questions. This chapter will also present contributions both for practitioners and the scientific community. In addition, this chapter will present limitations and give suggestions for future research. By combining the findings from previous research and the theoretical framework with the findings of this study, the first part of this chapter (7.1.) aims to answer the first research question: *How is the internal process of culture building influenced by the external brand?* The second section (7.2) aims to answer the second research question: *What institutional and cultural pressures might challenge the concept of building culture from the outside-in?* In sections 7.3, existing limitations are discussed and in chapter 7.4 suggestions for future research are given to conclude the study.

7.1 The influence of external brand on the process

At the beginning stages of the culture building process, where business idea, mission and vision were discussed and formulated, a “future” external brand was the influencer. Meaning that the organization had investigated the current demands on the market (what customer needs are) and the identified demands were then used in the building of external promises, such as vision and mission. This approach is consistent with Ulrich’s and Brockbank’s (2016) perspective of building culture that is derived from a *desired* external brand. Although it was not the organizations or the consultants espoused strategy to

drive the culture building process from “the outside-in”, the findings showed that this perspective came naturally in the top-managements line of work, as business strategists.

As the culture creation process moved closer to internal aspects, such as formulation of espoused values and employee behaviours, discussions were more influenced by the company's current brand and identity rather than the *desired* brand. The organization's shared assumption about how they have historically been perceived (the current brand) are stronger influencers when it comes to decision-making about future internal actions. External promises such as Business idea, vision and mission were more easily influenced by insights about current customer needs and a desired external brand than internal aspects. Although based on facts from the market, it seemed however that when all members didn't feel completely familiar with the desired external brand there was resistance to building internal values according to it. Perhaps before truly being able to influence a culture based on the external brand, the external brand should first be understood and accepted by most members. In this case, the *new* brand had not been implemented or properly internalized as the actual new identity of the company. It can therefore be assumed that it was not taken seriously yet, and the old identity and brand of the organization still dominated. In conclusion, it was possible build external promises, such as vision, mission and business idea, from a new brand approach. However when it came to formulating internal cultural aspects that are about how the organizations members should change themselves, such as values and behaviours, the organization did not seem to be ready to commit to a change that is based on something that is still rather unfamiliar.

7.2 What can challenge the concept of building culture from the outside-in?

7.2.1 Institutional pressures

The following institutional pressures were found in this study which could imply possible challenges with the concept of building culture from the outside-in. Firstly, it can be concluded from the analysis of this study that the long history of operating in an environment within the sport society for example creates institutional pressures around the planning process and the execution of the project (for example the choice of consulting firm). This imposes a possible challenge because, as stated by the organization itself, it is not the athletes who are the company's customers. The company's current brand has been identified as well known, however it does not meet the current customer needs. The implications for the Ulrich and Brockbank (2016) perspective is that, as in this case organization, sometimes a company would need to first build or rebuild their current brand (so that it is consistent with customer needs) before beginning the internal culture building process. Secondly, institutional pressures based on mimetic isomorphism in regards to the use of consultancy seems to be creating challenges with the outside-in concept. Building a culture from the outside-in (especially in older organizations) would require members within an organization to challenge their old beliefs and their old ways of thinking

(what is comfortable) and instead adapt themselves according to changing customer demands. A consultant's job would therefore need to be to help the organization to really look outside the box and challenge their old ways of thinking. The problem is however that old ways of thinking has shown to also influence which consultants to trust. And this case has also shown that consultants, perhaps in order to "connect" better with the members, adapt themselves to the existing culture. Or, the consultants already had existing assumption that were in line with the shared assumptions in the organization, which could have been the reason why they were chosen for the job. This analysis highlights important challenges that consulting firms may face in their efforts to both sell a new concept of cultural change to companies, as well as in their efforts of helping organizations to implement change. Especially if the consultants ideas are originated from Ulrich and Brockbank (2016) outside-in approach. What if market insights about "customer needs" are not aligned with the organization's culture and identity?

A third institutional pressure that was identified as a possible challenge to the concept of building a culture from the outside-in can be categorized as normative isomorphism in relation to legitimized models about culture building. As previously mentioned, neither the consultants nor the organization had intentions of approaching the culture building process from the outside-in (even though external influencers were found in this study). In fact the observation showed that, particularly when it came to espoused values, there seemed to be a shared understanding among practitioners that the culture is something that derives from the inside-out, as traditionally presented in culture building models (e.g. Philipson, 2014; Sadri & Lees, 2001). Even though the interrelation between brand, image, vision and culture has been previously acknowledged within the marketing field (Hatch & Schultz), when it comes to creating internal employee strategies within the field of HR, the outside-in model is not yet completely legitimized. The implication is that the outside-in perspective needs more success stories in increase its legitimacy within the field.

7.2.2 Cultural factors

The environment in which the company operates has created certain conditions to why and how the project was conducted. For example, the constrained economic situation in the retail sector is pressuring the company to strengthen its culture in order to become more result and sales driven. The findings of this study indicate that the purpose of this particular culture building project was not to change the culture per se, but rather to strengthen it. The organization aimed to highlight the "best parts" of its existing culture and create a coherence among these existing assumptions in the culture. This indicates that process was more about tackling subcultures and unwanted behaviours rather than changing the dominant shared assumptions (the entire culture) within the organization. Deriving from organizational theory about culture (Schein, 2010), the researchers can conclude that there is a difference between strengthening a culture and actually changing it. This difference is not always distinguished in literature.

There seems to be a need for theoretical clarification around the definitions of working with culture that is based on what the purpose of a cultural project actually is. In the literature field it is rather unclear what the differences are between terminologies such as; building culture, strengthening culture, changing culture and creating culture.

Beside the challenge of definitions around cultural work processes, this study found additional challenges in regards to cultural shared assumption about external adaptation issues within organizations. Firstly, it is found that shared assumptions around the organization's identity and mission (the shared understandings of *who they are* and *why they exist*) may not be easy to change and adapt according to new consumer insights. Secondly, operating in the competitive retail sector seems to create pre-existing cultural assumptions around what kind of goals the organization should strive for (mainly sales-goals). In other words, although the mission might be in line with what *customer needs* are, the strong competitiveness in the retail sector and financial difficulties might still create shared assumptions around goals in directions that are not in line with the external brand and current customer needs.

The final challenge and implication (for both practitioners and theorists within the field) identified from this study is the common disconnection between traditionally internal and traditionally external operations within organizations. The outside-in approach would require a continuous communication of the customer brand promise to all employees. In order for all organizational members to actually deliver that promise in their daily relations with customers. It would also require a coherence of shared assumptions within the organization around how this promise is delivered. Instead of being measured on internal sales figures it would for example be more relevant to measure employee performance in relation to market surveys about brand strength and brand identification. Building a culture from the outside-in would therefore require a continuous work with relationship between employees and the brand, so that understandings and acceptance around the brand is shared. In other words, employer brand building. This indicates a crucial need for HR practitioners to combine internal and external operations (especially marketing operations) into their work.

7.3 Limitations

The authors have acknowledged important limitations of this study. First of all the time scope for this research was restricted, which resulted in limitations when it comes to for example the choice of method. The authors for example did not find the time to conduct a mixed method approach. The authors couldn't either be a part of the entire cultural transformation process, meaning that for example the implementation or the result of the culture work was not observed. Therefore conclusions about whether the project was successful or not could not be achieved in this particular study. The second limitation is that one of the researchers have an employment within the case company, which may have impacted

the results with bias and may have restricted the possibility to be fully critical towards the company. Due to the researchers' previous experiences within the company, preconceptions also need to be considered. Preconceptions are common for all researchers because certain expectations around the findings are usually made based not only previous work experiences but also on previous research and theory (Bryman, 2012). Another limitation of this study is that, with the exception of a few workers in the workshops, only managers' perceptions were included in the results. This limitation is due to both lack of access (to all employee emails) and time (it would be impossible to analyse all employee answers). Finally, the researchers are aware of the possibility of misinterpretations due to data being translated from Swedish to English language.

7.4 Suggestions for further research

Due to time restrictions of this study, the researchers did not have the opportunity to follow the culture building process all the way. Future research following a similar process including the implementation phase together with a following up phase would therefore be relevant to conduct in order to complement the findings of this study. Even more interesting would be to use the outside-in perspective, and conduct a comparative study between two organizations after their efforts of culture transformation, one with successful and one with failed outcomes. As the findings of this study indicates that the specific sector in which a company operates in, as well as the company's history, is influencing culture building processes, it would also be relevant to compare companies that are operating in different sectors or have different historical backgrounds. Would a culture building process in a newly established company be more influenced by their external brand? Another important aspect of this study is that the Ulrich's and Brockbank's (2016) outside-in perspective on culture was never expressed as a strategy by the case organization of this study. Therefore it would be interesting for future scholars to investigate what possible challenges there would be if the approach was actually adopted as a strategy for culture building by a company. Finally, this study looked at a culture building process through a more general business strategy perspective, meaning it looked mainly at the top-management's efforts and intentions. As described in the introduction of this study, the importance of an external perspective is often already acknowledged by the business management operations, but less so in HR operations in practice. Therefore another suggestion for future research is to look at the internal process of culture building from HR practitioners' perspective. What additional challenges could be identified?

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Appendix

Appendix 1. The questionnaire in Swedish

Background information

1. Hur länge har du jobbat på X?

- Under ett år
- 1-4 år
- 5-8 år
- 9-12 år
- 12-15 år
- Över 15 år

2. Position/anställning i X

- Ledningsgruppen
- Kontor
- Butik

Företagets kundprofil

- 3. Hur skulle du beskriva företagets viktigaste kund/kunder?
- 4. Vad skulle du vilja att företaget var mest känt för?

Frågor om företagskultur

- 5. Hur skulle du beskriva Xs nuvarande företagskultur?
- 6. Om du fick välja, hur skulle du beskriva en önskvärd företagskultur i X?
- 7. Beskriv med kortare meningar det du är mest stolt över i den nuvarande företagskulturen på X.
- 8. Beskriv med kortare meningar vad du skulle vilja se mindre av i den nuvarande företagskulturen på X.
- 9. Beskriv med kortare meningar vad du skulle vilja addera till den nuvarande företagskulturen på X.

Frågor om ledarskap

- 10. Beskriv ditt ledarskap
- 11. Om du skulle rekrytera personal till X, vilka personliga värderingar ser du som viktigast hos en potentiell kandidat?
- 12. Vilka beteenden hos dina medarbetare ger du oftast positiv feedback på?
- 13. Vilka beteenden ger du oftast negativ feedback på?

Appendix 2. The questionnaire in English

Background information

1. How long have you been working in X?

- Under one year
- 1-4 years
- 5-8 years
- 9-12 years
- 12-15 years
- Over 15 years

2. Position in the company

- Top management
- Head office
- Store

Company's customer profile

- 3. How would you describe the company's most important customer?
- 4. What would you like the company to be known for?

Questions about company culture

- 5. How would you describe X's current company culture?
- 6. If you could choose, how would you like the company culture to be in X?
- 7. Describe in brief what you are most proud of in the current company culture.
- 8. Describe in brief what you would like to see less in the current culture.
- 9. Describe in brief what you would like to add to the current culture.

Questions about leadership

- 10. Describe your leadership
- 11. If you would recruit a person to the company, what individual values do you see as most important in a potential candidate?
- 12. What kind of behaviour do you give positive feedback on?
- 13. What kind of behaviour do you give negative feedback on most often?