Internal Branding as a Tool for Organisational Alignment

by

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DECLARATION

I declare that this Masters script, which I hereby submit for the degree MA Corporate Communication Management at the University of Johannesburg, is my own work and has not previously been submitted by me for a degree at another university.
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ABSTRACT

Due to the increasing competitiveness between organisations to attract and retain internal and external stakeholders so as to increase organisational competitive advantage, it is vitally important to the long-term success thereof that the inherent importance of organisational communication, specifically internal communication, is taken into consideration within the context of a rapidly changing business environment. This is to make sure that an alignment exists between internal organisational core values and the external image the organisation portrays. Thus within the context of banking service organisations so as to ensure a successful internal organisational alignment strategy, which promotes employee satisfaction and participation, improvement needs to be made to internal communication strategies. Based on this, three key concepts are identified as pertinent; namely internal organisational communication, the corporate identity aspect of internal branding and the organisational culture aspect of organisational alignment. Thus, the overriding purpose is to determine what the role of internal branding as a tool for internal organisational alignment is amongst banking service organisations in South Africa that have undergone an amalgamation.

The motivation for this research is the fact that numerous organisations do not realise the importance of internal communication and branding initiatives to the internal stakeholders’ satisfaction, service delivery quality and ultimate impact on the organisation’s profitability. Absa Bank is the subject for the one-shot case study as it recently implemented new internal branding initiatives so as to engage and align internal stakeholders with the core organisational values and culture, to improve the quality of service rendered, to retain external customers, and to impact positively on the bank’s profitability. Through the use of qualitative research methods, which are a one-shot case study utilising a documentation study and telephonic and e-mail interviews, the goal of the study is achieved. The theoretical chapters set the context by introducing and defining relevant key concepts, as well as presenting a theoretical discussion on these concepts. The case study on Absa Bank forms the basis of the integration of theoretical concepts and the practical application thereof. Finally, the research findings are discussed and further recommendations proposed. Based on the research, a key contribution is the conceptualisation of the term integrated organisational communication.

**Keywords:** organisational communication, internal organisational communication, corporate identity, internal branding, organisational culture, organisational alignment.
Vanweë die toenemende mededingendheid onder instansies om interne en eksterne belanghebbers te lok en te behou ten einde organisatoriese mededingende voordeel te verbeter, is dit van die uiterste belang vir sodanige langtermyn sukses dat die inherente belang van organisatoriese kommunikasie, met spesifieke verwysing na interne kommunikasie, in berekening gehou word binne die konteks van ‘n vinnig-veranderende besigheidsomgewing. Dit is om te verseker dat ‘n gerigtheid bestaan tussen interne organisatoriese kernwaardes en die beeld wat die organisasie na buite uitbeeld. Verbeteringe moet dus aangebring word aan interne kommunikasiestrategieë binne die konteks van bankdiensorganisasies, ten einde ‘n suksesvolle interne organisatoriese gerigtheidsstrategie te verseker, wat werknemertevredenheid en deelname bevorder. Gebaseer hierop, word drie sleutelbeginsels as belangrik geïdentifiseer; naamlik interne organisatoriese kommunikasie, die korporatiewe identiteit van interne bemarking en die organisatoriese kultuur van organisatoriese gerigtheid. Die oorheersende doel is dus om te bepaal wat die rol van interne bemarking is as ‘n middel tot interne organisatoriese gerigtheid onder bankdiensorganisasies in Suid-Afrika wat ‘n samesmelting ondergaan het.

Die motivering vir hierdie navorsing is die feit dat verskeie organisasies nie die belang van interne kommunikasie en bemarkingsinisiatiewe besef vir die bevrediging van interne belanghebbers, kwaliteit van dienslewering en die uiteindelike impak op die organisasie se winsgewendheid nie. Absa Bank is die onderwerp van die eenmalige gevallestudie omdat dit onlangs nuwe interne bemarkingsinisiatiewe aangegaan het ten einde interne belanghebbers te verbind en in lyn te bring met die kern-organisatoriese waardes en kultuur, om die kwaliteit van dienslewering te verbeter, om eksterne klante te behou, en om positief op die bank se winsgewendheid in te werk. Die doel van die studie is bereik deur gebruik te maak van kwalitatiewe navorsingmetodes, wat ‘n eenmalige gevallestudie is, deur die benuttiging van ‘n dokumentêre studie, en telefoniese en e-pos onderhoude. Die teoretiese hoofstukke bepaal die samehang deur die bekendstelling en definieëring van relevante kernbegrippe, sowel as die aanbieding van ‘n teoretiese bespreking van hierdie begrippe. Die gevallestudie van Absa Bank vorm die basis van die integrasie van teoretiese begrippe en die praktiese toepassing daarvan. Ten slotte word die bevindings van die navorsing bespreek en verdere voorstelle word gemaak. Gebaseer op navorsing, is ‘n sleutelbydrae die konseptualisering van die term geïntegreerde organisatoriese kommunikasie.

**Kernwoorde:** organisatoriese kommunikasie, interne organisatoriese kommunikasie, korporatiewe identiteit, interne bemarking, organisatoriese kultuur, organisatoriese gerigtheid.
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CHAPTER ONE: ORIENTATION AND BACKGROUND

1.1 INTRODUCTION AND ORIENTATION

Due to the interdisciplinary nature of organisational communication and the increasing competitiveness between organisations to attract and retain internal and external stakeholders so as to increase organisational competitive advantage, it is vitally important to the long-term success thereof that the inherent importance of organisational communication, specifically internal communication techniques, be taken into consideration. This is of importance so as to ensure that an alignment exists between internal organisational core values and the external image the organisation portrays.

In order to ensure that such an alignment can occur, research conducted by Christensen (2002:162) and Proctor and Doukakis (2003:275) reiterates the fact that some organisations have felt the need to adapt and change the organisational communication strategies they have in place so as to optimise the organisational communication, which Asif and Sargeant (2000:200) and Pace and Faules (1994:22) describe as a process by which individuals share meaning and it offers the means of creating and implementing behavioural changes both internally and externally of the organisation. As such, organisational communication is the behaviour of organising that takes place and how those engaged in that process transact and actually assign meaning to what is taking place. In this regard, Sanchez (1999:9) postulates that two-way communication is vital in establishing a clear mission and purpose among employees and in securing the support the organisation needs to achieve the desired organisational objectives. Open, two-way communication with employees, which has the aim of informing them about facets of organisational functioning, is crucial for contemporary organisations to adhere to if the organisation is to be successful and survive in the ever-changing business environment. In this business environment, Duncan (2003:2) indicates that the implementation of organisational communication principles and practices will enable organisations to build internal and external customer relationships that create profitable corporate brands.

Claassen and Verwey (1998:73) concur with Duncan (2003:2) and postulate that the South African business and organisational communication environment has been characterised by redefinitions of business practices since the beginning of the nineties and the repositioning of boundaries as an expression of the world economy trends. According to research conducted by authors such as Daly, Teague and Kitchen (2003:154), Kaplan and Norton (1996:75), Kitchen and Daly (2002:46) as well as Wells and Spinks (1994:24), these trends include globalisation,
consolidation and convergence between industries (amalgamation and mergers of organisations), technological innovation, corporate governance, customer centricity, and product commoditisation. Moreover, Greenall (1994:5) is of the opinion that adopting an ethos of continuous improvement forces an organisation to recognise that future changes will be necessary to ensure future competitiveness and organisational success and sustainability. Research conducted by Claassen and Verwey (1998:73) further reveals that these trends and directions of the change process should be taken into account when looking at organisational communication in South Africa.

With regards to the trends impacting upon the business environment and the concept of organisation communication, Mersham, Rensburg and Skinner (1995:5) postulate that communication underlies all organisational change such as the amalgamation and merger of organisations. Therefore discussions on organisational change should be directed at the organisational communication process and how people obtain and modify new ideas through communicating with others. Within the context of organisational amalgamation, which Berrell, Gloet and Wright (2002:83) indicate is the merging together of various organisational departments or entire organisations, Mersham et al. (1995:21) are further of the opinion that economic progress, social modernisation and political participation will be achieved when people are exposed to new ways of thinking and are encouraged to adopt new attitudes. Due to the complexity of cultures and levels of development in South Africa, organisational communication will increasingly require greater attention. Christensen (2002:162) indicates that organisational communication forms the foundation for the facilitation of the process of change for the organisation, both internally and externally. Moreover, the necessity for communication to both internal and external stakeholders to facilitate change and learning reveals the importance of the implementation of internal branding as an internal communication technique. Thus, internal branding is defined as “the process of ensuring the organization’s reputation is consistent with its values, or even protecting the organization’s reputation among internal customers” (Blumenthal, 2000:10). As such, Blumenthal (2001:1) indicates that organisations are increasingly acknowledging the importance of internal branding initiatives, and the employees who implement them, to the strategic success of the organisation. Due to the interdisciplinary nature of organisational communication, and the increasing competitiveness between banking service organisations to increase their competitive advantage, it is vitally important that new and dynamic communication techniques are employed within the organisation to encourage successful internal organisational alignment. Hence, internal organisational alignment is defined as “the linking of strategy, culture, processes, people, leadership and systems to best accomplish
the needs of a company” (Tosti & Jackson, 2000:7), whereby an aligned organisation is one whose performance influences are mutually supportive and focused on effective and efficient delivery of results.

Internal branding, according to Tosti and Stotz (2002:4), can be a powerful force for providing an organisation with a competitive advantage. In essence, a successful internal branding strategy has the power to build and sustain the strategic competitive advantage of an organisation, and in turn promotes a shared identity, coordination, motivation, team spirit and synergy for the internal organisational audience (Einwiller & Will, 2000:4). As such, Blumenthal (2001:7) reiterates the views expressed by Einwiller and Will (2000:4) and Tosti and Stotz (2002:4) through the indication that contemporary business organisations that aim to create and sustain their competitive advantage through organisational communication, specifically the internal branding initiatives, understand the importance of incorporating internal branding techniques into the organisational functioning and communication so as to transform personalities at the individual level and the culture at a broader level. Expanding upon the research conducted by Einwiller and Will (2000:4), Schultz (2000:18) indicates that branding efforts within the organisation enables an organisation to build cooperation, collaboration and alignment with their internal and external customers on the products, policies and functioning of the organisation. An internal branding approach creates the need for a continuous support process that ensures effective organisational development. As such, the brand must be so powerfully appealing that not only the organisation, but also the employees therein, find self-fulfilment in aligning themselves and their behaviours against it. Moreover, a strong corporate brand can only be achieved if the employees support it.

Stanier (2001:28) notes that communication plays a vital role in developing programmes to shape an organisational culture into one that engages employees. Once the connection between brand values, organisational culture and employee satisfaction is understood, communication becomes as powerful reason for why communicators should be concerned with how an internal branding programme is implemented. The establishment of an organisational culture that embraces the core values of the organisation, employee participation and internal communication practices, enables the alignment between internal branding, organisational values and the external image the organisation portrays to the external environment. Internal organisational alignment aids in employee satisfaction, which in turn influences the service quality rendered to external customers. Ultimately, satisfied customers become loyal customers and they then impact positively on the organisation’s profitability. Therefore this context further reiterates the importance of internal branding to organisational alignment efforts within the environment of organisational amalgamation.
With regards to the key concepts of organisational communication, internal branding and internal organisational alignment, it can be deduced that although there is research and corresponding models investigating customer satisfaction (Heskett, Jones, Loveman, Sasser & Schlesinger’s 1994 Service-Profit Chain Model), alignment (Tosti & Jackson’s 2000 Organisational Component’s Model) and corporate identity management (Stuart’s 1999 Definitive Model of the Corporate Identity Management Process), there is little research that fully encompasses the processes of internal branding and internal organisational alignment holistically. Moreover, although internal branding is an important concept in organisational communication, there is not much literature-based evidence that supports the specific role of internal branding as a tool for internal organisational alignment within banking service organisations. Therefore, the need exists for direct empirical examination of the role of internal branding as a tool for internal organisational alignment within banking service organisations.

In this regard, the theoretical approach implemented involved the grouping of the key research principles conducted by Blumenthal (2001:9), Dolphin and Fan (2000:100), McGoon (1998:16), Newstrom and Davis (1997:49), Sanchez (1999:11), Skinner (1998a:364), Stanier (2001:31), Stratecom (2000:4), Tosti and Jackson (2000:2) as well as Tosti and Stotz (2002:8) pertaining to the concepts of organisational communication, internal branding and internal organisational alignment. With regards to the concept of organisational communication, the underlying foundation of research conducted by Dolphin and Fan (2000:100), Newstrom and Davis (1997:49) and Sanchez (1999:11) is the strategic advantage organisational communication and specifically the role that employees play within internal communication strategies can have for the organisation. As such, attention is paid to the internal communication techniques implemented by an organisation so as to ensure enhanced organisational performance and strategic competitive advantage. Expanding upon this principle regarding internal communication techniques, authors such as Blumenthal (2001:9), McGoon (1998:16) as well as Skinner (1998a:364) are of the opinion that internal branding, which is concerned with utilising branding techniques within the internal marketplace, has an important role to play within the organisation. In this regard, Stratecom (2000:4) indicate that the focus in organisations, with regards to internal branding strategies, is the manner in which the organisational employee associates with the corporate identity. Strapped for competitive advantage, organisations realise they must not just sell a branded product, but also a mass of branded employees who stand behind the organisation. Thus, sending the right message to the organisational employees is equally important as creating a favourable impression with external organisational customers. Although there are other communication techniques that could be used as tools for bringing
about internal organisational alignment, internal branding has been chosen due to the fact that this topic hasn’t been extensively studied, but the evidence available points to the fact that internal branding is a successful tool in bringing about internal organisational alignment with the external organisational image (Tosti & Stotz, 2002:8). Bearing this in mind, the key premise of the research conducted by Stanier (2001:31) and Tosti and Jackson (2000:2) is the role that internal branding strategies play in the alignment between internal organisational core values, the organisational culture and the external image the organisation portrays. As such, attention is paid to the importance of internal branding and organisational culture to the overall organisational communication strategy due to the fact that internal branding is an organisational tool that needs to be managed to create an alignment between the culture of an organisation and the external image it portrays.

1.2 RESEARCH PROBLEM

With regards to the three elements of organisational communication, internal branding and internal organisational alignment, Farner et al. (2001:351) indicate that in the pursuit of organisational success, organisations traditionally focused on building and sustaining relationships with external customers as the belief was that the external, paying customers would ensure the financial success of an organisation. As such, the potential impact that the internal customer has on the successful functioning of the organisation was largely overlooked. Whilst organisational communication focused on external organisational branding and image the organisation portrays to the external publics, communication within many organisations was not considered to be of equal importance. However, Kitchen and Daly (2002:45) report that the ever-evolving global environment in which the organisation operates emphasises the concept of change and the organisations’ abilities to adapt to change. Moreover, Stratecom (2000:3) note that this cognisance of the impact of change on the organisation, has lead some contemporary organisations to realise the inherent importance of internal customers to successful organisational functioning.

Expanding the discussion on change into the context of the financial services sector, Balmer and Stotvig (1997:168) postulate that the financial services sector is a sophisticated and over-traded sector. Within the context of South Africa, financial services companies listed on the Johannesburg Securities Exchange (JSE) represent more than 20% of the total market capitalisation and offer complex services and products usually synonymous with a developed, rather than emerging market. The industry is a major employer, responsible for over 220,000 jobs or 7% of the total working population (Performance Enhancement Group, 2001:2). The
organisations within the financial services sector all offer the same types of products and services, thus the organisations need to differentiate themselves by adopting organisational communication, specifically the corporate identity aspect thereof, techniques which not only set them apart, but that also engage their employees to become actively involved in the organisational functioning and success. The first consideration for the financial services sector as a parameter for study is the considerable change Payne, Holt and Frow (2000:267) note has occurred in the financial services business environment over the past ten years. According to research conducted by Kitchen and Daly (2002:46) and Wells and Spinks (1994:24), the most dominant of the changes include consumer demand, new competitors and technological advancements. In essence, Performance Enhancement Group (2002:2) indicate that these changes result in internationalisation, which is the direct result of customer demands for international financial services and the increasing need for banks to generate non-interest income from international sources; disintermediation, whereby customers bypass the banks in lending, deposit taking, advice and payments, areas where banks traditionally intermediate; and increasing customer sophistication, whereby financial institutions must understand the needs of the client and offer the client the right mix, with regards to products, delivery, cost and risk. In order for these service organisations to continue to exist in these changing times, Farner et al. (2001:351) postulate that new business strategies, which include new communication strategies, need to be implemented. These factors have forced financial services organisations to take international trends into account and to restructure and diversify products and services accordingly. Moreover, Payne et al. (2000:268) are of the opinion that due to these changes, banking service organisations are paying more attention to increasing employee salience and value through internal marketing efforts.

In this rapidly changing environment, Farner et al. (2001:350) and Kuei (1999:784) indicate that financial institutions are investing in training programmes and have put a considerable effort into internal branding, which is an effort to enhance employee value. For financial institutions, Payne et al. (2000:267) indicate that quality customer service demands good human contact. As such, the American Productivity and Quality Center (1995:3) conclude that focus needs to be on the implementation of internal communication techniques, such as internal branding, so as to align the core organisational values with the external image the organisation portrays. Moreover, the Performance Enhancement Group (2002:2) indicates that the organisation needs to ensure that the message it communicates to its external audience is built upon its key organisational values and vision, and that these values are communicated internally throughout the organisation. Thus in order to ensure a successful internal organisational alignment strategy, which promotes
employee satisfaction and participation, improvement needs to be made to internal communication strategies and strategies which facilitate teamwork should be implemented. Although there is not much that management teams can do to improve the state of the overall business economy, they can increase the value of their organisations by aligning their focus with what markets value most. In banking service organisations, all members of every executive team think carefully about how markets develop and how to sustain them, what customers and markets value, how to best serve these markets, as well as how to reallocate resources to succeed. Moore and Wiefels (2002:2) postulate that an organisation’s competitive advantage is the differentiation it can achieve relative to its direct competitors. The more competitive advantage an organisation has the greater the potential for increasing its earnings. Managing shareholder value directly equates to managing for increases in competitive advantage.

In light of this, the research problem is: What is the role of internal branding as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation?

1.3 RESEARCH QUESTIONS

The specific research questions to be addressed are as follows:

1. What is the role of internal organisational communication as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation?
2. What is the role of corporate identity as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation?
3. What is the role of organisational culture as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation?

1.4 RESEARCH AIMS

The specific research aims to be addressed are as follows:

1. To determine the role of internal organisational communication as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation.
2. To determine the role of corporate identity as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation.
3. To determine the role of organisational culture as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation.

1.5 THEORETICAL STATEMENTS

Based on the above, the following theoretical statements provide the theoretical grounding for the identified research questions and research aims:

1. Due to the changing nature of today’s global economy, authors like Dolphin and Fan (2000:100), Millar and Rose (1994:15) and Wood (1997:11) concur that organisational communication provides competitive advantage for the organisation by helping the organisation convey its most significant points of distinctiveness and contributing to positioning the organisation in the marketplace, thus it is a key competitive and creative weapon for the organisation.

2. Research conducted by Alessandri (2001:173) and van Riel (1997:289) indicates that corporate identity is perceived to be an endorsement of the brand and corporate values and is evident in every aspect of the brand experience, as such the stronger the employees’ identify with their organisations, the more supportive and accepting they are of organisational promises and the more they make decisions that are consistent with organisational objectives.

3. Both Jobber (1995:2) and Kitchen and Daly (2002:50) postulate that internal branding is considered a key implementation tool, which aids communication and helps organisational members to adopt the organisation’s culture, as this tool informs and involves all employees in new initiatives and strategies.

1.6 METHODOLOGY

Based on the preceding discussions regarding the problem statement, the research aims and the theoretical statements relating to the identified problem statement, the ensuing section is a review of the various stages of the research methodology to be implemented. As such, the following presents a discussion on the literature reviewed, the methodological orientation to be embraced, the population and sample to be chosen, the research design implemented, as well as the data collection and analysis techniques to be used. Finally, a review of the manner in which
research validity and reliability can be obtained based on the chosen research methodology and research design implemented takes place.

1.6.1 Literature Review
Based on the discussion regarding the context within which the concepts of organisational communication, internal branding and internal organisational alignment are set, as well as the identified problem statement, three key concepts are identified as pertinent; namely the internal organisational communication aspect of organisational communication, the corporate identity aspect of internal branding and the organisational culture aspect of organisational alignment. As such, the following presents discussions on these three key concepts:

1. Internal Organisational Communication
Based on the acknowledgement by Dolphin and Fan (2000:100) on the importance of organisational communication, Sanchez (1999:9) postulates that an organisation must first acknowledge who its internal and external customers are and then develop relationships with these customers. Moreover, contemporary business organisations strive to achieve organisational success and competitive advantage, as well as to become customer-centric organisations. Thus, the focus is traditionally on the needs of the customers. However, Stanier (2001:31) postulates that focus first needs to be inside the organisation before it can be outside the organisation. In essence the needs of the employees are addressed first so as to ensure increased organisational performance. Satisfied employees deliver a greater quality of service to external customers, thus ultimately attaining greater customer centricity. As such, the focus is on the satisfaction of internal customers’ needs. In this regard, Sanchez (1999:9) is of the opinion that it is of strategic importance that management and employees engage in open dialogue, as management should know how the employees perceive the organisation and the employees should know how the organisation perceives their inputs. This is known as organisational communication and the successful management of employees requires such communication. Kitchen and Daly (2002:47) expand upon the research conducted by Sanchez (1999:9) through the indication that the quality of communication between the people who comprise the organisation is a crucial determinant of organisational success. Organisational communication uses various techniques to build these relationships between management, internal stakeholders and external stakeholders. Thus, the field of organisational communication is dynamic and ever changing so as to meet the changing needs of organisations operating in a rapidly evolving business environment.
Due to the changing business environment, research conducted by Argenti (1996:77) indicates that organisations have to take cognisance of how they communicate with employees, which is also known as internal communication. According to Power and Rienstra (1999:504) and Troutt, de Leon and Bateman (1995:51), internal communication is described as a process of communication within the organisation itself and with other business divisions within the organisation. The process involves gathering, processing, disseminating and storing information. In addition, Quinn and Hargie (2004:146) expand upon the above through the belief that effective internal communication is a key concept that attempts to increase participation, increase organisational affinity, secure the widespread ownership of corporate goals and implement total quality management programmes. Moreover, Newstrom and Davis (1997:49) reflect upon the above views and indicate the importance of communication within an organisation through the belief that communication acts as a vital mechanism in the functioning of an organisation. For example, if there is no communication, employees won’t know what their co-workers are doing, supervisors and team leaders are unable to give instructions and management can’t receive and disseminate information inputs. Based on this, an organisation cannot exist without communication. As such, Dolphin and Fan (2000:104) view internal communication as means for organisations to gain and sustain competitive advantage through the successful communication with their key audiences. Such an internal communication focus indicates that an organisational strategy, which encompasses effective corporate identity positioning and the communication of the organisational benefits, is a crucial aspect in the development of strategic competitive advantage.

Therefore, it can be deduced that one of the ways to effectively communicate within the organisation is to adopt an internal branding strategy. McGoon (1998:16) indicates that the scope of internal communication activities is broadening to include internal branding to employees, suppliers, and other business associates. Furthermore, Bak, Vogt, George and Greentree (1994:38) postulate that the premise of internal branding is that internal exchanges between the organisation and its employees must be operating effectively before the organisation can be successful in achieving its goals regarding external markets. Thus implying that there needs to be an alignment between the messages the organisation is sending to both its internal and external stakeholders. In order for this to be effective, employees need to feel involved in the functioning of the organisation and employees need to be engaged as active participants in the organisational branding processes. As such, Hugo-Burrows (1998:91) believes that effective communication with and among employees
encompasses a substantial part of the internal branding communication of an organisation and is crucial to its success.

2. Corporate Identity

Expanding upon the dynamism of organisational communication and the identified importance of internal branding as an internal communication strategy, it can be deduced that organisational communication is comprised of various communication disciplines. Each of these disciplines contributes to the holistic functioning of the organisational communication strategy of an organisation. In this regard, Blumenthal (2001:1) postulates that internal marketing and internal branding are such functions. It is significant to note that the term internal branding is used although internal marketing is addressed, as it is the functioning of internal branding that is pertinent. Expanding upon Blumenthal’s (2001:1) suggestion, Stratecom (2000:4) is of the opinion that from an organisational communication approach, internal branding involves marketing and human resource functions strategically supporting each other’s communications, thus ensuring they are brand-driven and aligned at the core level of the organisation. Furthermore, internal branding is an aspect of corporate branding, which refers to any branding initiatives the organisation engages in, and corporate identity is an element attributed to corporate branding.

Thus, with regards to the trends in the business environment, Macrae and Uncles (1997:65) are of the opinion that the concept of corporate identity has taken on renewed importance in management processes. Alessandri (2001:173) indicates that corporate identity is perceived to be an endorsement of the brand and corporate values and is evident in every aspect of the corporate brand experience. As such, the consistent use and exposure of this corporate identity in all forms of communication aids in the public’s learning about the organisation and effects the public’s perception of the organisation. Expanding upon the suggestions by Alessandri (2001:173), definitions of corporate identity by Cornelissen and Elving (2003:116) and van Riel (1997:289) describe corporate identity as the strategic development of a distinct and coherent image of an organisation that is consistently communicated to stakeholders through the corporate identity mix, comprised of symbolism, planned communication and behaviour. From this definition it can be summated that the nature of the corporate identity characteristics set will affect performance positively if the characteristics are appealing to the internal audiences of the organisation and to external stakeholders. Therefore, Stanier (2001:29) indicates that the role of the employee becomes increasingly important as the employees are the link between the customer and the organisation. Thus, the
role the employees can play to an organisation needs to be viewed as an asset to the organisation’s strategic performance.

3. Organisational Culture

In essence, the discussion on organisational change and corporate identity forms the foundation upon which the concept of organisational culture as an aspect of internal organisational alignment is reviewed. With regards to the impact of change on organisation alignment, Mersham et al. (1995:5) indicate that the business environment has become less predictable and synonymous with change. All organisations are faced with change, it is the way the organisation manages that change that ensures strategic success. Change can act as a catalyst for a positive move towards internal organisational alignment. Kitchen and Daly (2002:50) concur with Mersham et al. (1995:5) through the reiteration that organisational communication is considered to be a key factor in the successful implementation of organisational change and alignment strategies. Therefore, an internal communication technique, such as internal branding, is a strategic management function responsible for achieving organisational objectives, such as helping organisational members to adopt the organisation’s culture, as this tool informs and involves all employees in new initiatives and strategies. An organisation, according to research conducted by Varey and White (2000:5), is made up of two inter-related communication systems. Internal communication processes are directed towards the establishment of structure and stability in organising, whilst external communication processes are directed towards innovation by facilitating identification of directions for organisational development. Thus, internal organisational alignment indicates that organisational values should be compatible with organisational goals, as should day-to-day behaviour be consistent with shared values. It requires communicating relevant organisational values and ensuring that typical organisational behaviour is a reflection of those values and perceived as such by employees.

Tosti and Jackson (2000:8) are of the opinion that the fact that organisational alignment focuses on business drivers and meaningful results implies it is often readily accepted and implemented by the management team of the organisation. This is the key to the success of an organisation-wide alignment effort. If employees perceive management teams to accept these new strategies, they too will be more willing to accept and internalise the messages. Employees are viewed as important due to the fact that they are ultimately the ones who can successfully implement new internal branding strategies and influence the internal alignment of an organisation. This is because employee behaviour should be aligned with organisational values and the organisational culture; these in turn should be reflected in the external image
the organisation portrays to the external environment. If these values and behaviours aren’t aligned internally, the likelihood that external alignment will occur is reduced. Moreover research conducted by Rashid, Sambasivan and Johari (2003:708) indicates that organisational culture has received increasing attention in the past few years due to its effects and potential impact on organisational success. As such, Hatch and Schultz (2003:1047) describe organisational culture as the internal values, beliefs and basic assumptions that embody the heritage of the organisation and communicate its means to its members.

In this regard, Stanier (2001:29) expands upon research conducted by Hatch and Schultz (2003:1047) and Tosti and Jackson (2000:8) through the conclusion that the establishment of an organisational culture that embraces the core values of the organisation, employee participation and internal communication practices, enables the alignment between internal branding, organisational values and the external image the organisation portrays to the external environment. Alignment reflects the extent of an employee’s emotional investment in the organisational purpose, regarded as the meshing of organisational purpose with organisational practice. In essence, this occurs when individuals have internalised organisational values and beliefs and can act instinctively in accordance with those values. The establishment of a successful organisation requires the organisation to create structures and develop processes that are aligned with the market the organisation is striving to capture. The vision, mission, values and strategy statements of the organisation are the foundations on which these structures and processes are built. Furthermore, it is of the utmost importance to align the whole organisation to reach that goal with a passion. Internal organisational alignment aids in employee satisfaction, which in turn influences the service quality rendered to external customers.

In summation, the above statements highlight the strategic importance of developing an organisational culture and climate that embraces the core strategic values of the organisation as well as the facilitation of employee participation, development and empowerment. For an organisation to be successful in the external environment, it needs to function optimally internally first. This is achieved through the implementation of policies, procedures and structures that encourage open, two-way communication (dialogue) between employees at all levels of the organisation. The external image the organisation portrays to the global environment should be aligned with the internal culture and climate of the organisation in order for the organisation to function optimally. The establishment of an internal brand that reflects employees’ thoughts, feelings and attitudes aids in the development of a realistic external brand and aids employees to adopt the organisation’s culture, as internal branding informs and involves
all employees in new initiatives and strategies. The internal brand can be seen as a strategic competitive advantage for the organisation, as employees and organisational communication are increasingly viewed as creative weapons the organisation can utilise to differentiate itself from its competitors. Although the organisational products and services offered are all so similar, the internal and external organisational brands each organisation has are all unique. The background information presented above accentuates the importance of an integrated approach to organisational communication and the key role that internal branding plays in internal organisational alignment. The preceding discussion illustrates that there is a rise in the importance of internal branding as a function of organisational communication and within the establishment of internal organisational alignment.

1.6.2 Methodological Orientation

According to research conducted by Neuman (2000:7), researchers gather data by employing specialised techniques and use the data to support or reject theories. Moreover, methodologies or data can be categorised under the headings of quantitative (numbers) and qualitative (words, pictures or objects) research methodologies. Essentially Neuman (2000:123), Seale (1999:21) and Skinner (1993:216) are in agreement that a quantitative methodology is a scientific research approach that is formalised and clearly controlled with a specifically defined range. As such Anon. (2002:4) deduces that the purpose of quantitative research is to explain and predict, and to test, confirm and validate theory, thus implying that findings can be generalised to a larger population, and direct comparisons can be made between two cases, so long as valid sampling and significant techniques have been used. Furthermore, quantitative and qualitative researchers often have varying assumptions about social life and have different objectives. Quantitative researchers try to convert concepts about various aspects of social life into variables that can be precisely measured with numbers. Whilst, Allan (1993:179) and Miles and Huberman (1994:6) are of the opinion that qualitative data give useful information regarding the social processes in specific settings, as well as enabling critical researchers to break through technocratic assumptions implicit in quantitative approaches. The distinction between quantitative and qualitative methodologies applies to the research process as a whole and not any specific part thereof only. Thus, the way they approach research and gather data will differ. Qualitative research relies on the informal wisdom that has developed from the experiences of researchers. Anon. (2003:1) indicates that the aim of qualitative analysis is a detailed description which allows for fine distinctions to be drawn, as it is not necessary to categorise the data into a finite number of classifications. Allan (1993:80) concurs with the above statements and notes that
qualitative approaches are regarded as exploratory, whereby the goal of exploratory research is to formulate more precise questions that future research can answer.

Based on the differences between quantitative and qualitative research methodologies, it can be said that an exploratory, qualitative research methodology will be chosen. Due to the fact that this will be an exploratory study, the purpose will be to explore a new topic so as to learn more about it, as the purpose of exploratory, qualitative research is to describe and explain a set of concepts, to explore and interpret the relationships between the concepts, and to build theory about a topic. Moreover, an exploratory study will be chosen due to the sparseness of research in the fields of organisational communication, internal branding and internal organisational alignment. Authors such as Argenti (1996:73), Balmer (2001:248), Dolphin and Fan (2000:105) and Tosti and Jackson (2000:2) are all in agreement that despite the voluminous literature, the concepts of organisational communication, internal branding, and internal organisational alignment remain unclear and ambiguous. This potentially creates a setting for confusion and misinterpretation, as no universally accepted definitions have emerged, as the definitions come from the integration of several different disciplines within the wider communication field.

1.6.3 Population and Sampling
Based upon the identified problem statement and the decision that a qualitative research methodology is to be implemented, it can be deduced that the population will be banking service organisations within South Africa that have undergone an amalgamation and the sample is to be Absa Bank. As such, a non-probability sample is to be used due to the fact that an exploratory, qualitative research methodology will be used. Moreover, a purposive sample will be pertinent as the chosen sample, as it does not represent the general population but rather a specific portion thereof. In this regard, the reasons for the selection of Absa Bank as the sample are as follows:

1) Absa Bank was formed through the merger of a number of smaller banks and insurance companies, namely Allied Bank, TrustBank, United Bank and Volkskas Bank. This merger resulted in the amalgamation of four bank brand names into one, Absa Bank. This occurred due to the fact that organisational communication practices implemented, especially those relating to internal branding, were first aimed at the employees so that they could accept the changes and be part of the branding exercises. Hendrikse (1999:22) indicates that the aim of Absa Bank’s communication campaigns after the amalgamation in 1998 was to change employee perceptions about the organisation and to make Absa Bank an organisation that people wanted to work for. In striving to reposition Absa Bank in the minds of the customers and within the marketplace, the internal organisational values, which are reflected in the
internal brand, were aligned with the new external organisational image. In order for Absa Bank to adopt a customer-centric business model, Bruwer (2003) postulates that internal and external publics were introduced to various organisational initiatives designed to achieve this business model. These initiatives endeavour South African financial institutions to move closer to their clients and provide more added values. Thus, Absa Bank realigned its business activities to match a dynamic market environment.

2) The banking industry, according to Nallie Bosman the former CEO of Absa Bank (2002:1), has changed over the past few years, which can be attributed to the ever-changing market, technology, client satisfaction as well as continuous growing competitiveness. As part of Absa Bank’s initiative to become a fully fledged customer centric organisation with a dedicated and committed customer focused model, Absa Bank strives to introduce its stakeholders and publics to various organisational initiatives designed to achieve this business model (Bosman, 2002:1). These initiatives endeavour South African banks to move even closer to their clients and proving even more added value service. Hence, Absa Bank has had to realign its business activities to match an ever-changing market environment (Hendrikse, 1999:3). Thus, due to the changing nature of the business environment, the organisational communication initiatives implemented by Absa Bank were reformulated. The integrated communication practices now implemented, as compared to those previously used, are viewed as being more sophisticated, more measurable and more focused on the overall strategic goals. Communication is more open, transparent and more ‘real time’ (Prins, 2003). These specific communication practices are utilised so as to ensure that Absa lives up to the Absa Bank core values.

3) Absa Bank, according to Hendrikse (1999:23) has implemented major corporate branding and marketing campaigns so as to align its internal brand with its external brand. Reference has been made to the importance of employees (internal customers) to the success of the internal and external brand campaign, as well as to the overall service success of the organisation (Adfocus, 2001:109). Absa Bank is a uniquely South African organisation that has utilised its strengths, and weaknesses, to become an organisation that realises the inherent importance of constant communication campaigns to sustain its competitive advantage, thus ensuring both the happiness of its internal and external customers and its continued financial success. De Jager (2003) and Prins (2003) echo these sentiments by stating that Absa Bank aims to continue to build, protect and nurture the Absa Bank brand, and further indicates that Absa Bank’s corporate vision, which is to be a customer focused financial services group in specific market segments, is becoming a reality through employee training and innovative marketing that challenges the public to acknowledge the positive ways that Absa Bank has
effected their lives. Moreover, Absa Bank’s organisational goals, objectives and activities are impacted upon by the brand position because they are part of one strategy. This reveals the alignment of the Absa Bank brand, both internally and externally, to realise the corporate vision.

4) The amalgamation of the four banks led to the development of a new organisational culture which embodied the key tenets of the new bank operating in the new South Africa. As a result of the amalgamation, everything was ‘Absadised’ internally and the core value communicated throughout the bank is that “The customer is in charge” (AdFocus, 2001:109). Employees were led to believe that their attitude toward customers and the conversations among themselves, even after hours, have a direct effect on how people actually perceive the bank and the Absa Bank brand (Irwin, 2002:2). According to Workplay Training & Communications (1998:60), all the employees within Absa Bank are considered to be real or potential brand ambassadors, who are essentially representatives of the brand who can leave strong impressions of the brand wherever they go. Absa Bank’s employees are conveying something about the brand’s identity every time they communicate with outsiders and with each other in any way that relates to the brand. An alignment between internal and external stakeholder objectives took place. Furthermore, in 2002 Absa Bank was voted Most Loved Financial Services Brand by Markinor/Sunday Times, Best Company to Work For by The Deloitte & Touche Human Capital Corporation, as well as Best Customer Care by The Banking Adjudicator (Absa, 2003d:1). In 2003, Absa Bank was once again voted Most Loved Financial Services Brand by Markinor/Sunday Times and one of the Best Companies to work for.

1.6.4 Research Design

Due to the fact that a qualitative research methodology is to be utilised, it can be deduced that a qualitative research design, according to Fouché (2002:272), does not usually provide the researcher with a step-by-step plan. In essence, during the research phase, qualitative researchers will create the research design best suited to their research. Findings by Smith (1988:180) reveal that qualitative research designs, often equated with humanistic studies, reject numerical measures in favour of literary or narrative data. As such, the following section presents a review of the overall design to be applied, as well as the stages which characterise this research design.

According to Yin (1989:23) the case study approach is described as an empirical enquiry which makes use of multiple sources of evidence to investigate a current occurrence within its real-life context in which the boundaries between the occurrence and context are not clearly evident.
Fouché (2002:272) is in agreement and indicates that the case being studied can refer to a process, activity, event, programme or individual bound within a specific time and setting, and Palmquist (2002b:1) is of the opinion that case studies examine individuals or small groups within a specific context. Moreover, Wimmer and Dominick (1987:155) expand upon this description through the indication that case studies are performed when a researcher aims to understand or explain a phenomenon. As such, research is typically gathered through qualitative means (interviews, observations or grounded theory) where data is usually analysed either holistically or by coding methods. Some qualitative case studies aim to provide rich descriptions of data from which the reader may draw his or her own conclusions. Shaw (1999:134) postulates that case study research raises questions about the defining characteristics of a case. These questions assist in the generation of new thinking and theory. Neuman (2000:144) further postulates that the language of qualitative research is that of interpretation. Furthermore, Fouché (2002:276) indicates that there are three types of case studies: an intrinsic case study aims at garnering a deeper understanding of an individual case; an instrumental case study elaborates on a theory or aims at gaining a better understanding of a social issue; whilst collective case studies examine groups of cases and extent and validate existing theories. Therefore, it can be deduced that the overriding research design will be in the form of a one-shot intrinsic case study utilising a documentation study and telephonic and e-mail interviews as the methods of qualitative data collection, thus establishing the use of a qualitative mix.

The research methodology used in the first stage will be a documentation study. The first stage will attempt to explore the use of internal branding as a tool for internal organisational alignment within banking service organisations in South Africa that have undergone an amalgamation. This is the main research objective, with additional objectives stated to ensure an in-depth exploration of the research problem. These additional objectives will form the primary components of each of the literature review chapters. The research methodology used is the review and analysis of newspaper articles and Absa Bank documents, as well as semi-structured, in-depth telephone and e-mail interviews with key identified employees within the Communication Department at Absa Bank. The rationale as to why internal branding is chosen from all the various organisational communication functions available is based on three primary reasons. Firstly, internal branding will be chosen because of its ability to translate the organisational brand into internal behaviour and systems that support people in turning the brand promise into the reality of customer experience (Tosti & Stotz, 2002:9), thus establishing the importance of a connection between the organisation and the employees. Secondly, internal branding is to be explored due to the belief that it is an organisational tool that must be managed to create alignment between the internal
and external image of the organisation (Bickerton, 2000:1). Thirdly, the use of internal branding will be explored because of the increasing importance thereof and the global realisation of its contribution to an integrated organisational approach.

1.6.5 Data Collection
The data required for the purposes of the one-shot intrinsic case study will be collected in two stages. The first stage will involve the analysis and review of articles on the general problem area and will form part of the document study. The sample will be 50 articles relating to Absa Bank as a South African banking service organisation. Thus, in order to obtain the sample of the 50 articles, the data collection technique utilised in this phase is one of internet and printed media research for articles relating to the topic. For the purpose of the second phase, telephonic and e-mail semi-structured interviews are to be used as the data collection techniques. A total of 27 questions will be prepared to ask during the telephone and e-mail interviews. These interviews are to be conducted so as to garner a deeper understanding of the one-shot intrinsic case study. During this phase of data collection, telephonic discussions will be held with members of the Absa Bank Group Division of Communication. This department is to be chosen due to the fact that this department disseminated all of the internal communication to the employees throughout the various branches of Absa Bank after the amalgamation of the banks.

1.6.6 Data Analysis
Due to the fact that a qualitative mix will be used to obtain research data, de Vos (1998:340) postulates that the Morse and Field approach can be utilised. De Vos (1998:342) suggests that this approach consists of four cognitive processes integral to all qualitative data analysis methods, namely comprehending (the process of making sense of the data through the transcription, checking and coding of the data), synthesising (the analysis of categories, which are sorted by commonalities and which consist of segments of notes or transcripts compiled from the transcripts of several participants. The categories that are to be used include internal organisational communication, corporate identity and organisational culture); theorising (linking the data back to existing theory and interpreting the data that will create links back to the established theory); and recontextualising of the data (the results are placed within the context of established knowledge and the results which support the literature or detect unique contributions are identified).

For the purpose of processing the data obtained from the documentation study as well as the telephone and e-mail interviews conducted, the Morse and Field approach will be implemented, whereby the documents and the notes of the interviews will be reviewed and categorised. The
questions stated in the interview will be used as a guideline to determine categories and will link to the articles analysed. The participants’ answers to the questions will be grouped into categories. The responses will then be grouped in the categories according to their similarities and differences. The documents will also be coded and placed into the relevant categories. These will all form a comprehensive review of the similarities and differences between the information gathered so as to form the basis for the interpretation. Finally, in keeping with the Morse and Field approach, the categorised data will then be linked back to the stated theoretical postulations from the literature review and the obtained research findings will be placed within the context of the theory to identify any similarities or differences.

1.6.7 Validity and Reliability
A valid measurement is described by Delport (2002:166) and Huysamen (1998:25) as doing what it intended to do, measuring what it is supposed to measure and producing scores whose differences reflect the true differences of the variable being measured rather than random errors. Reliability refers to the extent to which independent application of the same instrument consistently yields the same or similar results under comparable conditions (Delport, 2002:168). However, research conducted by de Vos (2002:351-352) reveals alternate constructs that accurately reflect the qualitative paradigm. These four constructs are identified by de Vos (2002:351-352) as credibility, transferability, dependability and confirmability.

Within the one-shot case study, the validity will be presented due to the fact that the parameters of the case-study will clearly be stated, the population will be known and the sample identified. Thus, according to the guidelines set out by de Vos (2002:351-352), the validity will be confirmed. With regards to the documentation study stage of the one-shot case study, research conducted by Strydom and Delport (2002a:324) reveals that when documents are being analysed, it is of great importance that the researcher evaluates the validity and reliability of the documents. This is due to the fact that the authors of the documents may harbour ulterior motives, such as seeking prestige and making money. For the purpose of this phase the documents will be collected from a variety of sources, thus increasing the chances of validity due to the fact that documents from various sources are used and not just from one source. Moreover, the verification of the data will be done through the interviewing of people who are knowledgeable about the subject. Thus, the content of the document will be compared with an external source. Moreover, the content of documents studied will discussed with members of the sample group in order to gain their knowledge on the subject, thus further enhancing the reliability and validity of this phase.
From the above discussion on the reliability and validity, it can be deduced that methodological validity will be attained due to the fact that more than one method of research, namely the one-shot intrinsic case study, the documentation study and the telephonic and e-mail interviews, are to be used.

1.7 DEMARCATION OF THE STUDY

There are three major constructs identified in the background of this chapter, which are manifested in the research methodology.

- Chapter Two: Internal Organisational Communication elaborates on the exploration of the internal organisational communication aspect of organisational communication to establish the background for the relevance of such an approach to internal branding and organisational alignment. The overall aim is to present a thorough investigation on the various aspects of organisational communication as well as to review the role that communication plays in the functioning of an organisation within the global business environment. With the information obtained, which serves as the basic foundation for the rest of the chapters, it is necessary to contextualise organisational communication in an organisational context.

A review of the various definitions pertaining to the field of organisational communication facilitates the identification of the key components, basic aims and tasks of the concept of organisational communication. The identification of these components emphasises the importance of communication within the organisational context, the roles which employees play within this context, and reiterates the fact that the role of communication within organisations has evolved over the last few years. This evolution of the role of communication within the organisational context can be attributed to various external trends in the business environment which influence organisational communication. The most dominant of these trends include globalisation, technological advancements and the concept of total quality management. Moreover, a review of these trends leads to a discussion on the manner in which these trends impact on the organisation as a whole. As such, the identified outcomes of the trends include organisational learning and change management; internal communication, which indicates the importance of employees within the organisational communication process; the shift from integrated marketing communication focusing on external communication techniques to integrated communication focusing on both internal and external communication techniques; as well as service quality. The review of service quality specifically pertains to the impact the communication has on internal service quality.
within the organisation. Furthermore, the shift towards an all-encompassing Organisational Performance Model from the linear Service-Prof it Chain approach is discussed and the conceptual linkages of the individual concepts are identified and discussed in detail. Finally, based on the theoretical research outlined, a description for integrated organisational communication is conceptualised and the concept discussed.

With regards to the research question pertaining to the role of internal organisational communication as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation, a link can be made back to the theoretical discussion on the importance of organisational communication on organisational functioning as well as the role employees play in successfully adopting any change management strategies implemented throughout the organisation. Moreover, the use of integrated communication campaigns, aimed at employees and emphasising service quality during times of change enhances the degree to which employees accept the change and ultimately subscribe to an Organisational Performance Model such as the Employee-Customer-Profit Chain Model.

- Chapter Three: Internal Organisational Branding provides a theoretical discussion on the various components of corporate branding, whilst striving to conceptualise a definitive model for the corporate identity management process.

In order to provide an efficient and detailed discussion on corporate branding, a review of the key concepts of branding gained from the various definitions thereof is necessary so as to serve as the foundation for a discussion on the shift from product branding to corporate branding. It is from the discussion on the concept of corporate branding as a whole that the key elements of integrated communication, symbolism and the management of behaviour are identified. It is within this analysis that the importance of employees in the organisational context is reiterated. Moreover, the review of the various definitions pertaining to the concept of corporate branding leads to the discussion of the management of the corporate branding process, whereby the functions contributing to the corporate brand, coordination procedures, planning and the measurement of the effects of corporate branding are identified as the four important aspects of that management process. The discussion on corporate branding as a whole is a theoretical platform upon which the concepts of corporate identity and internal branding are reviewed as organisational assets attributed to sustaining strategic competitive advantage for the organisation. Moreover, the changing nature of brand management and the various models of corporate identity management are analysed. Finally, the role of internal branding in enhancing organisational salience and affinity amongst employees is reviewed.
The importance of a two-way communication flow between the organisation, its employees and its customers is essential for the successful implementation of the organisational branding initiative. The aim is to view the manner in which internal branding translates an organisational brand into internal behaviour and systems that support employees and customers.

With regards to the research question pertaining to role of corporate identity as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation, a link can be made back to the key theoretical underpinnings of integrated communication, symbolism and the management of behaviour identified in the discussions on corporate branding and corporate identity. Moreover, the link can be made to the theoretical indication that the more intensely the employees identify with their organisations, the more supportive they are of organisational objectives, and the more they implement branding strategies that facilitate organisational alignment into their daily work lives. This link on the facilitation of organisational alignment forms the basic premise of the following chapter on the concept of internal organisational alignment.

- Chapter Four: Internal Organisational Alignment is an extension of the concepts of organisational communication and internal branding within the organisation, based on the organisational processes and cultures established through the application of the systems approach to internal organisational alignment. This application of the organisational system reveals that the strategic and cultural paths associated with an organisation do not operate in isolation. As such, they interact with the external organisational environment, its internal support systems as well as with its stakeholders.

A discussion on the impact that organisational culture has on organisational communication forms part of the broader discussion on the strategic impact that alignment with the organisational culture has on the organisation. The review of the definitions of organisational cultures leads to the discussion on the various key characteristics and dimensions of organisational cultures, which in turn reveals the factors which influence organisational cultures. These have been identified as the business environment, leadership, management practices and the formal socialisation process as well as the informal socialisation process. Essentially the focus is on the establishment of top performing organisations, which requires the organisations to develop processes and to create structures that are aligned with the environment in which the organisation operates so as to achieve a strategic competitive advantage for the organisations. The barriers to organisational communication are discussed, as these can prevent the organisation from achieving an integrated communication approach.
The discussion on organisational cultures provides the basis upon which the discussions on the principles of internal organisational alignment are based. The definitions on internal organisational alignment reveal that internal marketing strategies can be used to aid internal organisational alignment and organisational change and communication strategies have an impact on internal organisational alignment. As such, the ever-changing organisational environment facilitates organisational change, which can act as a catalyst for a proactive shift towards internal organisational alignment. Finally, these discussions enable the review of the achievement of employee satisfaction through the processes of service quality and internal organisational alignment, whereby organisational culture, image and communication are identified as processes that have an influence on the ability of employees to render a quality service to customers. The literature reviewed reflects the premise that engaging employees through the corporate brand and through organisational communication facilitates internal organisational alignment. Thus highlighting the importance of alignment, branding and organisational communication, which is essentially the alignment of internal branding and organisational processes and values with the external organisational image.

With regards to the research question pertaining to the role of organisational culture as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation, a link can be made to the theoretical postulations regarding the influence that the characteristics of organisational culture have on the alignment of key organisational strategies. Moreover, impact that organisational culture, image and communication have on the ability of employees to render a quality service to customers is linked to the research question due to the fact that it is theoretically established that socialising employees into the organisational culture, by engaging them through the corporate brand and organisational communication techniques facilitates internal organisational alignment.

- Chapter Five: Empirical Research consists of the presentation of the research design, the research methodology as well as the description of the data gathering and processing of the research methodology. This entails determining the use of internal branding as a tool for internal organisational alignment within banking service organisations in South Africa that have undergone an amalgamation as well as determining the role of new branding initiatives within Absa Bank’s organisational alignment endeavour.

- Chapter Six: Findings and Interpretation presents the results of the case study and the interpretation thereof; in addition the specific conclusions and recommendations are presented. It relates to Absa Bank’s implementation of the new brand communication
strategy. Results are thus given and brought into context by linking them to the findings from the literature review. Absa Bank is chosen as the topic for investigation as it embodies the key aspects identified in the research. Moreover, Absa Bank is a pertinent example for a case study as it is a uniquely South African organisation that has utilised its strengths, and weaknesses, to become an organisation that realises the importance of constant communication campaigns to sustain the competitive advantage; thus, striving to ensure both the satisfaction of the internal and external customers and the continued financial success of the organisation on the whole. As such, this chapter has been divided into three sections which correlate to the three research aims pertaining to internal organisational communication, corporate identity as well as organisational culture. Within these sections the environmental factors impacting upon Absa are identified; the business model approach adopted by Absa identified and analysed; the Human Resources and Marketing functions reviewed; and the Service Strategy implemented discussed.

The first section explores the concept of organisational communication by discussing the various definitions of organisational communication, the trends which impact on organisational communication, as well as the outcome that these trends have on Absa Bank. Within this discussion the concepts of customer centricity and service quality are reviewed within the context of Absa Bank. The second section discusses the concept of corporate identity by reviewing the key foundations upon which corporate identity is built, namely the concept of branding as a whole and the shift from product to corporate branding. Moreover, this section describes Absa Bank’s branding strategy and the manner in which Absa Bank’s employees are engaged through its brand. The third section discusses the concept of organisational culture through the exploration of definitions of organisational culture, Absa Bank’s organisational culture and the manner in which Absa Bank’s brand is managed so as to support a customer-centric brand culture. Essentially, the overriding premise is to investigate the effect of the new brand communication strategy on Absa Bank’s employees and on the quality of service delivered to the external customers. Moreover, the manner in which Absa Bank aligns the internal functioning with the external organisational image in order to achieve organisational alignment and performance is discussed.
CHAPTER TWO: INTERNAL ORGANISATIONAL COMMUNICATION

2.1 INTRODUCTION

The South African business and organisational communication environment, according to Claassen and Verwey (1998:73), since the beginning of the nineties has been characterised by redefinitions of business practices, and the repositioning of boundaries as an expression of the world economy trends. These trends include globalisation, consolidation and convergence between industries, technological innovation, corporate governance, customer centricity, and product commoditisation. In this regard, research conducted by Media Trust (2002:1) expands upon that of Claassen and Verwey (1998:73) by indicating that the field of communication is large and nebulous. It comprises various disciplines, many of which overlap, have different names and refer to different activities depending on the author’s perspective. Some of the main communication disciplines are public relations, internal communication, integrated communication, direct marketing, advertising and branding. Each of these is aimed at different audiences and use different tools and activities to convey a message. Organisational communication, specifically the integrated communication component of organisational communication, can be seen as a tool that communication management can use to reorganise an organisation out of disorder and chaos by facilitating diversity and encouraging internal communication and participation.

Due to these redefinitions within business practices and the organisational communication environment, people are increasingly bombarded with hundreds of messages and pieces of information on a daily basis. This indicates that the volume of communication is increasing, and all of the messages seem to demand attention and response (Sanchez, 1999:9). It is amidst all of this competition for attention that organisations are faced with the dilemma of implementing communication programmes and communicating effectively with the various organisational publics. Research conducted by Kelly (2000:92) on organisational communication has added much to the theoretical body of knowledge about how to improve communication effectiveness. Whilst contributing to, and building on, the research on interpersonal communication, organisational communication research has made its own significant contribution by addressing the separate problems and additional challenges that are present in organisational settings. Furthermore, a general goal of organisational communication research has been to understand the process and then develop ways to improve the mechanics of communicating in organisations.
Based on the above, it can be deduced that communication research becomes increasingly important, thus the following presents a theoretical discussion on the various aspects of integrated organisational communication as well as to review the role that communication plays in the functioning of an organisation within the global marketing environment. The outcomes of the trends, which include change management and learning organisations, the shift from integrated marketing communication to integrated communication, and the focus on service quality, will be reviewed. Moreover, focus is on the techniques utilised by the organisation to promote integrated organisational communication, sustainable competitive advantage, the impact that communication has on the internal service quality within the organisation, as well as the shift towards an Organisational Performance Model. Moreover, there is a division into distinctive, yet interrelated sections, each drawing on the theoretical underpinnings of the identified key components of the literature reviewed. The first section deals with the organisation striving towards organisational communication, focusing on the role of communication within business organisations and a discussion on the internal organisational communication factors and a model of organisational communication processes. Furthermore, the trends influencing organisational communication, and their outcomes, will be reviewed. Discussions on integrated marketing communication, integrated communication and internal communication encompass this section, where a discussion on the use of communication techniques to create and sustain the competitive advantage of an organisation as well as the organisational functioning within the global marketing environment takes place. Finally, the evolution of the Service-Profit Chain Model from a linear linkage model to an Organisational Performance Model based on the systems view, which incorporates the impact that the external global environment has on the employees, customers and profit of the organisation is addressed.

Various key concepts have been identified. The following sections expand upon these identified concepts; this expansion of concepts occurs through the integration of various theoretical frameworks and the opinions of numerous authors identified as valuable contributors to the field of organisational communication.

2.2 ORGANISATIONAL COMMUNICATION

Tourish and Irving (1995:7) indicate that communication is becoming increasingly identified as a significant factor influencing the ability of an organisation to achieve high-quality outcomes. Research conducted by Media Trust (2002:1) expands upon this view by indicating that communications ensures the most efficient use of scarce resources prioritises between conflicting demands and gives clear direction for everyday activity. Moreover, it identifies the drivers of
change and best means of dealing with them, enables a review of existing organisational activity and provides milestones against which to measure future success. In this regard, organisations typically have tended to conceptualise communication as a process dealing with external relationships, for example the volume of sales was typically viewed as a means to measure organisational success (Media Trust, 2002:1). Peng and Littlejohn (2001:362) postulate that communication is not organising, due to the fact that organising involves resource allocation and structure arrangements, which are beyond the capacity of communication. However, Newstrom and Davis (1997:48) are of the opinion that communication is embedded in the processes of organising, thus effecting the effectiveness and efficiency of these processes and, in turn, the process of strategy implementation. As such, effective communication is a primary requirement of effective implementation but it does not guarantee the effectiveness of implementation.

The most significant functions of communication, according to Gróf (2001:193), are to transmit information and to interpret it. These are important as they have the generative power to create an organisation itself and promote new organisational values. The value attribute is generated in the process of interpreting information obtained from the environment and it manifests itself by incorporating the values identified into the response. As such, it moulds the characteristic norms of individuals and the capabilities of an organisation to interact. In this regard, the communication functions promote alignment between internal and external organisational functions. Moreover, the internal and external communication of an organisation also aims at the interaction of values. The following section introduces the importance of communication to the organisation, as well as the strategic importance associated with the integration of internal and external communication processes in an integrated organisational communication effort.

2.2.1 Organisational Communication Defined

Pace and Faules (1994:21) define organisational communication, from a functional perspective, as “the display and interpretation of messages among communication units that are part of a particular organization”. The functional definition of organisational communication emphasises message-handling activities that are contained within the boundary of the organisation. However, from an interpretive perspective, organisational communication is defined as “the meaning-generation process of interaction that constitutes the organization” (Pace & Faules, 1994:22). As such, the interpretive definition emphasises the meaning-generation process which characterises the organisation. Thus, these definitions reflect the shift from the message-handling to meaning-generation activities of organisational communication, and indicate that the focus of organisational communication is no longer contained within the boundaries of the organisation.
(message-handling) but is now on generating meaning which characterises the organisation and influences the organisation’s interaction with the external environment. Moreover, Kelly (2000:93) expands upon the definition of Pace and Faules (1994:22) by presenting a definition of organisational communication, where organisational communication is defined as “the process by which information is exchanged and understood by two or more people, usually with the intent to motivate or influence behaviour”. This particular definition of communication is pertinent as it indicates the intent of the communication, which is to motivate or influence behaviour so as to align organisational units. The sender has the intent to influence the receiver to do what the sender wants. Furthermore, Asif and Sargeant (2000:200) expand upon the above and present a contemporary description of organisational communication, where organisational communication is a process by which individuals share meaning and it offers the means of creating and implementing behavioural changes both internally and externally of the organisation. This particular definition links back to the interpretive definition presented by Pace and Faules (1994:22), but has behaviour at its core, as does Kelly’s (2000:93) definition. As such, organisational communication is the behaviour of organising that takes place and how those engaged in that process transact and actually assign meaning to what is taking place. On the other hand, the literature reviewed refers to the similar term of business communication. The concept of business communication is defined as a “process of transferring meaning through written, oral and nonverbal messages, and symbols, internally and externally, as effectively and efficiently as possible” (Hugo-Burrows, 1998:91). This definition coincides with those of organisational communication by Asif and Sargeant (2000:200) and Kelly (2000:93) as it emphasises the importance of communication both within and outside the organisation.

With regards to the definitions presented above, Gróf (2001:194) summates that the basic aims and tasks of organisational communicative interaction are:

a) To obtain and transfer information from the environment (external communication);
b) To absorb environmental values into organisational strategy and culture (internal communication);
c) To harmonise activities within the organisation (internal communication);
d) To communicate organisational strategy (both internal and external communication);
e) To establish alliances and loyalties (both internal and external communication);
f) To recognise and interpret changes in the environment (external communication); and

g) To prevent the organisation from becoming incapable of activity – namely, control the organisation’s attitude towards the values of the environment and protect the flexibility of the organisation’s strategy (internal communication).
The roles of both external and internal communication are regarded as significant from the viewpoint of stabilising the future development of an organisation.

The above-mentioned outcomes relating to communication within organisations emphasises the importance of communication with regards to effective organisational functioning. In essence, Newstrom and Davis (1997:49) are of the belief that communication helps accomplish all the basic management functions, which are planning, organising, leading and controlling, so as to enable organisations to achieve their goals and meet their challenges, thus enhancing employee satisfaction and organisational productivity. Moreover, Sanchez (1999:13) believes that a strong connection between business and communication strategies will enable the workforce to understand and support the direction of the organisation. Furthermore, the functioning of contemporary organisations, and the role of communications within these organisations, has changed over the last few years. This can be attributed to the changes in the business environment and the external trends which influence organisational communication, organisational learning and change management.

2.3 TRENDS INFLUENCING ORGANISATIONAL COMMUNICATION

Business organisations, according to Lau (2000:429) and Tosti and Jackson (2000:1), are dynamic systems that function best when their components are designed to work in conjunction with one another in a smooth and efficient manner. Therefore, any change introduced to an organisation must be aligned to fit the existing system, or must modify the system to accept the change (Tosti & Jackson, 2000:1). Kitchen and Daly (2002:48) concur and indicate that a preoccupation with the concept of change is high on the operational and strategic agendas of 21st Century organisations. This is due to the fact that many current trends have impacted on, or will impact on, organisational performance. Mersham et al. (1995:5) recapitulate these beliefs through the indication that from a South African perspective, contemporary South African organisations increasingly operate within an ever-changing business environment where local and global trends impact upon the operating business environment. These trends, according to Daly et al. (2003:154), Kaplan and Norton (1996:75), Kitchen and Daly (2002:46) as well as Wells and Spinks (1994:24) include: rightsizing, reengineering, and restructuring, globalisation, deregulation, ‘glocalisation’ (thinking global, acting local), mergers, acquisitions, privatisation, revolutionary advances in technology, total quality management, customer centricity as well as empowering consumers and employees. These issues are forcing organisations to constantly review their purpose and reason for existence and are all indicative of a new, dynamic, ever-evolving business environment, and to thus implement innovations which are intended to make
organisations more competitive. This evaluative process will help the organisations highlight which changes, either strategic or operational, will have to be made so as to ensure survival and growth. The most dominant of these trends are:

a) Globalisation

Globalisation, according to research conducted by Anon. (1999:15), is reshaping business strategy and communication practice. Thus indicating that the communication function must lead in being active and supporting the organisation in globalisation. Moreover, Hendrikse (1999:9) deduces that the primary drivers of globalisation are market drivers (on a global scale, markets exchange goods and services impacting on the way organisations do business and provide service to their customers); cost drivers (global economies of scale enable organisations to sell more products and services while the unit cost becomes lower); government drivers (various countries have become aware of the benefits attributed to global trade that can influence the whole economy, especially with the elimination of sanctions, the creation of trading opportunities and privatisation) and competitive drivers (more organisations are globally centred with outlets around the world, as such organisations are competing globally, effecting the way they do business).

b) Technological Advancements

With regards to technological innovations, Goldstein (1994:26) indicates that the dynamic forces of innovations in technology and telecommunications, which are reshaping business practices and redefining organisational communications, are ultimately expanding the effectiveness of the manner in which communication is transmitted, as well as creating an alignment between the organisation and its external and internal stakeholders on a worldwide scale. In this regard, Rudnick (1996:46) postulates that technology enables and encourages links between employees and customers, for example customers are able to check on the status of their orders and employees are able to make changes in the manner in which services are provided.

This view is expanded upon by Tourish and Irving’s (1995:9) belief that internal and external communication are inextricably linked, feeding into each other in a complex interaction that has the potential to offer the prospect of a total communication programme capable of playing a key part in the promotion of a quality-centred culture within the organisation. It has been further stated (Mersham et al., 1995:137) that the new technology has aided in merging the various audiences; thus, corporate communications practitioners need to consider all audiences, as a plethora of media provides each of the audience groups with virtually the same information. Moreover, Sanchez (1999:9) indicates advances in technology have
fundamentally evolved both the nature of production, which is causing a shift in focus from products to services, and the actual nature of the communication process. Through the implementation of new technology, it is easier to communicate widely and quickly with a vast array of media. In summation, Kitchen and Daly (2002:49) reiterate the above views through the indication that organisations operate in environments which are in a state of dynamic flux, therefore, facing tomorrow’s challenges require a creative upside-down thinking, for example, incorporating various techniques in order to reach a conclusion.

As such, Peng and Littlejohn (2001:360) reiterate the above statements through the belief that organisations constantly evolve in response to social and technical changes. For example, contemporary organisations, which are shaped by developments in cyberspace or globalisation, often take either corporate forms where management, technical experts, line workers and owners are separated, or collective forms such as strategic alliances and clusters. As such, these trends make it complicated to conceptualise an organisation as single and unified. Therefore, communication and cooperation between diverse participants within an organisation have been identified as key elements to maintain organisational stability and adaptation to change. In essence, if organisational change is to be effective, the communication process should include tools which encourage and facilitate openness and dialogue. According to Henderson and McAdam (2003:778), one such tool is team briefings, which can be adopted as a systematised approach to communicating information down the organisational hierarchy. Authors like Goodman (2001:119) and Massie and Anderson (2003:223) concur with the above statements and further indicate that in an information driven age, communication is an integral part of the corporate strategy and it is imperative for organisations to communicate effectively. As such, strategic issues include an orientation of communication to an organisation’s priorities, as well as toward the external environment, which emphasise the importance of alignment between communicating the organisational objectives internally and externally. In order to achieve this communication orientation, strategic communication relies on integrity and credibility as its key tenets.

c) Total Quality Management

As a precursor to the research conducted by Farner et al. (2001:350), Kuei’s (1999:784) research on the importance of internal service quality suggests a need to construct a strategy to address a specific set of factors and their subsequent interactions in an organisational setting. This concept begins with a Total Quality Management (TQM) strategy and ends with the overall performances of the organisation. A vertical alignment should exist between TQM and the major delivery system of the organisation. These major delivery systems are
generally observable by external customers, thus being responsible for the activities that are related to external customers’ perceptions and satisfaction. Moreover, the internal service units’ objectives and infrastructure should also be in vertical alignment with the overall strategic directions of the organisation. On a horizontal level, the perceived quality-oriented climate of internal service units in conjunction with their quality-oriented practices could have an impact on the perceived internal service quality (Kuei, 1999:784). The level of internal service quality experienced by the staff in the main delivery systems could enhance the overall quality performances of an organisation. The concept of internal service, which is the idea that the whole organisation must serve those who serve, has emerged as one of the most important principles of the service management approach.

In summation, these current business trends are reshaping the face of communication relations. Due to the impact of corporate downsizing, the infusion of new technologies into business practices, and increased competition, organisations are increasingly re-examining their business practices (Anon., 1999:14). Moreover, demographic shifts have complicated the ease of communication, due to the fact that workforce mobility, as well as a shortage of talent, has put a greater stress on communication processes (Sanchez, 1999:9). With regards to the communication processes, Skinner (1998b:368) further expands upon the above discussion by ascertaining that a variety of organisational communications tools and techniques, which Mersham et al. (1995:137) indicate have grown immeasurably in recent years, are used to communicate efficiently between organisations and stakeholders, where each has a role to play depending on circumstances and budgetary constraints. The type of techniques applied, as well as the degree of application, will depend on the organisation itself, and its level of sophistication, complexity, and diversity.

2.3.1 Outcomes of the Trends
The trends and directions of the change process should be taken into account when looking at organisational communications in South Africa. Communication, according to Mersham et al. (1995:5), underlies all social change. Discussions on social change, be it on an individual, organisational or social level, should be directed at the communication process and how people obtain and modify new ideas through communicating with others. Economic progress, social modernisation and political participation will be achieved when people are exposed to new ways of thinking and are encouraged to adopt new attitudes. Due to the complexity of cultures and levels of development in South Africa, organisational communication, which encompasses intercultural communication, will increasingly require greater attention. As such, communication
professionals should view themselves as channels of messages from a variety of sources, irrespective of their own cultural backgrounds or world-views.

The outcomes of the trends include organisational learning and change management, internal communication, the shift to integrated communication, as well as service quality. Although these trends are independent, they are all interrelated with one another and have a bearing on each other.

2.3.1.1 Organisational Learning and Change Management

Due to the fact that organisational changes are occurring, organisations are becoming more streamlined and efficient. Therefore, new organisational structures are evolving, which often involve networks of alliances and partnerships with other organisations specialising in related functions. Such new relationships, based on research conducted by Eagle and Kitchen (2000:10), could be viewed in the context of marketing orientation and learning organisations. Sanchez (1999:10) concurs with the above statement through the belief that in a contemporary business environment, communicators face the complex challenges of developing strategies and processes to manage the communication function in ways that enhance the organisational success.

For the enhancement of organisational success and the comprehensive internalisation of organisational communications to be effective, according to Eagle and Kitchen (2000:12), an organisation requires an appropriate organisational climate, an appropriate market orientation and a spirit of entrepreneurship. In essence, market orientation promotes organisational learning, and the ability of the organisation to learn, in turn, enhances performance. Moreover, the rate at which organisations learn may become a major sustainable source of competitive advantage in a knowledge-intensive business. Furthermore, Henderson and McAdam (2003:775) indicate that organisational learning encompasses knowledge acquisition and information distribution and interpretation. A learning organisation strives to make learning central rather than an accidental activity which goes unused. It is important that organisations adopt the philosophy of a learning organisation and use effective communication to improve and enhance future performance of the organisation. In essence, the learning organisation is dependent on an expansive, reliable and efficient communication process to support the movement of knowledge from one part of the organisation to another, and to ensure that relevant knowledge finds its way to organisational units that need it. Organisations that fail to learn may remain competitively marginal. The origin of learning failure can be traced to the lack of alignment between cultures within the organisation: cultures are based on education, shared common technology, as well as work experience. Furthermore, research on the topic of organisational communication by Kelly
(2000:92) and Sanchez (1999:13) suggests that the primary reason for communication breakdowns is that managers and supervisors are not receiver-oriented; they need to share more of the context of a message if a receiver is to successfully decode and internalise the message. Context, typically, is not shared due to the fact that organisations are characterised by a possible reticence on the part of managers to begin communicating a decision too early before enough specific information is available to answer questions about the decision, a communication culture where power and position are based on control of information, a potential emphasis on task-focused communication to get results efficiently and external environmental change, which means that the context is always subject to change (Kelly, 2000:92).

In this regard, Henderson and McAdam (2003:776) postulate that organisational learning is characterised by three key elements. These include cognitive (thinking) aspects, behavioural (doing) aspects and structural (configuring) aspects, all of which can be combined to constitute distinctive organisational competencies. The cognitive element refers to the perceived purpose of the learning. This aspect refers to the complex interaction of the way the various participants make sense of the external environment by means of information processing or learning by assimilation of information. Behavioural aspects refer to what is actually done to create knowledge. This is where the impact of learning can be observed in the way that it shapes individual or group behaviour. Finally, the structural aspects of organisational learning refer to how the organisation is configured to support shared learning. It is within this structural aspect that internal communication is encompassed, due to the fact that a well structured and effective communication process will support learning and can create opportunities through which knowledge can be processed by individuals. As such, Rudnick’s (1996:45) research expands upon the above through the belief that technology fosters new forms of learning, enabling new types of communication between employees and management. Rudnick’s (1996:45) research on the new type of communication between employees and management is reiterated by Thompson (1998:35), who is of the opinion that leadership that meets the needs of the organisation’s employees by striving to get buy-in, rather than telling, is more effective as it is responsive to employees’ needs. Therefore, Kelly (2000:92) states that leadership is also conceptualised as a process with both organisational elements (for example rewards, organisational goals and task structure) and interpersonal elements (for example attitudes, beliefs and personality traits).

Learning plays an important part in planning for organisational change and the formation of organisational structures and concepts. With regards to learning organisations and change management within organisations, Kitchen and Daly (2002:47) state that “change management implies an ongoing attempt to understand industry dynamics which businesses must operate in,
as well as the organization’s own internal dynamics”. Change management, as indicated by Henderson and McAdam (2003:776) and Rudnick (1996:45), means changing the nature of organisations and the way in which they do business. Moreover, research conducted by Daly et al. (2003:154) expand upon the above statements and highlight the internal and external factors that impact upon the efficiency of change management programmes, namely:

a) Internal factors
   These relate to management philosophy, organisational structure, culture as well as the systems of internal power and control.

b) External factors
   These include new technology, changes in the marketplace, changing customer expectations, competitor activities, quality and standards, economic cycles and government legislation.

In this regard, communication has two objectives in the management and facilitation of change. The first is to facilitate understanding by those who need to adopt new processes of what will change and why. The second is to provide a process whereby employee’s expertise can usefully influence the design of that change (Smythe, 1996:1). The Public Affairs Group, Inc. (1999:4) reiterates these two objectives through the belief that the focus with employees’ communication is to engage employees as crucial to obtaining organisational results and engage employees as champions of change. Thus, these employees can be the competitive advantage for the organisation. With regards to the concept of organisational competitive advantage, Fletcher (1999:161) postulates that a focus on quality will increase the organisation’s competitive advantage, if ultimate quality performance, based on knowledge of underlying aspects that lead to service quality leadership, is the goal of the organisation. Communicating to employees the need for change, and how it can be achieved, is critical to the successful management of change (Kitchen & Daly, 2002:48). Employees, or how they are engaged in the change process, are often thought of as the determining factor in whether organisational change is achieved or not. This is due to the fact that employees are crucial to an organisation; and depending on their perception of the organisation, they will communicate positive or negative messages to other groups both internally and externally to the organisation. Change is not just about how people act, but it is also about how they think. This idea illustrates the link between change management and organisational learning, as the research conducted by Kitchen and Daly (2002:48) reiterates the concepts of cognition (thinking) and behaviour (acting) described by Henderson and McAdam’s (2003:776) three key elements of organisational learning. Thus, the focus on behavioural and cognitive aspects of employees during the period of change forms the basis for the link between
change management in organisations and internal communication, where the employees are responsible for making the specific changes happen.

Henderson and McAdam (2003:774) reiterate the above and indicate that change is a permanent phenomenon moving across every facet of business organisations, which constantly presents managers with new challenges. One such challenge presents itself in the form of coordinating the communication process with the communication needs of the changing organisations, where the process supports tangible movement of communication as well as subjective value-based needs of employees, such as morale and motivation. Effective communication and the achievement of transparency, according to Christensen (2002:162), are likely to facilitate the culture change pivotal in delivering the desired organisational transformation, as change management is seen to lie in effective communication. Organisational communication is the foundation upon which successful change can take place, as Proctor and Doukakis (2003:275) indicate that organisational communication helps to overcome ambiguity and uncertainty and provides information and power to those who are the subject of change, as well as enables employees to have control over their destiny, to understand why change is necessary and provides the suppressant to fear; through open communication channels, people are able to express their doubts about the effectiveness of proposed changes and can understand the necessity for new ideas. By including the employees in the change process, the process becomes firmly embedded and accepted throughout the organisation.

Drawing on the above research conducted by Christensen (2002:162), Henderson and McAdam (2003:774) and Proctor and Doukakis (2003:275) regarding the impacts of the organisational trends, effective change management fails without effective employee communication. Barrett (2002:219) developed the Strategic Employee Communication Model, which provides the analytical tool to assess and improve internal communication and forms the foundation for using strategic internal communication to facilitate change. The model (see Figure 2.1) can be used to enable management to understand the strategic role communication plays in the daily success of an organisation, as well as during change. The model illustrates the key components of internal communication, linking them to each other and to the organisation’s strategy and operations. In essence, the model breaks internal communication down into manageable parts and it exemplifies how intertwined and independent each part is when internal communication is positioned strategically, as it must be to facilitate change. Furthermore, Daly et al. (2003:154) state that from a theoretical perspective, the role of internal communication in the successful implementation of change management programmes is evident from the commonality of factors that impact upon issues such as the prevailing business environment, leadership and management
styles, and organisational culture and structure. An overall change in the culture of an organisation, according to Gróf (2001:193), is driven by the internal communication of values and goals, producing an overall strategic model of thinking within that organisation. The process of strengthening an organisation takes place through communication, which either consolidates or changes the culture.

Figure 2.1: Strategic Employee Communication Model (Barrett, 2002:221)

Bak et al. (1994:39) conclude that organisations wanting to manage change successfully need to:

a) Reduce conflict and isolation between departments;

b) Create mechanisms for exchange of information and new ideas across organisational boundaries; as well as

c) Ensure that multiple perspectives will be taken into account in decisions.

The key tenets introduced by Barrett’s (2002:221) Strategic Employee Communication Model (figure 2.1), form the foundation for the discussion of the next outcome of the trends. The next outcome to be reviewed is internal communication.

2.3.1.2 Internal Communication

Due to the organisational trends of downsizing and reengineering, according to Nemec (1999:28), the morale of employees needs to be lifted, thus organisations have to think about how they communicate with employees, also known as internal communications (Argenti, 1996:77). According to Troutt et al. (1995:51), internal communication, in the broadest sense, is the process of sharing information with other individuals. The process involves gathering, processing, disseminating and storing information. Moreover, Power and Rienstra (1999:504) purport that internal communication is described as a process of communication within the organisation itself, with other business divisions within the organisation and with the CEO.
Research on internal communication by Proctor and Doukakis (2003:276) reiterates that internal communication is one of the core elements of implementing employee development. In addition, Quinn and Hargie (2004:146) expand upon the above through the indication that effective internal communication is a vital ingredient that attempts to increase participation, secure the widespread ownership of corporate goals and implement total quality management programmes. Moreover, internal communication effectiveness is also perceived as central to management and organisational theory. Newstrom and Davis (1997:49) reflect upon the above views and indicate the importance of communication within an organisation through the belief that communication acts as a vital cog in the functioning of an organisation. If there is no communication, employees don’t know what their co-workers are doing, management can’t receive and disseminate information inputs, and supervisors and team leaders are unable to give instructions. As such, an organisation cannot exist without communication. Sanchez (1999:11) reiterates the above through the indication that it is strategically important that management at all levels of the organisation should know how employees perceive working conditions, the quality of customer service, as well as the operational and developmental progress of the organisation.

With regards to the strategic importance of communication to an organisation addressed by Newstrom and Davis (1997:49) and Sanchez (1999:11), a model of organisational communication conceptualised by Power and Reinstra (1999:511) highlights the strategic planning processes pertinent to organisational communication within organisations. Power and Reinstra (1999:511) deduce that the model represents the planning and evaluation process inherent in organisational communication planning. Cascading from the organisational objectives, the organisational system determines an umbrella communication model with articulated aims and objectives in relation to communication planning and system effectiveness. The subsystem examines the umbrella model, determines the behaviours it wants, drafts a plan, clarifies the communication processes to support the organisation, and the cycle continues with evaluation of the plan for effectiveness and behavioural impact. These subsystem strategies and their success or limitations are then fed back into the organisational model, which is adjusted according to feedback. The model’s feedback is then reviewed in relation to the organisation’s objectives and aims. The significance of the role of communication in an organisation, according to Gróf (2001:194), implies the recognition and transfer of values from the environment by the external component, and the integration of these values into the organisation’s attitude through the processes of the internal component. These result in changes in attitude towards values and priorities. These, in turn, affect organisational output and efficiency. Figure 2.2 illustrates the processes inherent in organisational communication.
Kitchen and Daly (2002:47) expand upon Power and Reinstra’s (1999:511) model (Figure 2.2) and the statements made by Newstrom and Davis (1997:49) and Sanchez (1999:13) through the belief that “internal communication is so entwined with the process of organising and with organisational structure, environment, power, and culture that many theorists of organisational communication argue that organisations would not exist without communication”. The successful management of people requires communication, and the quality of communication between the people who make up an organisation is an important determinant of organisational success (Kitchen & Daly, 2002:45). Thus, internal communication is not only a crucial variable relating to organisational success, but also a precursor for organisational existence as well. From this perspective, when communication is effective, employees’ understanding of their jobs is enhanced and individuals feel more involved in their jobs. Similarly, this enhanced understanding and job affinity tends to encourage better performance and job satisfaction. The creation of understanding and motivation, and ultimately behaviour changes, needs a focused, people-to-people communication approach (Nemec, 1999:29). As such, Farner et al. (2001:352)
state that if the internal departments are to be viewed, and treated, as customers, periodic evaluation of each department is necessary for accurate feedback and communication, and ultimately, organisational success and survival.

From the above, Nemec (1999:27) ascertains the fact that adaptability and flexibility will be necessities for organisations, more specifically the communication practitioners, trying to create and implement successful, internal communication programmes. In this regard, Quinn and Hargie (2004:147) have identified the following means of increasing organisational performance through internal communication:

a) Formal and informal communication are essential and necessary for optimal efficiency, due to the fact that communication constrained by a centralised hierarchical structure creates inefficiency and leads to employee conflict and resentment;

b) Reciprocal communication at all levels of the organisation is essential for the optimisation of goal achievement;

c) Open internal and external communications should be emphasised as part of a stated organisational goal;

d) The exchange perspective should guide the influence of communication, power and social norms.

Quinn and Hargie (2004:148) expand upon the above through the indication that the most widely known approach to the measurement of internal communication is the communication audit. Lloyd and Varey (2003:197) and Quinn and Hargie (2004:148) postulate that communication audits enable managers to gather useful information regarding the quality of their organisation’s internal communication system, as well as to propose suggestions for improvement. Within a communication audit, an inventory of existing processes, activities, and artefacts of communication is compiled, thus leading to an evaluation of their consistency and impact. Moreover, a communication audit is a technique used for assessing employees’ feelings about the organisation. As such, a communication audit can be utilised to inform organisations:

a) Who they should communicate with;

b) Who they actually do communicate with;

c) What they should be communicating;

d) How they should communicate; and

e) How they actually communicate.
In a sense, it can be said (Newstrom & Davis, 1997:49) that a causal relationship exists between communication and organisational functioning. Without communication, coordination of work is impossible and the organisation will collapse for lack of it. Similarly, cooperation also becomes impossible, as employees can’t communicate their needs and feelings to others. Therefore, every act of communication influences organisational functioning to some degree. Sanchez (1999:9) reiterates the above statement through the belief that for broad-based communication to succeed, it must win the attention and cooperation of employees. In essence, internal communication programmes should be built around a paradigm of communication that includes individual, group and mass communication, as well as the utilisation of multiple communication media. Thus, this communication paradigm leads to greater employee understanding and cooperation. Sanchez (1999:10) believes that to meet the various challenges confronting communications within an organisation, namely cultural diversity and misunderstandings, communicators and management must work to establish proactive, well-defined communication strategies that align and engage employees with the business goals of the organisation. In addition, Einwiller and Will (2001:7) are of the opinion that communicators can only communicate successfully if corporate behaviour allows for it, and if the dimensions of reputation, which include workplace environment, products and services, financial performance, emotional appeal, social responsibility, as well as vision and leadership, permit the positive messages to be conveyed.

The major advantage of internal communication, according to Rensburg (1996:146), is the ability to deliver specific and detailed information to narrowly defined target publics. Therefore, as a result of this characteristic, many organisations have several communication channels, such as publications, group discussions, workshops, functions, each one designed to meet the informational needs of particular employee groups. In addition, internal communication techniques satisfy the organisational need to put its positions on record and to communicate information essential for achieving organisational objectives. These communication tools enable the organisation to communicate in its own unique way, without interruption or alteration. As such, the implementation of these communication tools heightens focus on employees to support internal communication and continues to increase as employees are considered to be business developers, supporters of the business case, and sales agents of the organisation (Public Affairs Group, Inc., 1999:6). However, Rensburg (1996:148) indicates that the disadvantage of internal communications is that many internal organisational events and publications lack the guidelines of clearly stated objectives and definite editorial policies, which leads to waste and purposeless effort.
As a consequence of the impact of the organisational trends, new communication channels have been opened, one such channel is electronic communication. Rudnick (1996:46) postulates that e-mail is the foundation for electronic communication. It transcends the barriers of time and place and enables employees to work from numerous places, other than the office. With e-mail, communications flow freely from senior management to all employees and vice versa. However, Thompson (1998:36) presents an opposing view, whereby the author is of the belief that communication systems, such as intranets and e-mail, only add a technological gloss to the continued use of tell and sell modes, doing little to create genuine dialogue between employees. Technology cannot add much to knowledge creation and emotional capital unless the employer has the drive, ability and motivation to communicate collaboratively. Thus, internal communication is vital for any change programme or improvement to maintaining focus on the goals of the organisation. Previously however, internal communication was often dependent on an occasional newsletter, magazine, or newspaper. Mershams et al. (1995:148) conclude that contemporary corporate communicators consider many methods of communicating a given message, and often advise management as to what that message should be. These corporate communicators face the challenge of explaining to both internal and external audiences why the organisation is in business and what its purpose is. However, McGoon (1998:16) is of the opinion that one of the most difficult challenges of integration is the alignment of internal practices and processes with external communication. The significant change in the way employees are viewed for communication purposes have been equalled by a comprehensive overhaul in the media and techniques used to reach the employees. Smythe (1996:1) reiterates the fact that the context for internal communication is changing rapidly. The aim of internal communication is to “reduce communication pollution in order to increase individual understanding” (Smythe, 1996:1). Individual understanding is created by more than the efficient management and dissemination of information; this understanding can be enhanced through multiple, and unique, channels of communication and the use of diverse communication media.

Oral, written and visual communication are necessary for an organisation to function, thus open, two-way communication with employees with the aim of informing them about decisions, events, plans and strategies that effect them or that their efforts will support, is crucial for contemporary organisations to embrace if the organisation is to be successful, and ultimately survive in the ever-changing environment in which business organisations operate. Most contemporary organisations, according to Enwiler and Will (2001:7), are committed to communicating openly with the employees, news media, customers, host communities, stakeholders, and the general public about the organisational operations, plans, and activities. As
such, two-way communication is vital in establishing a clear mission and purpose among employees, and in securing the understanding and support the business enterprise needs from others to achieve its business objectives. In accordance with the above statements, research conducted by Sanchez (1999:11) indicates “an interactive, two-way communication philosophy is indispensable in effectively aligning employees with the business interests of the organisation”. For the communication to be effective, it is essential that the organisations speak with one voice and provide clear and consistent messages to its various publics through its relationships with employees, news media, and stakeholders. Moreover, Duncan (2003:2) postulates that an organisation cannot be integrated externally until it is integrated internally, which implies implementing cross-functional planning and monitoring.

According to Sanchez (1999:10) and Schultz (1997:7), to meet the challenges presented above, communicators and senior management must work to establish proactive, well-defined communication strategies that engage and align employees with the business goals of the organisation. Integration requires a high degree of interpersonal and cross-functional communication within the organisation, across business units, and with outside suppliers (McGoon, 1998:16). Research conducted by Einwiller and Will (2001:5) supports the statements made by McGoon (1998:16) and Sanchez (1999:10), through the belief that for organisational communication to achieve desired outcomes, integration within the organisation is the most effective method. A combination of centralisation and team organisation works best in order to achieve efficient coordination and desired results. The functions that are most central to organisational communication should be centralised in one department. These functions, as stated by Einwiller and Will (2001:5) are: internal communication; central functions of market communication (corporate design, corporate advertising, corporate events, and corporate sponsoring); and, the relations with non-customer stakeholders, such as the media, investors, governments, and the general public. Further, according to research conducted by the American Productivity and Quality Center (1995:2) and the Public Affairs Group, Inc. (1999:3), internal communication should be a top focus of an organisation and the communications department, whereby internal communication deserves top attention as it impacts on the rest of the organisation and is a critical success factor for the organisation for the future (Tourish & Irving, 1995:13).

In this regard, van Riel (1997:294) indicates that organisations are increasingly becoming aware of the fact that organisational communication is not being fully utilised internally or externally. Further, the promotion of effective organisational communication seems to be via the integration of various communication disciplines. This integration, according to van Riel (1997:295), can be
achieved in various ways, for example: corporate design (common house style) and integrated marketing communication, which works with common starting points, common operational systems, as well as cooperative structures in decision making in communication. Integrated internal communications, according to Cchange Communications (2001:3), have more impact than a plethora of disjointed messages. In a rapidly evolving business world, characterised by information overload through the multitude of messages confronting employees, a consistent and consolidated set of key messages across all channels has the best chance of cutting through the noise of competitors’ messages that bombard employees on a daily basis. Non-integrated communications send disjointed messages that dilute the impact of the communication. Non-integrated communications often result in internal and external messages colliding, thereby undermining the credibility of both. Thus, through the presentation of a reassuring sense of order and direction, integrated communications help define and nurture long-term relationships with potential as well as existing employees (Cchange Communications, 2001:2).

From the above review of the communication media used, Hoogervorst, van der Flier and Koopman (2004:288) postulate that organisations engage in explicit and intentional communication with employees in various ways. However, due to the fact that employees operate within an organisational context, determined by the organisational culture, structures and systems, and the management practices, communication won’t be received in a neutral context. Thus, this organisational or behavioural context acts as a source of implicit communication towards employees. Thus, at the intra-organisation level, Asif and Sargeant (2000:200), Brunetto and Farr-Wharton (2004:579), Proctor and Doukakis (2003:274) as well as Skinner and von Essen (1999:116) indicate that internal communication has a variety of roles, including:

a) To help employees understand their job and their organisation.

b) To help employees realise that their personal success is inseparable from the organisation’s success.

c) To help employees realise that their job is worth doing because their organisation’s products are essential to society. Thus, communication policies and practices aimed at employees should provide the employees with information about company practices in which they have a personal interest, such as employment, personnel, promotions, research and development, and other matters effecting their work and welfare.

d) The creation of a unified corporate identity by improving the insight that individuals have to the overall philosophy of the organisation and its strategic direction.

e) Encouraging the motivation and commitment of employees by ensuring an understanding of the organisation’s objectives and goals.
f) Increasing the individual understanding of the process of the organisational change as it occurs, thus reducing employee resistance.

g) Reducing the potential for misunderstandings, discrepancies and conflict, within and between internal departments.

h) Providing the necessary tools and information allow employees to function adequately in their job roles.

i) Enhancing overall levels of service quality by ensuring that an understanding of the needs of the customer is fostered at every level within the organisation.

In essence, research on the topic of internal communication by Skinner and von Essen (1999:115) suggests that hard-earned experience, frequently measured in lost production, low productivity, low morale, discontent, high staff turnover and confrontation between management and employees, has given a new importance to industrial relations. Although work for most people is first and foremost a source of income, it also fulfils a social function; therefore the all-important human element in industry must not be underestimated. The extent to which workers find a measure of satisfaction in their work and social contact with their fellow-employees in agreeable and ergonomically comfortable surroundings, may determine their attitudes and behaviour towards society, and becomes a significant factor in their job performance. Therefore, a total public relations initiative of the organisation being a product of the people who work for it needs to be implemented. The business enterprise is rewarded through the implementation of enhanced internal marketing, as employees are encouraged to make their contribution to the productivity and prosperity of the company. Internal marketing is a broad field, which embraces near-neighbour activities like personnel, labour relations and internal education, thus serving as a bridge between them (Skinner & von Essen, 1999:116). Moreover, an organisational internal climate or atmosphere has a significant bearing on the individual employee’s motivation. Experienced managers have found that they can create the right climate and provide the right tools for individuals to motivate themselves.

From the above, it can be concluded that one of the ways to effectively communicate within the organisation is to adopt an internal marketing and internal branding strategy. This, according to McGoon (1998:16), indicates the scope of communication activities broadening to include internal marketing to employees, suppliers, and other business associates. Moreover, internal marketing communication is the pattern of messages shared by employees and managers, consisting of tangible interaction as well as intangible communication (Hugo-Burrows, 1998:91). In accordance with the above statements, Payne et al. (2000:261) are of the opinion that internal marketing, which is concerned with utilising marketing techniques within the internal
marketplace, has an important role to play within the organisation. Furthermore, Bak et al. (1994:38) postulate that the foundation of internal marketing is that internal exchanges between the organisation and its employees must be operating effectively before the organisation can be successful in achieving its goals regarding external markets. This implies that there needs to be an alignment between the messages the organisation are sending to both its internal and external stakeholders. In order for this to be effective, employees need to feel involved in the functioning of the organisation and employees need to be engaged as active participants in the organisational marketing processes. As such, effective communication with and among employees, according to Hugo-Burrows (1998:91), constitutes a substantial part of the internal marketing communication of an organisation and is crucial to its success.

When managers treat employees as internal customers and employees treat each other as customers and suppliers, an alignment between interior and exterior organisational relationships occurs and organisational emotional capital develops. The emotional capital of the organisation is held both internally and externally. Internally, it exists in the hearts and minds of the organisation’s employees. Whilst externally, it exists in the emotions of the customers and other stakeholders. According to Thompson (1998:34), this implies that everything that is done inside and outside the organisation should be managed as a seamless whole. This in turn, requires internal marketing, which includes the integration of marketing and human resources expertise, as well as the development of communication abilities at all the levels of the organisation. As such, Bak et al. (1994:38) indicate that internal marketing can be used for managing an organisation’s human resources. Thus, internal marketing operates as a holistic management process to integrate the multiple functions of the organisation. The integration of multiple organisational functions within the overall mix of an organisation’s emotions and constitutes its personality. It encompasses the organisational brand personality as well as the organisation’s personality, both of which have an internal and external dimension. Einwiller and Will (2001:5) indicate that personality is unique to the particular organisation and is a sustainable basis of competitive advantage. In order for an organisation to ensure that it has the internal personality it needs to generate the image it wants its customers to perceive, internal marketing strategies are implemented (Thompson, 1998:34). Thus, Naudé, Desai and Murphy (2003:1205) postulate that internal marketing is an integral part of an organisation’s overall marketing orientation, involving the use of marketing techniques within the organisation to create and communicate organisational values. Moreover, the key aims of internal marketing, according to Proctor and Doukakis (2003:272) include the development of internal and external customer awareness and the removal of functional barriers to achieving organisational effectiveness.
Elements from the discussion on internal communication and internal marketing introduce the next outcome of the trends to be reviewed, that of the shift to integrated communication.

2.3.1.3 The Shift to Integrated Communication

Due to the fact that contemporary organisations operate within an environment that is characterised by rapid changes, competition, and evolving trends and technologies, Hugo-Burrows (1998:91) indicates that it is of strategic importance that the organisation employs integrated communication techniques to address the changes occurring. Encouraging employees to accept the change and emphasising the fact that they are crucial to obtaining organisational results are two objectives of organisational communication in times of change. As a result of these changes, a shift from integrated marketing communication to integrated communication has occurred.

a) Integrated Marketing Communication (IMC)

During the 1990s, emphasis was placed on IMC, which led to its own approach to holistic communication being developed (Moriarty, 1994:38). Describing integrated marketing communication, van Riel (1992:16) refers to the integration of content and forms of all messages of an organisation, aimed at enlarging the effectiveness and efficiency of the organisation’s total communication activity. IMC has been defined by Eagle and Kitchen (2000:1) and van der Westhuizen (1998a:3) as “a concept of marketing communications planning that recognises the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines (advertising, public relations, sales promotion) and combines these disciplines to provide clarity, consistency, and maximum communication impact”. This definition highlights the importance of the focus on the strategic roles of communication to the organisation, which has been established in the discussion of organisational communication (section 2.2). Duncan (2003:1) presented an alternative definition of IMC to that of Eagle and Kitchen (2000:1) and van der Westhuizen (1998a:3). Duncan (2003:1) postulates that IMC is a cross-functional organisational process for managing profitable, long-term brand relationships by bringing people and corporate learning together in order to maintain strategic consistency, facilitate purposeful dialogue and market the corporate mission; thus, depicting IMC, as a cross-functional process of planning, executing and monitoring brand messages designed to cost-effectively acquire and retain customers. Duncan’s definition of IMC makes a valuable contribution, as it presents the elements of corporate learning, corporate mission and cross-functional planning which have been introduced and reviewed in section 2.3.1.
Elements of Duncan’s (2003:2) definition and research imply that the coordination of multiple communication voices indicates the awareness of the organisation that customer needs are individual and different; thus, communication efforts need to be unique and individual so as to target the various identified needs. It is essential that the organisation projects a unified image due to the fact that the employee integrates the images automatically, in turn, integrating the messages the organisation transmits. Moreover, any point of contact that exists between the organisation and the employee, known as the ‘moment of truth’, influences perceptions of the organisation by the employee (Moriarty, 1994:44). Therefore, contact management, according to Skinner (1998a:362), should account for every point of contact, and van Riel (1995:294) believes that the final picture created in the minds of the organisational publics must be consistent and not marred by internal contradictions. Thus indicating the importance of an alignment between the internal and external messages the organisation is sending out. With regards to the factor of every point of contact, Reich (1998:28) and Schultz (1997:6) expand upon the research conducted by Moriarty (1994:44) and van Riel (1995:294) by stating that a redefinition of the scope of marketing communication occurs in the organisation, thus the organisation begins to examine communication from the consumer’s vantage point by looking at all contact and entry points of customers with the organisation. An outside-in instead of an inside-out approach is advocated with the fundamental question being “How does the customer reach us?” rather than “How do we reach the customer?” In IMC, an outside-in perspective determines the communication implemented, whereby what consumers want to buy takes precedence over what marketers want to sell (Schultz, 1997:6). Hence, marketing communication then becomes a dialogue between the buyer and the seller, instead of a monologue by the seller.

According to Eagle and Kitchen (2000:7), IMC is regarded as a fundamental and marked shift in the thinking and practice of marcoms (marketing communication), where technology, customers, consumers, and organisational desire to efficiently allocate finite resources whilst simultaneously maximising return on investment, are the key accelerant forces. In addition, Gonring (1994:45) is of the belief that IMC creates true accountability by maximising resources and linking communication activities to organisational goals, an alignment between internal and external organisational communication activities, and the resulting bottom line.

Expanding upon the above statements, Ahmed and Rafiq (2003:1183) postulate that communication is an indispensable activity in the functioning of all processes, particularly the cross-functional ones. As such, one of the most common integrated marketing communication applications is in the drafting of internal communication strategies. When
these strategies are executed in tandem with external marketing communications, advertised organisational promises stand better chances of being fulfilled to the required level of performance, due to the fact that employees are more prepared to perform them. In this respect, by creating messages and appealing to emotions, integrated marketing communication, and the corporate communication aspect thereof, can provide organisations with a rich source of advantage.

According to Reich (1998:26), IMC is viewed as a catalyst in developing new and revolutionary techniques and variables that further expand and enhance the process of integrated communications. Argenti (1996:78) believes that management communication focuses on communication strategy; skills (speaking); process (teamwork and interpersonal behaviour); the global environment (cross-cultural communication); and function (link to corporate communications). Communication is neither peripheral to the management function, nor an optional extra (Tourish & Irving, 1995:8). Moreover, research conducted by the Public Affairs Group, Inc. (1999:6) indicates that communications is joining with other organisational departments, such as Finance and Human Resources, to create an integrated communications strategy. Tourish and Irving (1995:8) further concur with the above statements and state that an integrated communication strategy should be central to management philosophy and practice. According to Duncan (2003:3), at the strategic level, IMC has a macro function where everything the organisation does can send a powerful brand message; thus it is important to integrate the marketing communications, organisational units, customers, corporate learning and the core values of the brand. Recent developments have resulted in the shift from the integrated marketing communication (IMC) approach to the more holistic, organisation-wide integrated communication (IC) approach, which encompasses corporate communications and internal communications.

b) Integrated Communication (IC)

Research conducted by Christensen (2002:162) and Gróf (2001:194) draws upon the research conducted by Ahmed and Rafiq (2003:1177), Massie and Anderson (2003:223) as well as van Riel (1992:26) through the indication that in contrast to the fields of organisational communication and marketing communications, traditionally concerned with employees and consumers respectively, the aim of corporate communication as a distinct field of theory and practice is to merge all communications that involve an organisation as a corporate entity. Therefore, the ambition of corporate communication is different not only because it claims to include a broader range of communication activities or to address a wider range of audiences across formal organisational boundaries, but because its reason for existence is to organise an
organisation’s communication activities as a single coherent entity. It is important to note that integrated communication takes place within a corporate context, thus definitions of corporate communication will be reviewed.

This is further reiterated by Proctor and Doukakis (2003:275), who postulate that the organisation needs to integrate the overall approach it takes to both internal and external communication. This integration occurs within corporate communication, as van Riel (1992:26) provides a definition of corporate communication, where it as an mechanism of management by means of which all consciously used forms of internal and external communication are harmonised as effectively and efficiently as possible, so as to create a favourable basis for relationships with groups upon which the company is dependent. Moreover, Dolphin and Fan (2000:100) believe that corporate communications is “the strategic management process by which an organization communicates with its various audiences to the mutual benefits of both and to its improved competitive advantage”. The term corporate, according to van Riel (1997:295), should be interpreted in the context of the Latin word *corpus*, meaning body, and, in a more figurative context, relating to totality. Thus, specialists working in the areas of identity, reputation, and communication coordination relate their work to, and are guided by, the needs of the organisation. Christensen (2002:162) and Goodman (2001:118) expand upon the statements of van Riel (1995:295) through the indication that to qualify as corporate, all communication, with regards to the symbols, messages and strategies, need to be conceived, coordinated and integrated as a whole organisational body, thus acknowledging that this ‘corpus’ could comprise a set of interrelated organisations. Furthermore, the notion of corporate communications, according to Christensen (2002:162), builds on the assumption that organisations are able to have a general view of themselves as communicating entities. Contemporary organisations feel under pressure to stand out in a cluttered communication environment saturated with competing message but also to present and express themselves in their surroundings in coherent and legitimate ways. Moreover, Massie and Anderson (2003:224) indicate that the widespread use of terms like corporate communication emphasises the increasing importance of the relationship between internal and external communication. Authors like Kiriakidou and Millward (2000:50), Kitchen and Daly (2002:48) and van Riel (1997:294) expand upon the above presented definitions by referring to the need for an integration of internal and external communications. Increasing numbers of organisations are realising the sum of their internal and external communications are able to create a fragmented image and are striving to improve the coordination of their
communication. The fact that the corporate communication process, according to Oliver (2000:27), has to be integrated and interactive, with a clear understanding of how perception effects interpretation of messages and the ability of the organisation to measure and monitor transfer of meaning or understanding of spoken or written communication, non-verbal and graphic communication, indicates the link between the fields of corporate communication and integrated communication.

In this regard, Thompson (1998:36) indicates that the objective of integrated communication is to present unified messages internally and externally. Moreover, the facilitation and promotion of top-down, bottom-up, two-way dialogue motivates and equips employees to use the necessary communication skills and capabilities, as well as technology, to be responsive to both internal and external customers. With the advent of new communication technologies, especially the Internet, Christensen (2002:162) postulates that the expectancy of internal and external stakeholders to have unrestricted access to the organisation, is intensified considerably not only due to the digitisation of communication facilities and information availability but also because organisations, partly driven by these technologies, are expected to contribute to transparency themselves by sharing relevant information with their surroundings. Due to this, the role of integrated communication operations has changed progressively from a role as mere disseminators of information to adopting a role of communication facilitators for the internal organisation, thus recognising the importance of two-way communication (from management to employees and employees to management) to the vitality of the organisation (LeMenager, 1999:33). The coordination of internal and external communication, as stated by van Riel (1997:294), is a means of finding a solution for problems of efficiency and effectiveness within organisations. In this regard, communication management at the macro level focuses on the role and management of integrated communication in the organisation’s environment and its contribution to the management of the organisational environment (Claassen & Verwey, 1998:81). Moreover, Christensen (2002:164) indicates that popular management programmes, such as total quality management and business process re-engineering, attempt to create organisational efficiency through intricate self-description. In this regard, the basic contribution of integrated communication is to map out in detail all communicative dimensions relevant to the projection of a coherent and legitimate image in the organisation’s surroundings.

From the above, it can be concluded that a growing number of communication researchers and practitioners are recognising the importance of the intangible assets of the organisation in generating competitive advantage. Authors such as De Wit and Meyer (1999:201), Dolphin
and Fan (2000:100), Eagle and Kitchen (2000:2) and Grant (2000:129) interpret the concept of competitive advantage in different ways, each identifying and emphasising the relevant aspects thereof.

Miller and Rose (1994:15) emphasise that corporate communication practitioners in a myriad of organisations are called upon to devise programs that support marketing and advertising strategies precisely and cost-effectively. Integrated communication can play a strategic role in achieving marketing objectives. The most important of these objectives is to raise awareness. Hence, integrated communication is expected to inform or influence behaviour, develop effective communications, build trust, gain understanding, as well as create a climate for employee and customer acceptance. Given the changing nature of today’s global economy, integrated communication is expected to contribute to the bottom line without any budget at all; therefore, integrated communication practitioners are searching for unique methods to communicate with the internal and external audiences of the organisation.

Dolphin and Fan (2000:100) reiterate this fact through the belief that integrated communication has become a key competitive and creative weapon. De Wit and Meyer (1999:201) state that an organisation has a competitive advantage when it has the means to edge out rivals when vying for the favour of customers. A competitive advantage is said to be sustainable if it cannot be copied or eroded by the actions of rivals, and is not made redundant by environmental developments. Grant (2000:129) indicates that for a resource or capability to establish a competitive advantage, two conditions must be present. Firstly, a resource or capability must be scarce. Secondly, the resource or capability must be relevant. Grant (2000:129) continues by stating that “resources and capabilities are valuable only if they can be linked to one or more key success factors within an industry: they must assist the firm in creating value for its customers or in surviving competition”. Thus, emphasising the importance of integrated communication strategies as a competitive advantage for the organisation.

With regards to the concept of integrated communication as a competitive advantage, the concept of an integrated approach to communications planning, as described by Baird (1996:124), is necessary for the attainment of corporate communications goals, which coincide with, and support the organisations’ goals, as well as being necessary for enhancing the process of communicating the vision contributing to building a shared context within the organisation. Therefore, integrated communication planning can be classified as a holistic, multi-disciplinary and multi-functional approach to planning. In this regard, most communication texts emphasise variations of the conventional received wisdom that
planning and coordination of all company activities be centred on the primary goal of satisfying customer needs (Eagle & Kitchen, 2000:8). This is perceived to be the most effective mechanism to achieve competitive advantage. However, competitive advantage must be sustained through a synergy of communication practices. The role of the communication practices at all levels of an organisation is the key to maximising competitive advantage. Organisations can gain and sustain competitive advantage through the successful communication with their key audiences, which are both the internal and external audiences (Dolphin & Fan, 2000:104). Such an alignment between the internal and external audiences indicates that an organisational strategy, which encompasses effective brand positioning and the communication of the organisational benefits, is a crucial aspect in the development of strategic competitive advantage. Such an approach, according to Tourish and Irving (1995:11), underpins the attempts of the organisation to function as a competitive, quality-oriented enterprise, thus attaching importance to the human interactions through which managerial influence is normally expressed. Eagle and Kitchen (2000:2) further believe that customers and stakeholders automatically integrate brand messages, thus corporate communicators must decide whether to abdicate or manage this process.

Organisational communication as a whole, therefore, offers a means of becoming a strategic tool in helping to ensure synergy and consistency of messages, regardless of the communication method used to deliver the message. In addition, Wood (1997:11) is of the opinion that an integrated communication goal for business marketing is to communicate differentiation and enhance positioning, posing the questions “What do your goods and services stand for?” and “How are they better than your competitors’ products?” Thus, integrated communication provides competitive advantage for the organisation by helping the organisation convey its most significant points of differentiation and contributing to positioning the organisation in the marketplace. Skinner (1998a:361) reiterates this statement through the belief that the practice of corporate communications is emerging as one of the most valuable tools organisations can use to gain competitive advantage.

Therefore, expanding upon the research conducted by Dolphin and Fan (2000:101), Eagle and Kitchen (2000:2) and Skinner (1998a:361), Kitchen and Daly (2002:51) conclude that knowledge and employees are the keys to competitive advantage within business organisations. Therefore, Kitchen and Daly (2002:47) are of the belief that “if knowledge is the pre-eminent productive resource, and most knowledge is created by and stored within individuals, then employees are the primary stakeholders. The principle management challenge is establishing mechanisms by which cooperating individuals can coordinate their
activity in order to integrate their knowledge into productive activities”. Thus, communication and employee management effect competitive advantage, and in some industries, it actually holds the key to competitive advantage. Lau (2000:428) further indicates that effective human resource development programmes, and the related internal organisational communication programmes, are essential to organisational change and survival, providing important competitive advantages in the global environment. Moreover, the competitive advantage, which resided in capital in the 1980s, in technology in the 1990s, will reside in people in the new millennium (Kitchen & Daly, 2002:51).

It is evident that a combination of internal capabilities, together with the correct mix of external opportunities can create a competitive advantage for a company. Unique value added for the customer will give an organisation a unique competitive advantage. It should be remembered that gaining a competitive advantage is not good enough, sustaining it is vitally important. As such, corporate communication efforts and the ability to survive in a rapidly evolving global environment are amongst the key competitive weapons of an organisation. Moore and Wiefels (2002:2) concur and indicate that strategy is still the key to maintaining a sustainable competitive advantage. Organisations need to acknowledge that no amount of attempting to attain the status quo will ever restore organisational practices to their initial lustre. In essence, communication within teams, and across teams, is a hallmark of innovative organisations, whereby innovation is a distinguishing trait of organisations that produce high quality goods and services. Quality, in turn, translates into competitive advantage. Payne et al. (2000:262) expand upon the research conducted by Tourish and Irving (1995:11) and state that creating value, specifically customer value, through communication, is increasingly viewed in relationship marketing literature as the next source of competitive advantage. Therefore, comprehensive communications programmes should include innovative ways of encouraging such forms of interdepartmental cooperation.

Finally, the next outcome of the trends on organisational communication to be discussed is service quality.

2.3.1.4 Service Quality

Drawing on the fact that organisations exist in a competitive environment, Farner et al. (2001:350) are of the opinion that the hyper-competitive environment of the new millennium and external market shifts will have an influence on the functioning of internal elements in the organisation, thus having forced organisations to increase their emphasis on internal service quality. Research conducted by Lau (2000:423) indicates that internal service quality is the
quality of work environment that contributes to employee satisfaction, which has also been known as quality of work life or QWL, where QWL is defined as “a process by which an organisation responds to employee needs by developing mechanisms to allow them to share fully in making the decisions that design their lives at work”. A pertinent description of QWL is “the favourable conditions and environments of a workplace that support and promote employee satisfaction by providing them with rewards, growth opportunities, and job security” (Blumenthal, 2001:2).

As such, the internal service approach often requires individual sub-units to justify their existence. In the traditional, free market situation, external customers have the option of exiting partnerships with their suppliers. This forces organisations to provide top quality service to their customers, or they would eventually go out of business. Internal operations are not faced with such market forces, thus they may not provide quality service to the other departments they serve. Moreover, the opportunity does not traditionally exist for the internal operations’ customers to exit the relationship. However, increasingly exit opportunities are becoming a reality; this is due to the growing popularity of outsourcing. The opportunity to outsource provides a means inside the organisation that forces each sub-unit to provide the best, most efficient service, or risk being eliminated, similar to the market mechanism. Therefore, outsourcing, as stated by Moore and Wiefels (2002:3), turns vendors into commodity suppliers, “but the enormous inertia this creates allows them to retain customers with a far lower investment in maintaining a differentiated product. Unchallenged by competition or regulation, they are threatened mostly by the chance of disruptive innovation”.

According to Berry, Parasuraman and Zeithaml (1988:23), service quality can be improved through a systematic, step-by-step voyage that enhances the employees’ ability and willingness to provide service by creating an organisation that supports service in all areas. In order to achieve this, one of the key factors will have to be effective communication. Fletcher (1999:150) expands upon this view through the indication that service quality is not necessarily improved by improving technology. As such, quality service can be improved through various organisational communication strategies, as quality service is a function of leadership, good internal communication and team performance. In this regard, the implementation of a service quality strategy is a multidimensional process reaching beyond the principles being implemented. The organisation has to first prepare for change, then identify and prioritise the required alternations. Moreover, organisations need to develop internal and external skills such as effective communication and leadership, so as to uphold the new service quality improvement strategy by
building an effective team. Lastly, organisations need to control cost in order to contribute to the profitability of the organisation.

Drawing on the fact that environmental trends impact on organisational functioning and organisational communication, new business models which emphasise internal service quality have been developed to ensure organisational success in rapidly evolving environments.

2.4 THE SERVICE-PROFIT CHAIN AND AN ORGANISATIONAL PERFORMANCE MODEL

According to research conducted by Ketchum (2000:2) and Worrall and Cooper (2001:34), business organisations are continually realising the importance of adopting a new business model and structure to continue to succeed in the rapidly evolving industry in which they operate. Furthermore, Worrall and Cooper (2001:34) argue that individual and organisational survival, as well as organisational competitiveness on a global scale, depends on how quickly and how well managers develop new skills. The level of organisational change provides a reliable measure of the pace of work and skills intensification on the whole, as well as exposing variations in the extent of work intensification in particular sectors.

Various models have been proposed that revolve around the concept of customers existing within the boundaries of the organisation. According to Farner et al. (2001:350), the basic premise of internal customer service is that every department in an organisation exists to serve someone, be it the external customer or another department. Every organisation consists of an interdependent chain of individuals and functional units, each taking inputs from one another and converting them into external customer service. The basic assumption is that if each member of the organisation works to provide their internal customer with better service, then the end customer will receive high quality service.

2.4.1 The Service-Profit Chain Model

According to Payne et al. (2000:263), the underlying ideas of the service-profit chain model, and its subsequent development, are derived from early work conducted by Bennis in 1970, Lawler in 1973, and Blau in 1974 on the organisation of work and its impact on quality, productivity, and employee satisfaction. In addition, research by Sasser and Arbeit in 1976, Parkington and Schneider in 1979, and Czepiel, Soloman and Surprenant in 1985 were also influential in the development of the service-profit chain model. From this, the pioneering research on the concept of the Service-Profit Chain conducted by Heskett, Sasser and Schlesinger at the Harvard
Business School, as well as the extensive studies further conducted by, amongst others, Barber, Hayday and Bevan (1999:1), Lau (2000:423), Payne et al. (2000:263), Rhey and McMurrian (1999:2) and Stock (2001:1) on the various aspects of the Service-Profit Chain Model, all indicate the importance of the application of the Service-Profit Chain Model in organisational settings.

The Service-Profit Chain is a key business dynamic utilised to determine what maximises profit and growth in service organisations. The Service-Profit Chain has been defined by Rhey and McMurrian (1999:3) as “a chain of relationships involving customer loyalty; customer satisfaction; the value of goods and services delivered; the quality of the process; and employee loyalty, satisfaction, productivity, and support”. Moreover, Barber et al. (1999:1) conclude that there are direct and strong correlations between profit, growth, customer loyalty, customer satisfaction, and the value of goods and services delivered to customers on the one hand, and employee capability, employee satisfaction, employee loyalty and employee productivity on the other hand. A cycle of capability shows that satisfied employees are productive employees, leading to loyal customers (Rhey & McMurrian, 1999:4).

This model (see Figure 2.3), according to Asif and Sargeant (2000:299) and Farner et al. (2001:351) is based on the premise that internal service quality drives or predicts employee satisfaction, which in turn enables the organisation to deliver high value service, resulting in customer satisfaction and loyalty, which ultimately leads to increased profits. Internal service quality serves as the foundation of the model and it ignites a chain effect ultimately leading to the growth and profitability of an organisation. In essence, committed, satisfied, productive employees create service value because they enjoy the quality of work life (QWL) provided by the service organisation. The research conducted by Lau (2000:423) implies causal effects between each link and proposes that QWL, which is measured by the feelings that employees have toward their colleagues, jobs, and companies, would cause a chain effect leading to profitability and growth of an organisation in the long run. Thus, the key elements of the Service-Profit Chain Model are diagrammatically represented in Figure 2.3, where profitability and revenue growth are the main outcomes of the service strategy.

In accordance with the above statements and the following diagrammatical presentation of the model (see Figure 2.3), Rhey and McMurrian (1999:4) and Payne et al. (2000:265) are of the opinion that the Service-Profit Chain is based upon perceptions of employee, customer loyalty and satisfaction. The model reflects a perspective of internal and external reputation, which is effected by ethical values.
2.4.1.1  The Conceptual Linkages of the Service-Profit Chain Model

With regards to the above presented theory, Lau (2000:423) is of the opinion that the Service-Profit Chain has unified a large body of prior research studies attempting to link its individual concepts together. In addition, the above presented diagram (Figure 2.3) illustrates that the Service-Profit Chain model establishes relationships between profitability, customer loyalty and employee satisfaction, productivity and loyalty.

In essence, research conducted by Lau (2000:430) reveals a diagrammatical representation (see Figure 2.4) of the identified relationships of the Service-Profit Chain model, thereby illustrating that by investing in employees, the organisation has begun to align its strategic plan, incentive system, and corporate structure with the Service-Profit Chain (Stock, 2001:1). This is due to the fact that employee loyalty drives productivity, which drives value, which increasingly enhances the organisational profit. Ensuring that the employees are nurtured and content, ensures that the organisation will gain an increase in immediate productivity, as well as being less likely to lose staff.
Thus, Lau (2000:430) presents the conceptual linkages of the Service-Profit Chain as:

a) Internal service quality is related to employee satisfaction

Internal customer service serves as a valuable framework for implementing a process approach to quality management on a continuous basis. Process management, a theoretical construct for internal customer service, refers to management practices that place an emphasis on the process of an operation, rather than the actual results. Farner et al. (2001:351) state that a process in an organisation refers to “a group of logically related tasks, decisions and activities that, when performed, utilise the resources of the business to produce definitive results”. Emphasis is placed on what precedes each activity (inputs), what occurs within each activity, and what follows (outputs). Continuous improvement, another theoretical underpinning for internal service, of products or services serves to ensure that the quality process is not abandoned because of implementation problems. Adopting an ethos of continuous improvement forces an organisation to recognise that future changes will be necessary to ensure future competitiveness and organisational success and sustainability. Kuei (1999:784) concurs with the research conducted by Farner et al. (2001:350) and indicates that the three guiding principles for implementing and executing a successful total quality management (TQM) programme are customer focus, continuous improvement, as well as participation and teamwork. However, the overall performance of the organisation lies in the eyes of the beholders, which are essentially both the internal and external organisational customers. Greenall (1994:5) however is of the opinion that many TQM programmes fail due to the fact that they are not actually linked to the achievement of business objectives.
b) Employee satisfaction is related to employee loyalty, which in turn is related to employee productivity

Dipboye, Smith and Howell (1994:171) define organisational commitment as “a worker’s identification with and involvement in a particular organisation”. As such, organisational commitment embodies three key concepts, namely: readiness to exert effort on behalf of the organisation; acceptance of organisational goals and values; and, desire to remain with the organisation. Both Dipboye et al. (1994:173) and Lau (2000:423) state that organisationally committed individuals are less likely to be absent from, or quit, their jobs compared with their less committed co-workers. Therefore, increased satisfaction caused increased commitment, and increased commitment, in turn, caused further satisfaction increases. However, satisfaction exerts a stronger influence than commitment.

c) Employee productivity is related to service value, which in turn is related to customer satisfaction

Hallowell (1997:1) is of the opinion that the customer and service components are only two of the ingredients of success. For the organisation to be successful, it must have the means to: select its customers have a strategic vision of the service which it wants to provide, form teams to enable close links with the customers, and have employees, who are motivated by the task which is entrusted to them, in contact with the customers. To implement the spiral of success that the authors describe, simultaneous action between the customers and the organisation is necessary. It is essential to identify and implement the behaviours, to which the customers will be sensitive, as well as to select, train and motivate the employees so that they develop a privileged relationship with the customers. The Service-Profit Chain proposes a practical description of the implementation of these concepts, indicates the components which are necessary for operation, and explains how each component, in conjunction with other components, contribute to the success of the organisation. The research conducted by the Harvard Business School, according to Hyde (2001:2) indicates that for an organisation to excel in a service industry, its customers’ satisfaction must be the main priority of the organisation, closely contented by the happiness of the organisational frontline employees. A means to ensure increased satisfaction is the implementation of advanced technology, as advanced technology and speed are critical success factors to the deliverance of quality customer service (Hendrikse, 1999:10).

d) Customer satisfaction is related to customer loyalty, which in turn is related to growth and profitability

Monical’s (2002:3) and Stock (2001:1) indicate that the Service-Profit Chain presents the idea that satisfied employees become satisfied customers, that satisfied customers become
loyal guests of the organisation and provide revenue to the organisation, and increased revenue, in turn, when properly managed produces increased profits. Furthermore, Lau (2000:425) indicates that the Service-Profit Chain heightens the value of promoting, and enhancing, cooperative efforts between employees and employers. Moreover, cooperative or partnership relationships can have a symbiotic impact of increasing financial performance and competitiveness, as well as mutually benefiting all groups. In essence, an organisation’s performance can be regarded as the direct result of how effectively the organisation is structured and managed. This focus on internal issues, such as communication aspects, will support external processes and garner the organisation the means to provide the customer with what is promised, as it is this that leads to customer retention and loyalty (Fletcher, 1999:151).

The above discussion introduces that fact that the implementation of the Service-Profit Chain within an organisation has several identified implications for management. According to Rhey and McMurrian (1999:6) these include:

a) The measurement of the Service-Profit Chain relationships across operational units;

b) The development of a Balanced Scorecard of operational performance. Kaplan and Norton (1996:75) state that the Balanced Scorecard is a practical management tool that ushers the value-added potential of employees throughout the organisation towards the achievement of long-term goals, whilst provided a monitoring mechanism for constant feedback on progress toward those goals;

c) Communication of appraisal;

d) The design of effort by managers to improve Service-Profit Chain performance;

e) Organisation-wide communication of the Service-Profit Chain results at operational unit level;

f) The development of recognition and rewards linked to established measures and;

g) The active encouragement of internal ‘Best Practice’ information exchange.

In summation, Lau (2000:423) and Lundby (2002:2) state that the Service-Profit Chain is the most widely known example of a linkage model that measures different elements of organisational performance. As research involving the Service-Profit Chain concept as its main premise has developed, many relationships between elements of the chain have been identified. The Service-Profit Chain research represents significant progress in the formulation of understanding regarding how the employee, customer and shareholder value domains are linked. It provides a theoretical model in conjunction with an increasing amount of empirical research
supporting a number of the linkages. However, although the research measures correlations between many of the elements, the work does not make claims of causality. The relationships are typically descriptive (correlational), rather than being relationships in a predictive (causal) sense. Therefore, interest is developing from largely correlational work examining relationships within, or across, some of the value domains to exploring potential causal relationships between concepts such as employee satisfaction, employee retention, leadership, customer loyalty, satisfaction, retention, profitability, and shareholder value (Payne et al., 2000:264). In turn, this has led to a pursuit in the development of organisation-wide performance models. These models are based on the Service-Profit Chain or linkage model approach, though they are distinguished from this by an emphasis on the issue of causality.

2.4.2  An Organisational Performance Model

Due to the fact that the Service-Profit Chain is a linear linkage model, the external environment in which the organisation operates, is not taken into account and the potential environmental influences and impacts on the organisational functioning have not been considered. The Service-Profit Chain is viewed as a linear process operating in isolation within the organisation, and doesn’t indicate the influence that the actions of the organisation could have on the external market environment. Thus, highlighting the importance of an adapted model which takes external factors into account. This holistic view requires all the service system components, such as the design, information, managing facilitating goods, facilitating layouts, and advertising, to act in a coordinated manner, so as to produce service excellence. In actual fact, these authors were unable to empirically validate the full linear model of the Service-Profit chain. This is due to the fact that the most accepted activities are “highly related to one another not as a chain of events, but rather as clusters or constellations of practices, which are correlated to systems thinking” (Lau, 2000:429). Taking these factors into account, the basis for an Organisational Performance Model is established, which is, in essence, an adapted model of the Service-Profit Chain. An Organisational Performance Model, as defined by Payne et al. (2000:265), is “an integrated system of measures for monitoring and controlling enterprise performance”, and has five key characteristics, which include it is knowledge enhanced; market centred; causally related; focused on change (prescriptive and predictive); and potentially real time in nature.

Furthermore, Hallowell (1997:3) and Payne et al. (2000:266) conducted research into the areas of customers; employees; financial performance; innovation; and values, and concluded that a model that shows direct causation from employee attitudes through to customer satisfaction to profits was needed. The operationalisation of the Organisational Performance Model resulted in
the Employee-Customer-Profit Chain model. The model indicates that employee attitude towards the job and the organisation is crucial to employees’ loyalty and behaviour towards customers. Moreover, customer impression directly affects customer retention. Figure 2.5 presents the Employee-Customer-Profit Chain Model and indicates how a service strategy increases revenues for an organisation. The external global environment impacts upon the satisfaction and loyalty of both the employees (internal customers) and external customers of the organisation, this in turn has an influence over the organisational profitability and opportunity for survival and growth within the environment in which it operates. Increasingly, contemporary organisations are realising the impact that their business practices have on their internal and external environments, as well as the influence that the external environment has on the business practices of the organisation. This relationship is no longer linear, as that of the Service-Profit Chain Model, and emphasises the fact that a systems view is increasingly being adopted, and adhered to, by organisations that are striving for a sustainable competitive advantage over other business organisations, whilst simultaneously promoting employee and customer satisfaction and increasing organisational profit.

Figure 2.5: The Employee-Customer-Profit Chain Model (Adapted from Hallowell, 1997:1)
From the above, Hallowell (1997:3) reveals that the Employee-Customer-Profit Chain (Figure 2.5) is based upon four basic principles, namely a service strategy to improve revenues by managing the quality of relationships with clients; a service strategy requires strict selection of clients and employees; a service strategy rests on the combination of the interfaces of the relationships with the client; and a service strategy requires systems to administer to clients. As such, the above statements reveal that a service strategy improves revenues by managing the quality of relationships with clients. The client strategy depends not only on the quality of the presentation, but also on the manner in which this presentation is delivered. The service strategy aims at managing the quality of the relationships between the organisation and its clients. Moreover, a successful service strategy requires an in-depth selection of clients and employees. Clients with little loyalty to the organisation have to be ‘eliminated’, as they represent a cost to the business; in effect, all efforts to win their loyalty are in vain. Employees who interact well with people must be recruited. The business-client interface is not limited to the employee-client relationship; there are various factors that influence the quality of the relationship with clients. These include a face-to-face relationship (tools to enable employees who deal with customers to execute their tasks efficiently); a man-machine relationship (technologies that are simple to use); and a machine-machine relationship (effectiveness of software). Finally, a service strategy needs systems to administer to customers through initiation of dialogue with customers and management of customer complaints, thus having a major impact on customer loyalty, and ultimately, organisational profit (Hallowell, 1997:2).

2.5 CONCLUSION

According to research conducted by authors like Ahmed and Rafiq (2003:1185), Christensen (2002:162), Daly et al. (2003:153), Eagle and Kitchen (2000:3), Goodman (2001:118), Henderson and McAdam (2003:774) as well as Kitchen and Daly (2002:48), the environment in which contemporary organisations operate, is characterised by flux and demands open structures and understanding. In essence, management hierarchies that characterised the twentieth century have become dated in the face of new challenges. New approaches based on partnership that incorporates values like cooperation, creativity, connectedness and empathy are needed in the so-called knowledge-era. Hence, Ahmed and Rafiq (2003:1186) postulate that building and sustaining competitive advantage requires leveraging the collective knowledge base of an organisation, as well as developing a learning organisation. In such environments, the translation of meaningful opportunities into market successes implies that employees cannot be treated as line items on a financial spreadsheet.
With regards to environmental changes, Greenall (1994:5) is of the opinion that adopting an ethos of continuous improvement forces an organisation to recognise that future changes will be necessary to ensure future competitiveness and organisational success and sustainability. Integrated organisational communication forms the foundation for the facilitation of the process of change for the organisation, both internally and externally. This is due to the fact that the organisational climate and identity should change internally before internal employees change their modes of service delivery externally. Therefore, the role of communication management is becoming increasingly important to an organisation that wishes to incorporate new communication policies and practices into its functioning. The basic premise of communication management is the maintenance of relationships and the facilitation of interaction, whereby communication with both internal and external stakeholders groups that effect the ability of the organisation to meet its strategic goals. The aim is to create a learning organisation that is flexible and has a high performance culture. Moreover, the inclination of an organisation to learn is directly influenced by the management of communication and information. Rensburg and Ströh (1998:59) state: “Only by really listening to the needs of employees, encouraging team interaction, challenging existing approaches, and providing communication channels to enable this can an organisation truly learn and improve.”

Expanding upon the issue of organisational profitability through learning, the Service-Profit Chain has been described as an important business tool utilised to determine the business practices that maximise profit and growth in service organisations (Rhey & McMurrian, 1999:3); however it is a linear process that is viewed in isolation within the organisation, without taking the impact of external factors into account. Therefore, the introduction of a proposed Organisational Performance Model (Employee-Customer-Profit Chain Model) illustrates the importance of both employees and customers to creating an organisation’s competitive advantage. The systems view is of particular importance as it emphasises the fact that the organisation operates within a dynamic and ever-changing environment, where any change to the one component results in a change in the other components of the system. As concluded in the first section, communication is an effective way to manage the resultant change whilst retaining satisfied customers and employees, sustaining the organisational competitive advantage, and maximising the profitability of the organisation.

Taking the above discussions on organisational communication and the various aspects thereof into account with regards to the research question pertaining to the role of internal organisational communication as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation, a link can be made back to...
the theoretical discussion on the importance of organisational communication on organisational functioning as well as the role employees play in successfully adopting any change management strategies implemented throughout the organisation. Moreover, the use of integrated communication campaigns, aimed at employees and emphasising service quality during times of change enhances the degree to which employees accept the change and ultimately subscribe to an Organisational Performance Model such as the Employee-Customer-Profit Chain Model (Figure 2.5).

In essence, the above indicates that for the corporate communications practitioner, internal communication is as important as external organisational communication. In this regard, previously the various elements of organisational communication were regarded as separate functions and were handled by experts in the relevant areas. An outcome of the trends impacting organisational communication has led to the development of the concept of integrated organisational communication (IOC). Although integrated organisational communication bears much resemblance to integrated marketing communication, integrated organisational communication focuses specifically on the communication taking place within the organisation, such as internal or employee communications and internal marketing, as well as the external organisational communication to the relevant external organisational stakeholders. Although there are numerous definitions of organisational communication, business communication and integrated marketing communication, a suitable definition of integrated organisational communication which incorporates all of its important elements and processes has not been found. It for this reason that from the above literature reviewed, it is possible to describe integrated organisational communication as “a cross-functional, strategic, meaning-generation process of interaction, which plans, executes and monitors organisational messages designed to motivate or influence behaviour and to communicate with the organisation’s internal and external audiences to the mutual benefits of both and to its improved competitive advantage”. This description encapsulates elements from definitions from research conducted by Dolphin and Fan (2000:100), Duncan (2003:1), Kelly (2000:93) and Pace and Faules (1994:22). The development of IOC from the above literature reviewed can be viewed as a key contribution due to the fact that IOC focuses on and integrates the key concepts emphasised within the literature reviewed into a holistic concept.

Based upon the key constructs of organisational communication identified in the preceding sections, the following provides a discussion on the concept of internal organisational branding, whereby the key elements of corporate branding, corporate identity and internal branding are reviewed.
CHAPTER THREE: INTERNAL ORGANISATIONAL BRANDING

3.1 INTRODUCTION

According to research conducted by Skinner and von Essen (1999:334) brands previously referred to products and services, but the contemporary trend is towards the emergence of the corporate brand (Sampson, 1999:2). The corporate brand functions as an umbrella for all the activities that occur within an organisation. These activities come about through the alignment of all internal and external organisational communication activities. The emphasis is placed on the concept of all the activities, as the alignment of the internal and external activities could result in what is referred to as a high quality of life (QOL). As such, the well-branded organisation is composed of people who experience a high QOL. This concept is defined in terms of how meaningful the employees believe their existence in the organisation to be (Blumenthal, 2001:2). Therefore, branding and QOL are viewed as sharing a singular quality: the perception and pursuit of meaning. As one increases so should the other. Blumenthal (2001:3) further concludes that if employees are convinced that the brand has meaning and value, it follows that delivering on the brand should create a sense of meaning in the employees’ life, thus enhancing its quality.

Research conducted by Hatch and Schultz (2003:1041) expands upon the above beliefs and concludes that the shift from product branding to corporate branding is generally ascribed to the difficulties of maintaining credible product differentiation in an industry characterised by homogenisation and imitation of products and services, as well as the fragmentation of traditional market segments that occurs when customers become more sophisticated and markets more complex. Due to the fact that organisations are now operating in a time characterised by unpredictable markets, Kitchen and Daly (2002:51) postulate that the ground rules for gaining a competitive edge have changed from organisational capital in the 1980s, to advances in technology in the 1990s, and finally to organisation’s employees in the new millennium. This evolution indicates that differentiation requires positioning of the whole organisation, not just its products. As such, when the organisation moves into the fore, the values and emotions symbolised by the organisation become crucial elements of differentiation strategies. Hence the fact that when strapped for competitive advantage, Blumenthal (2001:3) is of the opinion that organisations realise that only people can brand products effectively and that organisations must sell not just a branded product, but also a mass of branded people who stand behind it. Moreover, Tosti and Stotz (2002:4) reiterate the above view through the belief that the internal branding of an organisation, aimed at the employees, can be a powerful force for giving an organisation a competitive edge. As such, due to this shift in focus, Bickerton (2000:3) is of the opinion that the
The changing nature of brand management requires new models that provide a framework for establishing brand consistency and brand continuity. Research conducted by Abratt and Russel (2002:88), Balmer (2001:248), Knox and Bickerton (2003:1000) and Stuart (1999:200) concurs with Bickerton’s (2000:3) view, and reveals that the development of models describing the process of corporate brand management reflect the development of descriptive ideas and concepts within the field of corporate brand management as well as the complexity thereof. Furthermore, Abratt and Russel (2002:88) postulate that the theory relating to corporate identity management has evolved during the last 50 years. During the 1950s the basic premise has been on corporate image; during the 1970s and 1980s focus has been on corporate identity, corporate communication and corporate personality; and more recently the focus has been on the concepts of corporate reputation and corporate brand management. Hatch and Schultz (1997:357) indicate that the mutual influences of organisational culture, image and identity suggest a specific model of ways, where processes and properties, formally seen as internal and external aspects of an organisation, interlink with one another.

The overall aim is to present a theoretical discussion on the various components of corporate branding, whilst striving to conceptualise a definitive model for the corporate identity management process. Holistically there is a review of organisational branding as a whole before specifically focusing on internal branding as an organisational asset in sustaining strategic competitive advantage. Throughout the discussions, reference will be made to the role that corporate branding, specifically internal branding, plays in enhancing organisational salience and affinity amongst employees. The first section discusses branding as a whole by defining what a brand is. The second section focuses on the shift in focus that has taken place from product branding to corporate branding. This section presents various definitions of product branding and documents the shift from product branding to corporate branding and the implications of the trend for marketers. The third section discusses concepts of corporate branding, corporate identity and image. Within this section, the importance of sustaining the organisational strategic competitive advantage within a rapidly evolving environment through corporate branding initiatives is analysed. The benefits attributed to organisational branding, and internal branding in particular, are included. Finally, throughout these sections, the changing nature of corporate identity management is reviewed and the exploration of the significance of the various models of corporate identity management that have been depicted within the field of integrated communication is discussed. The aim of this section is to explore the significance of the various key factors attributed to corporate branding and corporate identity management that have been developed within the field of integrated communication.
3.2 BRANDING

Rooney (1995:48) is of the opinion that organisations are using branding as a strategy tool with increasing regularity. Although brands and branding are not new concepts, contemporary organisations are applying them to more diverse contexts where the role of branding is becoming increasingly important. Grimaldi (2003:1) postulates that branding is the foundation of marketing and is inseparable from business strategy. The concept of branding applies to any individual, organisation, product, or service, as long as there is a transaction between human beings. Indeed, branding relies on fundamental principles of psycho-sociology, which Grimaldi (2003:1) believes is essentially the way a person’s memory processes, stores, and recalls information about a specific brand. These methods aid consumers in making purchase decisions about a product based on the information and associations they have made from the branding initiative. As such, Kohli and Leuthesser (2001:6) and Low and Lamb (2000:350) indicate that brand associations are important to marketers as well as consumers due to the fact that marketers use brand associations to differentiate, position and extend, so as to create positive feelings towards brands and to suggest benefits of purchasing a specific brand. Similarly, consumers use brand associations to aid them process, organise and retrieve information in memory, as well as to help them in making purchasing decisions.

This brief discussion highlights the key components of the branding concept. However, in order to fully understand these components, the concept of branding as a whole needs to be defined and discussed. The following section provides a review of what branding is.

3.2.1 The Brand Defined

Within the field of branding, there are a number of generally accepted definitions of what a brand is. Brands can represent numerous things, thus Sampson (2000:1) is of the opinion that the term brand is overused and that its meaning has become ambiguous, whereby the scope of the term is perceived as being related to an icon, logo or word, or related to corporate worth and reputation (Gossen & Gresham, 2002:1).

Authors like Kotler (1991:442), Rooney (1995:45) and van der Westhuizen (1998a:6) present similar definitions of a brand, where a brand is described as a name, term, sign, symbol, or design, or combination of them which is intended to identify the goods and services of one seller or group of sellers to differentiate them from those of competitors. These definitions serve to highlight the focus on the tangible elements of the brand and the fact that one of the key aims of the brand is product differentiation from competitors’ products. A key difference is that Kotler
(1991:442) makes use of the word differentiate, whilst Rooney (1995:45) and van der Westhuizen (1998a:6) use the term distinctiveness. This shift in terminology reflects the evolution from trying to be dissimilar (differentiation) from the others to being unique (distinctiveness) from the others by focusing on the inimitable aspects of that specific product. Moreover, Urde (1994:18) postulates that the future of many organisations lies in brands. Wood (2000:662) reiterates these views through the indication that brands often provide the primary points of differentiation between competitive offers, thus they can be critical to the success of organisations. Hence the fact that it is important that the management of brands is approached strategically. Kohli and Leuthesser (2001:3), Schultz (2000:20) and Stanier (2001:29) are all in agreement and expand upon the research conducted by Urde (1994:18) through the indication that poor customer service; huge commoditisation of products; and a low brand recall caused aggressive competition within the business environment. Thus, business organisations decided they had to produce a strategy to help differentiate their organisational brand as a premium product. Stanier (2001:30) further indicates that quality customer service would become the core driver of brand distinctiveness. Moreover, alleviating high staff turnover and encouraging pride in the brand to improve customer service requires wide-scale organisational change and commitment. Creating and sustaining a competitive advantage is one way to build strong brands and to create brand equity, as well as to differentiate the brand from other competitive brands (Koekemoer, 1998b:80). Strong brands, characterised by high brand equity, are more likely to be sustainable in the market, because they create competitive barriers. Martinez and de Chernatony (2004:39) recapitulate this view through the explanation that this is due to the fact that by using brands as a starting point in the formulation of an organisation’s strategy, a brand orientation is created. Thus, contemporary organisations are realising the strategic importance of brands to their profitability.

Moreover, Klein (2001:175) indicates that cutting-edge trends in marketing theory encourage organisations not to view their brands as a series of attributes, rather to assess the psycho-social role the organisation plays in contemporary culture and in consumers’ lives. A brand adds value to the products or services an organisation offers by imbuing them with emotional, social, and even spiritual resonance. McEnally and de Chernatony (1999:7) expand upon the above and conclude that consumers and employees are now becoming actively involved in the brand creation process. This increased involvement indicates an increased willingness to interact with the brand in order to create additional value. The aim is to define the brand values into relevant and applicable behaviours for all employees. Furthermore, Stanier’s (2001:29) definition expands upon Klein’s (2001:175) discussion through the presentation of a brand where it is a
perception of distinctiveness and value. It is the sum of all customer perceptions, which are formed by all their experiences of the brand. As such, de Chernatony (1996:41) postulates that by definition, each brand strives to be different. In this regard, Grimaldi (2003:1) suggests that the value of a brand resides in the promise that the product or service will deliver. Branding adds a spirit and a soul to what would otherwise be “a robotic, automated, generic price-value proposition” (Blumenthal, 2001:1).

In their research, McEnally and de Chernatony (1999:4) discuss the concept of the alignment of all internal and external organisational communication activities and are of the opinion that a brand has a complex identity and there are numerous points of contact between the consumer, the employee and the brand. The organisation can no longer present one image to the media and another to customers or employees. Therefore, communication from the organisation needs to be integrated throughout all the operations of the organisation. As such communication is not unidirectional; it flows from the organisation to the consumer and from the consumer to the organisation so as to facilitate dialogue between the two. Once a brand identity has been fostered, a relationship between the brand and its consumers evolves, which is characterised by the inherent brand personality values. Moreover, the consumer-brand relationships are considered to be reciprocal, this is due to the fact that “through their interactions, employees significantly affect a brand’s relationship with its consumers. The consistency of these interactions is therefore crucial, since relationships mutually evolve and can be destabilised by changes from either partner” (Harris & de Chernatony, 2001:443). Sampson (2000:1) presents a definition of a brand, which views a brand as a relationship which secures future earnings by securing what is traditionally known as customer loyalty. This particular definition highlights the importance of the concept of future earnings and organisational performance as a key contribution to the field of branding. Urde (1994:18) concludes that established brands have the potential to increase the ability of organisations to compete as well as generate their growth and profitability. Awareness of this potential will enhance the importance of brands in the formulation of organisational strategies as a source for sustainable competitive advantage. As such, Sampson (2001:2) states: “The only asset any organisation will have as it moves into the future is its intellectual capital, often made up of brands.” In this regard, brands can be compelling, loyal, relevant, as well as provide a total experience. Schultz (2000:20) indicates that the key to success in building strong global brands involves listening to customers on a daily

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1 Authors such as Gossen and Gresham (2002:1), Uncles, Dowling and Hammond (2003:294) and Wilson, C. (2001:1) discuss the shift in literature from the term customer loyalty to customer salience, due to the fact that customer salience encompasses branding as the function of identifying and capitalising on sustainable competitive advantage, where the function of branding identifying or creating, and then exploiting, sustainable competitive advantage (Gossen & Gresham, 2002:1).
basis. The maintenance of a continuous, dynamic, reciprocal learning environment and the use of this continuous relationship to take action to improve their offerings, marketing professionals are creating a level of responsiveness and interaction that builds long-term trust and loyalty among customers.

Although branding is viewed as a means to create an image or identity, Blumenthal (2001:3) indicates that the tangibles of the organisation (distribution, quality, customer service, presentation, and packaging) and intangible assets (the conscious or unconscious messages created by employees of the organisation) need to be addressed. De Chernatony (2001:3) and Gossen and Gresham (2002:1) indicate that a brand is an intangible asset and due to its indefinable characteristics different people find different ways to make sense of it. However Blumenthal (2001:4) indicates that it is easier to quantify or control the tangibles than the intangibles. Bigge (1998:1) concurs with these statements and further indicates that brands were once considered the tangible assets of an organisation. Although brands might now be regarded as valuable intangible assets, Macrae and Uncles (1997:64) also indicate that their value could fall as well as rise.

In this regard, research conducted by de Chernatony (2001:5), Grimaldi (2003:1) and Koekemoer (1998b:79) reveals that a brand is comprised of emotional and rational elements. The emotional elements stem from how the brand is expressing itself, what it is showing, telling, or promising. These elements set the brand’s tone, character, mode, style, and mood of execution and, are less visible and, in turn, more difficult to express directly and to measure (de Chernatony, 2001:5). The rational elements occur from what the brand is telling, doing, and showing. These rational elements embody the content and theme of the brand’s communication, promise, and proposition and are the most visible part of the brand, the easiest part to articulate and measure (Grimaldi, 2003:1). Furthermore, Martinez and de Chernatony (2004:39) conclude that brands enable customers to efficiently encode their functional and emotional values in their minds. Thus, the resulting images aid customers in recognising the points of difference between competing brands. In this regard, research conducted by BrandSolutions (2000:4) presents a more holistic view of a brand through the indication that a brand is the visual, emotional, rational and cultural image associated with an organisation or a product. This definition expands upon the above discussion through the inclusion of visual and cultural elements associated with a brand, thus indicating that a brand is a holistic entity which encompasses both tangible and intangible elements the organisation wants its product to be associated with. Rooney (1995:48) indicates that essentially the purpose of branding is to build a product’s image. This image will, in turn,
influence the perceived worth of the product and will increase the brand’s value to the customer, and ultimately lead to customer salience.

Therefore, drawing on the above definitions, it can be said that successful branding involves “delivering a consistent set of customer experiences through the product or service, the advertising and communication, and the human representatives of the brand” (Stanier, 2001:29). This statement reflects the fact that employees (the human factor) are one of the key aspects of successful branding, due to the fact that the employees form the link between the organisation and the customers. Moreover the statement implies that a branding initiative will only be successful if it includes a holistic set of experiences which create awareness of the brand amongst customers and which the customers can associate with. As such, the creation of brand awareness, according to Koekemoer (1998a:30) and Kohli and Leuthesser (2001:9), occurs when marketers compete for market share by attempting to establish demand for the specific brands. The premise of creating demand for a specific brand is to create awareness among the target audiences. This awareness is achieved through repetitive advertising, personal selling efforts, sales promotion, as well as publicity. The implementation of these communication techniques internally within the organisation and the execution of its brand values into internal culture can impact employee engagement and satisfaction. Thus, although the product itself and the advertising and communication surrounding the product are of importance, it is how the customers perceive the employees to be upholding the brand’s promise which will have an impact on the product’s success. In conclusion, the definitions presented reflect that during the last few years there have been a number of amendments to the definition of a brand, which essentially results in an extension of the applications and scope of branding. The definitions presented indicate that concepts such as brand image, communication, brand value and differentiation are all key components of branding.

3.3 THE SHIFT FROM PRODUCT BRANDING TO CORPORATE BRANDING

The preceding discussion on branding highlights the fact that it is essential that a distinction be made between the concepts of a product and a brand. The product is not the brand; a product is manufactured, whilst a brand is created (Koekemoer, 1998b:79). The brand remains constant, but over time, a product may change. Bigge (1998:2) concurs and expands upon the above through the indication that whilst products have life cycles, brands don’t: “the battle of brands and products will be a battle of ideas”.

3.3.1 The Product Brand

Koekemoer (1998b:79) is of the opinion that due to the fact that in the mid-1880s there were no brands, little quality control by manufacturers, and the manufacturers had to offer the best deal to wholesalers in order to get their product distributed, the manufacturers had to differentiate their products from the competition. Therefore, the products were given names, patents obtained to protect the brand’s exclusivity, and advertising initiatives used to communicate the brand’s features to the customers: the concept of product branding was established. Research conducted by Knox and Bickerton (2003:999) and Temporal (1999:1) reiterates that of Koekemoer (1998b:79) and indicates that the concept of the brand can be traced back to product marketing, in which the roles of branding and brand management are to essentially create differentiation and preference for a product or service in the customer’s mind. Brand management, according to Grimaldi (2003:2), becomes the organisational framework that systematically manages these customer-centric processes. It aims at gathering intelligence, allocating resources and consistently delivering the brand promise over time at each contact point with the customer.

Balmer (2001:248) and Knox and Bickerton (2003:999) are in agreement that the evolution of branding over the past 30 years is characterised by layers of added value built around the core functionality of the product or service to create and sustain competitive advantage in a certain market. This has led to the increasing refinements of brand management techniques developed being characterised by brand image, brand positioning and brand identity. In essence, these characteristics are indicative of the changes in the business environment and the development of deeper insights into the nature and influence of the organisation. This is reiterated by de Chernatony (1996:40) and Hatch and Schultz (2003:1041) who indicate that among the changes organisations make as they embark on keeping up with organisational trends, is a shift in a marketing emphasis from product branding to corporate branding.

The primary reason for the paradigm shift from product branding to corporate branding, can be attributed to changes in the business environment. These changes in the business environment, according to Hatch and Schultz (2003:1041) and Macrae and Uncles (1997:65) include, amongst others, deteriorating product brand power, globalisation, advances in technology; more demanding consumers, rising perceptions of parity products, reduced employee loyalty and increasing competition, reflected in depth in Chapter Two section 2.3. As a result of these changes, Urde (1994:19) indicates that there is an increased trend towards corporate branding. Melewar and Saunders (2000:539) concur and conclude that with rapid product and technology change, an organisation’s identity and personality become the most crucial factors in a consumer’s choice between products. Increasingly, consumer’s actually buy into the organisation
that manufactures the product. De Chernatony (2001:2), Sampson (2000:1) and Simões and Dibb (2001:218) deduce that the shift from product branding to corporate branding is largely due to the consumers’ interest in knowing who the organisation behind the product is. This increased interest in the organisation behind the product is expanded upon by Stanier’s (2001:29) research, which indicates that organisations need to recognise that their staff are the embodiment of the brand, providing a point of difference through what the customer receives (functional values) and how they receive it (emotional values). Christensen (2002:163) reiterates this opinion through the indication that the trend among contemporary organisations is to brand themselves rather than their products.

Drawing on the traditions of product branding by sharing the same objective of creating differentiation and preference, corporate branding is a more complex process due to managers conducting these practices at the level of the organisation and the requirement to manage interactions with multiple stakeholders.

3.3.2 Corporate Branding

Einwiller and Will (2001:1) conducted a corporate branding study and state that the motivation for their study lies in the augmenting significance of corporate branding due to developments such as increasingly strong competition for stakeholder attention, the convergence of communication channels as well as stakeholder groups, the debate about stakeholder value and stakeholder acceptance, and the raising demands of stakeholders for transparency and openness. Moreover, strong tendencies of external growth through mergers and acquisitions and global expansion in many industries enhance the challenges for corporate branding, thus making the issue of corporate branding an even more complex task.

3.3.2.1 The Corporate Brand Defined

Murphy (1997:364) discusses the concept of corporate branding through the indication that when people think of branding, they often think of a distinct set of physical attributes that identify the products of an organisation. However, from an organisational perspective, a business organisation needs to build a brand that identifies the organisation itself and emotes positive feelings about the organisation. CoreBrand (2002:3) further concur with Murphy (1997:364) and states that corporate branding is a business process, one that is planned, strategically focused and integrated throughout the organisation, thus corporate branding necessitates a different management approach, due to the fact that the emphasis is moving from product branding to corporate branding. As such, corporate branding establishes the direction, leadership, inspiration, clarity of purpose, and energy for the most important asset of an organisation, its corporate
brand. Knox and Bickerton (2003:1005) introduce the idea that corporate branding is a visual expression of the organisation through the definition of the corporate brand being the visual, verbal and behavioural expression of an organisation’s unique business model.

Corporate branding is defined by van Riel (2001:12) as “a systematically planned and implemented process of creating and maintaining a favourable reputation of the company with its constituent elements, by sending signals to stakeholders using the corporate brand”. Underlying this definition is the emphasis on the concept of reputation and the corporate brand. Within corporate branding, the emphasis is on the organisation as a whole, thus Einwiller and Will (2002:101) do not completely support van Riel’s (2001:12) conceptualisation that the corporate brand is the tool for sending out signals. Einwiller and Will (2002:101) and Temporal (1999:2) maintain that both the organisational product and subsidiary brands can also be of great significance to the corporate branding process when brought into contact with the organisation as a whole. Thus, the authors’ expand upon van Riel’s (2001:12) definition of corporate branding by including the processes of creating a favourable reputation of the organisation by sending signals to all stakeholders by managing behaviour, communication and symbolism. Signals that derive from the organisation are shaped by the organisation’s culture, vision, and strategy, which influence and are conveyed by the company’s behaviour, symbolism and communication. In this regard, Einwiller and Will (2001:2) postulate that corporate reputation is influenced and shaped by signals originating from the company and the environment in which the company operates. Harris and de Chernatony (2001:443) expand upon the statements of Einwiller and Will (2001:2) and indicate that successful management of corporate brand resources should result in a favourable brand reputation. Moreover, brand reputation is a collective representation of a brand’s past actions and results that describes the brand’s ability to deliver valued outcomes to multiple stakeholders. The brand’s reputation needs to be stable and represents the distillation of multiple images over time. Research findings by The Conference Board (2002:3) conclude that the corporate brand can be defined as “a brand that establishes the identity of the firm as an employer. It encompasses the firm’s values, systems, policies and behaviours toward the objectives of attracting, motivating, and retaining the firm’s current and potential employees”.

From the above discussion, corporate branding can be viewed as a process that creates and enhances a network of associations in the minds of the target audiences. In this regard, research conducted at the MCM Institute for Media and Communications Management (NetAcademy, 2001:1) found that corporate branding is about creating positively loaded knowledge in the minds of all relevant target communities in order to build trust in the organisation, its products, services and actions, and to differentiate it from its competitors. The target communities for the
corporate branding process comprise all targets, such as customers, employees, and shareholders, relevant for the organisation to achieve its goals. The content creates the knowledge stored in the brand network. Everything the organisation communicates, and the actions it takes, creates knowledge in the brand network; hence, it is important that the communication strategy reflects the true identity of the organisation, so as to create a coherent brand network that doesn’t contain contradictory elements. In other words, it is about communicating all the corporate strategy facets to its relevant target communities. The definition given by The Conference Board (2002:3) incorporates these concepts and defines a corporate brand as “a brand that embodies the company values and a promise of value to be delivered. It may be used to differentiate your company from your competitors based on your strengths, your corporate culture, corporate ‘style’ and future direction”. In this regard, culture, as defined by Stanier (2001:29), is “the values, behaviours and practices that are rewarded in an organisation”. For every value associated with the corporate brand, for example organised and professional, there exists a behavioural indicator for each value, which is an indicator that can be observed, taught and that can apply to every level within the organisation.

Expanding upon the above, Chen’s (2001:443) research reveals that brand associations can be categorised into two types, those of product associations and organisational associations. Moreover, product associations are divided up into functional attribute associations (product attribute, perceived quality and functional benefits) and non-functional attribute associations (emotional association, symbolic association, price or value and usage context). Similarly, organisational associations can be grouped into corporate ability associations and corporate social responsibility associations. Thus, indicating the link between internal and external aspects of the associations. These brand associations encompass the key concepts identified in the definitions of brands documented in section 3.2.1. The amount and quality of emotional and factual elements of knowledge stored in the brand network are key components in the regulation of the degree of trust the organisation is granted by the target person (NetAcademy, 2001:2). Within this network of associations, the corporate brand name (symbol) serves as the basis for all corporate associations. This structure, in the minds of the target audience, is known as the corporate brand image (Interbrand, 2002:2). Research conducted by de Chernatony (2001:8) and Hatch and Schultz (2003:1047) reiterates the above statements through the postulation that the three elements of strategic vision, organisational culture and corporate images form the foundation of corporate branding. Furthermore, from the above presented definitions Hatch and Schultz (2003:1046) conclude that the strategic importance of corporate branding lies in creating organisational structures and cultures that support the meaning of the corporate brand. Balmer
and Grey (2003:976) and Hatch and Schultz (2003:1042) expand upon the above discussion through postulating that corporate branding brings to the field of marketing the ability to use the vision and culture of the organisation as part of its unique position. Research conducted by Wilson, A. (2001:353) reiterates the above through the revelation that employees are of strategic importance to corporate branding. This increased awareness of the employees’ strategic importance has led to a better understanding of the impact of the employees’ behaviour on the organisational culture of the organisation. As such, employees are fundamental to building relationships with the organisation’s stakeholders and contributing to the meaning of the brand.

Davis (2002:4) concurs with the above definitions, but expands upon them by presenting a stakeholder orientated view, which emphasises the importance of integrated communication within corporate branding. Thus defining corporate branding as a composite of all experiences, encounters and perceptions a customer has with the organisation. CoreBrand (2002:1) further state that corporate branding effects all forms of communication, be it from product packaging to advertising and to public relations. Research conducted by Murphy (1997:365) on the topic of corporate branding indicates that most of the actions and communication undertaken by the organisation add or detract from the marketplace’s perceptions of that organisation. Moreover, Einwiller and Will (2001:3) concur with the above beliefs and conclude that communication is flexible and well manageable as it can be adapted quickly and effectively to particular circumstances; thus, integrated communication, supported by symbolism, is often regarded as the tool best suited for shaping the corporate brand image, which too is buttressed by symbolism. Eagle and Kitchen (2000:6) concur with the above statements and indicate that integrated communication is an effective means of achieving consistency in brand communication.

From the above presented definitions of corporate branding, which detail the importance of integrated communication, Murphy (1997:365) indicates that the corporate branding process is the intentional declaration of what that organisation thinks, says, the image it portrays, and the way it behaves; thus, the across-the-board consistency that stems from integrated communication approaches plays an important role in effective branding. As such, the corporate branding process is described in research conducted by the Conference Board (2002:3), Einwiller and Will (2001:2), Hatch and Schultz (2003:1047) and NetAcademy (2001:1) and is diagrammatically represented by Einwiller and Will’s (2001:3) research. This diagram (see Figure 3.1) reflects the organisational elements, such as culture, communication, and symbolism, which will have an impact on the corporate brand image (the organisational name or symbol), as well as the reciprocal relationship that exists between the corporate brand image and the organisational corporate reputation. The environment in which the organisation operates is shown to have an
impact on each facet of the corporate branding process, indicating the fact that organisations operate within systems. The name or symbol component of the diagram is actually comprised of a network of corporate associations, which are created by the signals originating from the company and are stored in the minds of the target audiences.

Figure 3.1: The Corporate Branding Process (Einwiller & Will, 2001:2)

The following definitions introduce the importance of the alignment between the internal and external components of corporate branding. Thus, Interbrand (2001:2) purports: “A corporate brand stands for the relationship that an organisation has with its employees as much as it represents the relationship that it has with its customers through its product and service offering.” Tosti and Stotz (2002:1) hold the belief that one of the best ways for an organisation to ensure that things are done right externally is to do things right internally. In other words, the way an organisation behaves externally is usually a reflection of the way it behaves internally. To maximise the effectiveness of the corporate brand, it must be understood by all key audiences: customers, the media, employees, business partners, and all other groups that determine the viability of the organisation to engage in business practices. Aligning the organisation, operations and culture around the brand values of the organisation, brings the brand promise to life. Thus linking to Stanier’s (2001:29) definition of a brand (section 3.2.1), which emphasises the alignment of internal and external communication activities. Harris and de Chernatony (2001:442) expand upon the above definitions through the indication that corporate branding requires greater emphasis on factors internal to the organisation, focusing more attention on the role of employees in the brand building process. In essence, employees play an important role in the brand building process and top management can further enhance their brand potential by aiming to achieve greater congruence among members of the brand team and between the team and other employees.
Figure 3.2 represents the potential structure of the relationships between internal brand resources and brand performance.

However, from an organisational perspective, Bickerton’s (2000:2) view of branding as an organisational tool that must be managed to create an alignment between the internal culture and external image of the organisation, thus drawing on Murphy’s (1997:365) research by further indicating that the importance of communication in the branding process is supported both empirically and conceptually. From an organisation-wide perspective, corporate branding makes communication between entities and decision-making levels increasingly important. Research conducted by Einwiller and Will (2001:2) reiterates above research on the indication that organisations are increasingly utilising strategies of corporate branding as a competitive response to an ever evolving, dynamic global business environment. Hence the fact that the Conference Board (2002:3) maintains that corporate branding creates a competitive advantage for the organisation and indicates “having a strong brand for employees is a competitive advantage and a strategic advantage”. Thus, a strong corporate brand builds and sustains the strategic competitive advantage of an organisation, and in turn, enhances employee motivation and retention at the organisation. Bickerton (2000:1) is of the opinion that there is a growing recognition of the corporate brand as a valuable asset. Roll (2004a:1) reiterates the above statements through the postulation that a strong corporate branding strategy can add significant value in terms of enabling the organisation to implement the long-term vision and create unique positions in the organisation’s market place. When implementing a new brand strategy,
complementing the alignment strategy of the organisation, organisational brand managers are faced with two tasks, which are the need to create depth or brand continuity throughout the organisation and the need to create breadth or brand consistency across all stakeholders. However, the establishment of consistency and continuity for the brand requires new frameworks “capable of managing the broader set of variables associated with an organisation, as opposed to a product, and greater understanding of the mechanisms involved”.

The above presented definitions show that corporate branding is as being a systematic process, which emphasises the importance of integrated communication techniques (alignment between internal and external communication messages). Moreover, these definitions indicate that corporate branding uses aspects of corporate identity and corporate reputation specifically to achieve multiple objectives of human resources management as well as integrated organisational communication.

3.3.2.2 The Management of the Corporate Branding Process

With regards to the corporate branding process discussed in the preceding section, research conducted by Einwiller and Will (2001:24) concludes that the management thereof is an essential factor for its success. The four important aspects of management are identified as:

a) The Organisational Set Up of Functions Contributing to the Corporate Brand

The trend towards decentralisation, discussed in Chapter Two section 2.3, is attributed to the increased pace of environmental and market flux, as well as growing customer demands for rapid and differentiated solutions. The contemporary debate considers which core organisational functions should remain centralised. According to Einwiller and Will (2001:24), “in order to generate a coherent brand image, corporate communication (including design), which is – besides corporate behaviour – the main tool for corporate branding, should have a centralised position within the organisation”. In nearly all organisations, central corporate communication is responsible for steering the communication of the entire organisation with all its business units. In essence, it serves as a clearing function and an interface to top management. The complete integration of functions at an organisation illustrates all areas of responsibility and functions that exert an influence on the organisational brand and the brand system in total are concentrated within one department. Communication of organisational issues is integrated here. This strong integration ensures coherent communication and the strategic orientation of the brand system. Therefore, the successful implementation of integrated communication is due to the organisational set up of functions.
Hatch and Schultz (2003:1045) indicate that due to the fact that the successful interplay between strategic vision, organisational culture and the corporate images held by its stakeholders usually overextends the expertise of the typical marketing department, successful corporate branding involves the integrated efforts of all organisational departments, such as operations, marketing, strategy, communication and human resources. However, this does not imply that a marketer’s role is reduced. For example, Balmer (2001:250) argues that deliberate and orchestrated communication of corporate brands depends on the total corporate communication mix because corporate branding requires integration of internal and external communication, as well as creating coherence of expression across an array of channels and news media. Consequently, the role of marketers in corporate branding can be illustrated in the following activities:

- Ensuring consistent messages to all stakeholders;
- Ensuing the corporate brand reveals a good organisational culture and social responsibility;
- Selling the brand to employees;
- Aligning behaviour with brand values and promise;
- Increased planning and coordination; and
- Ensuring the corporate brand contains all the necessary communication regarding strategic branding, marketing banding, employee branding and stakeholder branding.

b) Coordination Procedures

The second aspect of the management process, which is characterised as the coordination of communication activities, is the prerequisite for ensuring correspondent and non-contradictory messages, as well as ultimately for the generation of a coherent organisational brand image in the minds of the organisational audiences. Most organisations have thought out elaborate guidelines for branding and communication, these could include the coordination of communication, brand definitions, and the corporate vision. Prerequisites to achieve these guidelines are their accessibility, comprehensibility, and acceptance. Sanctions, controlling mechanisms or incentives for not acting in accordance with guidelines, are perceived to be highly effective. Although written guidelines are important, coordination and cooperation between the various functions impacting upon the organisational brand and the brand system, is inevitable. Moreover, the Conference Board (2002:4) indicate that when communicating a corporate brand, electronic channels of communication, for example e-mail, intranet, chat rooms, play a definitive role when it comes to coordination.
Disseminating and transferring information and knowledge is greatly facilitated by suitably applied electronic channels.

c) Planning

Strategic planning begins with the analysis of the internal and external environment from which the catalogue of strategic options is derived to ultimately determine the strategic goals and measures. However, alterations in the ever-changing markets often force organisations to frequently revise set goals and plans. But within the organisations operating in fluctuating markets, basic components of the organisational brand can be subjected to long-term planning. To meet the goal of corporate branding, which Einwiller and Will (2001:29) state is “establishing a positive reputation with the company’s target groups”, planning is essential. In essence, the planning of goals and measures is a precondition for the achievement of a coherence of messages, a strong organisational brand image, and a positive corporate reputation.

d) Controlling or Measuring the Effects of Corporate Branding

As with planning, measuring the effects of corporate branding with the target groups of the organisation is crucial to succeeding in establishing a strong organisational brand. Over time, the effects thereof should be tracked in order to detect progress, strengths, weaknesses, and points of improvement. Einwiller and Will (2001:30) identify image survey or tracking, advertising tracking, specialised surveys, employee surveys, and media monitoring as instruments applied for monitoring the effects of corporate branding and corporate communication efforts. Although integrated communication is an ongoing process, it utilises annual reviews and planning. The marketing communication mix, according to Duncan (2003:1), “should be given by a SWOT (strengths, weaknesses, opportunities and threats) analysis of the brand’s current status. Based on prioritised SWOT findings, communication objectives should be set and strategies created that leverage key strengths and opportunities and address key weaknesses and threats.” Other than detecting aspects for improvement, organisational brand tracking and the measurement of its effects becomes increasingly important for organisational reporting. This increased significance attributed to brands, indicates that organisational stakeholders will begin questioning the processes utilised to evaluate the performance of the brand. Hence, results of branding measures are bound to become an integral aspect of organisational reporting.

In summation, by implementing this management process, the following advantages are realised:

a) The corporate brand, according to the Conference Board (2002:2), can differentiate the organisation from its competitors;
b) Corporate branding, according to the Conference Board (2002:2), can enable the organisation to further leverage on its tangible and intangible assets leading to branding excellence throughout the organisation;

c) There are cost efficiencies in terms of reduced marketing and advertising spending as the corporate brand replaces budgets for individual product marketing efforts (CoreBrand, 2002:2);

d) Strengthening the bottom line of the organisation (Koekemoer, 1998b:80);

e) A strong corporate brand, as documented by Roll (2004b:1), is the overall umbrella for the organisation’s activities and encapsulates its vision, values, personality, positioning and image;

f) Roll (2004a:2) postulates that corporate branding strategy creates simplicity. In essence, corporate branding is at the top of the brand portfolio as the ultimate identifier of the corporation;

g) Roll (2004b:1) indicates that corporate branding can be a strong tool for realigning a corporate strategy and ensures that the organisation is leveraging adequately on the untapped internal and external resources;

h) Stanier (2001:28) indicates that the corporate brand has the ability to boost market valuation and influence customer preferences;

i) Moreover, The use of the corporate brand, according to Tosti and Stotz (2002:3), as a framework and change agent offers the organisation several benefits, namely:

- It provides a positive rationale for change by helping employees see how they are contributing to an organisation that, in turn, will return value to its employees;
- It encourages employees working on other organisational initiatives to look at how their efforts can contribute value to the organisation and customers;
- It provides a common business focus for change (the satisfaction and retention of customers) that employees throughout the organisation can accept, and;
- It provides a common inspirational focus for change.

Although there are numerous advantages of corporate branding, McDonald, de Chernatony and Harris (2001:337) indicate that corporate branding can however also inhibit an organisation from successfully expanding into market segments or products which do not usually fit into its existing customer base. The above discussion indicates that corporate branding requires a holistic approach to brand management, where Harris and de Chernatony (2001:444) believe that all members of an organisation behave in accordance with the desired brand identity. Brands are multidimensional entities, whose success requires matching the functional and emotional values
of an organisation with consumers’ performance and psychosocial needs (Klein, 2001:347). Therefore, corporate branding relies on organisational members holding congruent perceptions about the nature of the brand. Furthermore, Stanier (2001:29) indicates that perception depends on a person’s expectations and previous knowledge and the information presented by the brand. As such, congruent perceptions will be crucial to the successful management of corporate brands. To build a coherent brand identity, Einwiller and Will (2000:35) conclude that top management need to understand the factors that could affect the congruency of perceptions. Thus enabling them to identify potential problems and secure appropriate mechanisms to minimise incongruity.

3.3.2.3 Corporate Identity
With regards to the trends in the business environment, discussed in Chapter Two section 2.3, Macrae and Uncles (1997:65) are of the opinion that the corporate brand image has taken on renewed importance in management and marketing processes. A weak or strong corporate image can make a significant difference in terms of an organisation’s sales volume and its stock price. It will also affect the marketing and acceptability of the organisation’s products, services and human resources. According to research conducted by Chen (2001:441) and Gotsi and Wilson (2001:99), an innovative corporate image has a substantially positive impact on corporate credibility, making the organisation appear to be more expert, trustworthy and attractive to internal and external stakeholders, paying attention to the communication role that employees play in transmitting the image of their organisation. As such, Topalian (2003:1120) postulates that corporate image is the sum of impressions and expectations of an organisation built up in the minds of the organisation’s stakeholders and publics. Due to the fact that corporate images are formed within the minds of the target audiences, Abratt and Mofokeng (2001:368) deduce that the images are difficult to focus and control, and can only be influenced by the organisation’s communication activities aimed at the publics. However, research conducted by Harris and de Chernatony (2001:441) concludes that there is a shift in branding literature from the concept of brand image to that of brand identity. Tosti and Stotz (2002:3) expand upon the research conducted by Harris and de Chernatony (2001:441) through the indication that the brand of an organisation is more than the image it presents to customers through marketing and advertising. It is, in essence, the experience customers have with the organisation and its products and services. Harris and de Chernatony (2001:447) further postulate that traditionally, corporate image and corporate reputation were used interchangeably; it is only recently that corporate reputation has been established as a separate concept. Corporate reputation is the perception of corporate identity built up over time, thus making it much more stable than corporate image.
Suvatjis and de Chernatony (2004:3) and van Heerden and Puth (1995:12) concur with Harris and de Chernatony (2001:441) through the indication that in the terms corporate image and corporate identity can be used interchangeably, due to the fact that there are numerous and often contradictory definitions of corporate image and corporate identity. In this regard, research conducted by Cornelissen and Elving (2003:114) reveals that the term corporate identity was first coined in 1957 in relation to an organisation’s logos and symbols, as these were viewed as identifying the organisation to third parties. Corporate identity was originally synonymous with visual identification, common house style, naming, and logos used by the organisation. Ever since, organisations continued to endorse the label of corporate identity as an emphasis on the importance of visual identity systems. Furthermore, Alessandri’s (2001:176) research presents an operational definition of corporate identity, where all of the observable and measurable elements of an organisation’s identity manifest in its comprehensive visual presentation of itself, but not limited to, its name, logo, tagline, colour palette and architecture. Corporate identity also includes the organisation’s public behaviour, including, but not limited to, its reception of employees, customers, stakeholders and suppliers.

In essence, corporate identity is perceived to be an endorsement of the brand and corporate values and is evident in every aspect of the brand experience. As such, Alessandri (2001:173) indicates that the consistent use and exposure of this corporate identity in all forms of communication aids in the public’s learning about the organisation. In the long run, the corporate identity of an organisation is thought to effect the public’s perception of the organisation. Thus, the term has come to incorporate all communication techniques that leave an impression with key publics and organisational stakeholders (van Riel & Balmer, 1997:341). In this regard, Balmer and Dinnie (1999:183) and Melewar and Saunders (2000:538) purport that corporate identity is viewed to be multi-disciplinary in perspective, which embraces a number of management disciplines such as corporate communication, corporate image and reputation, organisational structure, corporate strategy and organisational design. Research conducted by Eren and Karul (2004:3) document that each of these components constitutes an independent field and holistically, these components complete the whole concept of corporate identity. Thus establishing the fact that corporate identity can be applied to both internal and external organisational traits.

However, due to the rapidly evolving context of integrated communication, van Riel (1997:289) postulates that corporate identity now indicates the way in which an organisation present itself through behaviour, as well as through symbolism, to internal and external audiences. Check-Teck and Lowe (1999:89) and van Riel and Balmer (1997:340) are of the opinion that
symbolism is embedded deeply within the field of corporate identity. Christensen and Askegaard (2001:5) expand upon van Riel’s (1997:289) research through the indication that contemporary organisations often attempt to manage their identities so as to treat them as corporate identities. Although image focuses on consumers’ perceptions of brand differentiation, identity deals with how managers and employees enhance the distinctiveness of a brand. In order to enhance the uniqueness of the brand from an internal and external perspective, managers need to internally define the brand values and then ensure employees’ values and behaviours are consistent with them. Therefore, externally, managers should examine the reputation of their brand among stakeholders, so as to ensure the identity of the brand is successfully communicated and valued outcomes are consistently delivered. Underpinning all external brand activity is the internalisation of the brand and its personality. Moreover, authors such as Klein (2001:347) and Overton De-Klerk (1996:205) agree that the communication of the brand exclaims its singular and durable identity and a brand exists in and only through communication. It is, therefore, essential for the brand to be distinct from its competition, as it is the competition that enables the formation of the brand’s identity.

The above discussion on brand identity and the brief overview of corporate identity forms the precursor for the various definitions and descriptions of corporate identity. In this regard, corporate identity, according to Markwick and Fill (1997:397) and Melewar and Saunders (2000:538), is presented to stakeholders utilising a variety of cues and represents how the organisation would like to be perceived. Christensen and Askegaard (2001:3) expand upon this through the description of corporate identity as an assembly of cues by which an audience can recognise the organisation and distinguish it from others and which can be used to represent or symbolise the organisation. Moreover, Howard (1999:2) and van Riel (1997:289) reiterate this description by Christensen and Askegaard (2001:3) through the indication that this assembly of cues represent the self-presentation aspect of an organisation. Hence the fact that corporate identity is defined as “the self presentation of an organisation, rooted in the behaviour of individual organisational members, expressing the organisation’s ‘sameness over time’ (continuity), ‘distinctiveness’, and ‘centrality’” (van Riel, 1997:289). From this definition it can be said that the nature of the specific corporate identity characteristics set will affect performance positively if the characteristics are appealing to the internal audiences of the organisation and to external audiences with stakes in the organisation. It is from the view of van Riel (1997:289) that the stronger the employees identify with their organisation, the more supportive and accepting they are of organisational promises and the more they make decisions that are consistent with organisational objectives. Leitch and Motion (1999:193) expand upon
van Riel’s statement (1997:289) through the indication that corporate identity theory tends to focus on consistency. This implies that everything the organisation does must be an affirmation of its identity. As such, consistency enables the organisation to communicate with a unified voice. In essence, coherence through consistency is a key factor in organisational success.

Definitions of corporate identity by Cornelissen and Elving (2003:116), Eren and Karul (2004:2) as well as Melewar and Navalekar (2002:97) expand upon the above descriptions of corporate identity through the description of corporate identity as the strategic development of a distinct and coherent image of an organisation that is consistently communicated to stakeholders through symbolism, planned communication and behaviour (the corporate identity mix). In the regard, Argenti (1996:76) indicates that image is a reflection of the reality of the organisation, where the organisation is seen through the eyes of the organisation’s internal and external stakeholders. This definition is similar to the definition of corporate branding presented by Einwiller and Will (2001:101) in section 3.3.2.1, as both definitions emphasise the trilogy of symbolism, communication and behaviour. Drawing on the theoretical underpinnings of corporate identity, as laid out by Argenti (1996:76), van Riel (1997:289) and Einwiller and Will (2001:3), Figure 3.3 depicts the core elements of the corporate identity. Moreover, the relationships between these elements is presented, thus reiterating the beliefs of these authors that the elements contributing to the formation of the corporate brand image, in the minds of the various target groups, are known as the elements of corporate identity. These elements are the most central, enduring, and distinctive to the organisation (Einwiller & Will, 2001:4).

Figure 3.3: The Elements of Corporate Identity (Einwiller & Will, 2001:3)

Corporate identity management, according to van Riel and Balmer (1997:342), takes an organisation’s historical roots, its personality, its corporate strategy and the three parts of the
corporate identity mix (behaviour of organisational members, communication, and symbolism) into account in order to acquire a favourable corporate reputation, which ultimately results in improved organisational performance. Moreover, reputation and performance are also influenced by developments in the external environment and by corporate personnel, customers and government.

With regards to the corporate reputation and internal and external communication aspect discussed by van Riel and Balmer (1997:342), Stuart’s model of the corporate identity process (see Figure 3.4), which was originally formulated in 1994 and updated in 1998 (Stuart, 1999:203), represents a significant change in direction from earlier models. This model includes corporate culture and corporate symbols under corporate identity, the use of arrows to denote internal and external communication, and the placement of employees into the internal part of the model. This inclusion of employees registered the fact that employees’ view of corporate identity is an important part in its management, which was observed by Kennedy’s 1977 model. This model retains the notion of the corporate identity/corporate image interface. An arrow marked corporate strategy between corporate personality and corporate identity implies that corporate identity is the “deliberate presentation of the corporate personality as strategically decided on by the company” (Stuart, 1999:202).

Figure 3.4: Stuart’s Model of the Corporate Identity Process (Stuart, 1999:206)
Moreover, research conducted by Carroll, Hannan, Pólos and Swaminathan (2002:4) expands upon the above through the indication that corporate identity does more than just identify a product, service, or business. This identity is an invaluable internal and external communications tool, which is capable of transcending language and cultural barriers. In essence, Christensen and Askegaard (2001:5) are of the opinion that the challenge for an organisation is to conceive of corporate identity as symbolic representations of the organisation that appeals to various different audiences across formal boundaries and to conceive of corporate image as a composite set of interpretations of these representations, an interpretation composed of perceptions and impressions among both internal and external organisational stakeholders. Therefore, as reflected by Stanier’s (2001:29) research in section 3.2.1, the role of the employee becomes increasingly important as the employees are the link between the customer and the organisation. Thus, the role the employees can play to an organisation needs to be viewed as an asset to the organisation’s strategic performance.

Abratt and Mofokeng (2001:367) and Hatch and Schultz (1997:356) are of the opinion that contemporary organisations face challenges stemming from the breakdown of the boundary between their internal and external aspects. In the past, organisations were able to disconnect their internal functioning from their external relations in the environment, due to the fact that there were few contacts between insiders and outsiders. However, the processes of networking, organisational restructuring and business process re-engineering redefine previously considered matters of external relations as part of the daily activities of most organisational members. These challenges imply that the categories of internal and external parameters are interlinking in organisational practice. A model (see Figure 3.5) of the relationship between organisational culture, identity and image is presented by Hatch and Schultz (1997:361). Figure 3.5 illustrates both the internal and the external influences of and on corporate identity. The internal influences on identity are illustrated by the left side of the figure, depicting organisational identity as the nexus of influences from top management vision and leadership efforts, as well as opinions and beliefs formed about the organisation by its internal stakeholders as they embark on their routine work activities. Both sets of influence are interpreted within and contextualised by the organisational culture. In turn, organisational identity has numerous external forces. Corporate identity is communicated to the various audiences of the external environment who form organisational images. Direct contacts between internal and external organisational members will have an influence of both organisational culture and identity on image over and above that conceded by top management. In the figure, the arrows from organisational image to organisational identity and from organisational image through top management vision and
leadership to organisational identity indicate those sources of external influence on organisational identity.

Figure 3.5: A Model of the Relationships between Organisational Culture, Identity and Image (Hatch & Schultz, 1997:361)

Research conducted by Balmer (2001:286) indicates that organisations are shaped by multiple identities. There are five identity types that characterise an organisation. In essence, these five identity types should ideally be in close alignment. However, if this is not the case, some form of identity change will be required. These identity types are characterised as:

a) The actual identity (internal values, organisational behaviour, activities, market scope, positioning, and performance);
b) The communicated identity (the various organisational messages conveyed via primary, secondary and tertiary communications: total corporate communications);
c) The conceived identity (the images, representations, reputational profile held of the organisation by stakeholder groups and networks);
d) The ideal identity (the optimum positioning for the organisation in a given time frame); and
e) The desired identity (the vision as articulated by the corporate and the management board).

Van Riel and Balmer (1997:341) acknowledge that senior managers can narrow the gap between the actual and desired corporate identity through organising the corporate identity mix (symbolism, communication and behaviour).

A combination of all the significant features presented by the previous models on corporate identity and the contemporary view on corporate identity management provides an updated
model that more clearly defines the corporate identity management process. The factors taken into account are presented in Table 3.1.

Table 3.1: Elements of a Definitive Model (Stuart, 1999:205)

<table>
<thead>
<tr>
<th>Concept</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Personality</td>
<td>Ownership, corporate mission, corporate philosophy, core values.</td>
</tr>
<tr>
<td>Corporate/Organisational Culture</td>
<td>Culture as a context not a variable.</td>
</tr>
<tr>
<td>Corporate Strategy/Strategic Management</td>
<td>Corporate identity is a deliberate presentation of corporate personality based on corporate strategy.</td>
</tr>
<tr>
<td>Corporate Identity/Corporate Image Interface</td>
<td>Expression of the corporate personality in behaviour, symbolism (visual identity) and communication.</td>
</tr>
<tr>
<td>Corporate Reputation</td>
<td>Result of corporate image over time.</td>
</tr>
<tr>
<td>Corporate Communication/Total Corporate Communication</td>
<td>Consisting of management, organisation and marketing communication. Everything the organisation says, does and communicates.</td>
</tr>
<tr>
<td>Integrated Communication</td>
<td>The three forms of communication need to be integrated horizontally and vertically.</td>
</tr>
<tr>
<td>Employees</td>
<td>Employees’ view of corporate identity is significant.</td>
</tr>
<tr>
<td>Environmental Influences</td>
<td>Actions of competitors, government legislation, prevailing economy.</td>
</tr>
<tr>
<td>Organisational Structure/Corporate Identity Structure</td>
<td>Type of organisational structure as it relates to corporate identity structure.</td>
</tr>
</tbody>
</table>

It is from these elements that a new model of the corporate identity management process is presented in the following figure (see Figure 3.6). The main concepts of this model, according to Abratt and Russel (2002:88) and Stuart (1999:204), are as follows:

a) Corporate personality consisting of the corporate philosophy, the corporate values and corporate mission. The personality adds culture, emotion, and myth to the corporate identity. In addition, the emotional characteristics attributed to the corporate brand are represented by the metaphor of personality (Knox & Bickerton, 2003:1001), which evolves from the core
values of the corporate brand, and is further developed through associations with consumer contacts with the organisational employees. Markwick and Fill (1997:400) and van Heerden Puth (1995:12) and are of the opinion that corporate personality is what the organisation actually is, and is the sum total of the organisational characteristics (product offering, values and beliefs, culture, and facilities) from which the corporate identity is generated.

b) Corporate strategy based on management communication, incorporating top management vision, products and services, organisational structure, and corporate identity structure. Vision and culture are at the core of corporate identity and drive the desired positioning of the corporate brand. Vision encompasses the core purpose and core values of the corporate brand, thus providing an internal system of guiding principles for employee behaviour. A positioning statement indicates the line of business the organisation is in, the benefits it provides and why it is better than the competition.

c) Corporate brand positioning, according to Harris and de Chernatony (2001:442), communicates what the brand is, whom it is for and what it actually offers. Therefore, research further conducted by BrandSolutions (2000:2) additionally reflects the fact that managers need to ensure that both its employees and external communication consistently convey the personality of the corporate brand.

d) Management and organisational communication are used to translate the reality of the identity into corporate images held by the various stakeholder groups. According to Gotsi and Wilson (2001:100), organisations need to ensure that their employees have a positive image of their organisation for them to strongly identify with the organisation. Moreover, Flavián, Torres and Guinaliu (2004:367) indicate that corporate image is an important management tool for contemporary organisations.

e) A broken line represents the corporate identity/corporate image interface, following the line of reasoning presented by Dolphin (2004:83) and Stuart (1999:204) that the boundary is breaking down.

f) The corporate images are eventually converted into a corporate reputation for the company, which Greyser (1999:178) postulates leads to sound financial performance and business survival. As such, Fatt, Wei, Yuen and Suan (2000:28) and Gotsi and Wilson (2001:100) purport that the concepts of corporate image and corporate reputation are interrelated and emphasise the importance of the internal aspects of corporate reputation management. In this regard, Harris and de Chernatony (2001:446) describe corporate reputation as a single image that merges the multiple images of the organisation held by all its stakeholders. Moreover, Gotsi and Wilson (2001:100) further suggest that employees have a key role to play in communicating organisational images to external stakeholders, which forms part of the
behavioural element of the corporate identity mix discussed by Eren and Karul (2004:3) and van Riel and Balmer (1997:289). Although Gotsi and Wilson (2001:99) are of the opinion that a favourable corporate reputation can be perceived as a corporate asset, Balmer and Stotvig (1997:170) indicate that it should not be viewed as an end in itself due to the fact that a good reputation is not always sufficient on its own to ensure an organisation’s success. Moreover, the acquisition of a favourable and enduring identity is more likely to occur when the external environment is which the organisation operates is taken into account (Balmer & Stotvig, 1997:170).

g) Environmental influences are shown as impacting on all parts of the model, such as the corporate personality, corporate strategy and corporate identity aspects of the model.

h) Organisational culture is shown as a surrounding area, denoting that it is a context rather than a variable. According to research conducted by Wilson (1997:163), the organisational culture encapsulates employees’ values and assumptions, which also guide their behaviour. As such, Harris and de Chernatony (2001:442) expand upon the above through the statement that “managers need to be attentive to their organisation’s culture and its alignment with the brand’s values, since this could result in inconsistent behaviour and detrimentally effect stakeholders’ perceptions of the brand.”

From the above-identified elements of the Definitive Model of the Corporate Identity Management Process (see Figure 3.6), it is evident that the model understands and articulates the importance of employee contribution to the enhancement of the organisational image and their acceptance of the organisational brand, if these branding initiatives are to be internalised and successfully implemented. Moreover, the model emphasises the fact that organisational culture is a context for behaviour, not a variable of behaviour. The concept of integrated communication, which is dealt with in Chapter Two section 2.3.1.3, is of particular importance in this model, as it reiterates the theoretical underpinnings that management, the organisation and marketing communication need to be integrated horizontally and vertically for the attainment of successful branding initiatives within the organisational setting, as well as externally. Thus, continuous feedback and dialogue enhance the employees as assets to the organisation, and in turn, aid in sustaining the competitive advantage of the organisation in a dynamically evolving global environment in which the organisation operates.

As such, Figure 3.6 presents the integration of the above presented table and elements of this all-encompassing model of the corporate identity management process.
Figure 3.6: Towards a Definitive Model of the Corporate Identity Management Process (Stuart, 1999:207)
In summation, Christensen and Askegaard (2001:3) postulate that a strong identity has a number of benefits for the organisation; these include adding value to products, attracting high-quality personnel and enhancing employee motivation. Further, corporate identities and corporate images, typically conceptualised as “the total impression an organisation makes on its surroundings” (Christensen & Askegaard, 2001:3), are volatile social constructions that base their existence and significance on the audiences’ interpretive capabilities and preferences. Research conducted by Einwiller and Will (2001:4) supports the views of Christensen and Askegaard (2001:3), and concludes that directed towards the inside of an organisation, corporate branding generates a shared identity and team spirit which enhance motivation, facilitates coordination and the creation of synergies. This should ultimately lead to improved employee performance. Directed towards external target groups, corporate identity raises attention for the organisation, its strategy and its purpose, which ultimately enhances acceptance and esteem, leading to support and trust. An impression of unity and a sense of strength and power are further created by corporate identity initiatives. The Conference Board’s (2002:5) research findings concur and indicate that a corporate brand identity that is strong beyond the workplace can be a source of pride and commitment for employees.

The above discussion on corporate branding laid the foundation for a review on an organisation’s internal branding strategy, as the definitions of corporate branding revealed the organisational focus on branding to be both external and internal. Thus, the following will analyse the internal brand within a corporate branding context.

3.4 INTERNAL BRANDING

Tosti and Stotz (2002:6) state that the corporate brand plan specifically identifies the customer value proposition, the required internal cultural practices, and the collaborative relationships required to deliver on the promise to the customer. This brand promise needs to be applied to both the external and internal organisational customer, thus Stanier’s (2001:30) research on the topic of understanding the internal brand concluded that an employee knowing the corporate brand is the most powerful influence on a positive answer for the “overall, I’m proud of my organisational corporate brand” perspective. Moreover, the importance of creating a consistent and ubiquitous definition of what the brand values mean internally, and how they then translate into behaviours externally, is essential for a successful values programme. In order to enhance the success of any corporate branding effort, the organisation must develop an integrated program of internal activities. Moreover; the brand must be so powerfully appealing that not only the organisation, but also the employees within it, find self-fulfilment in aligning themselves,
and their behaviours, against it. Einwiller and Will (2001:29) concur with these statements and indicate that a strong internal brand can only be achieved if it is supported by the employees.

Due to the fact that corporate branding is characterised by numerous perspectives, it follows that internal branding, as a component of corporate branding, will also be characterised by different definitions pertaining to the concept of internal branding. Harris and de Chernatony (2001:441) postulate: “The roles of employees are also changing. No longer can they be subsumed under the category of the ‘firm’; they need to be recognised as a brand’s ‘ambassadors’”. In this regard, Simões and Dibb (2001:219) expands upon the above statements through the indication that employees form the interface between the internal and external environments of a brand and can have an extensive impact on consumers’ perceptions of both the brand and the organisation. Tosti and Stotz (2002:6) recapitulate these views through the conclusion that the new focus in organisations, with regards to internal branding strategies, is employees.

Internal branding, from a managerial perspective, is defined by Blumenthal (2001:10) as “the way that people can relate to each other, be part of something, part of a unity, an image, and that everything I do or say to a customer or another employee, I am representing that image”. Due to the fact that this definition is from a managerial perspective, the idea of unity and conformity to the internal brand is established. A strong internal brand is highly beneficial to the relationships with internal stakeholders, as it can enhance identification with the organisation and create a sense of unity (Einwiller & Will, 2001:4). A strong sense of unity and a high level of identification form the foundation for motivation and performance, as well as for efficient coordination within the organisation. However, from a human resources perspective, internal branding is viewed in more strategic terms, where the common understanding of the direction of the organisation by its employees is emphasised. In other words, internal branding from this perspective is about people knowing who the organisation is, what the organisation does, where the organisation aims to go in the future, and the employees being aligned with the strategic goals of the organisation (Blumenthal, 2001:10). The ideas of conformity and alignment are emphasised in this definition. In this regard, the alignment process works to deliver strong performance when employees understand and accept that the organisational values are genuine, they align their attitudes and behaviour to the brand values. Thus resulting in greater satisfaction for both customers and employees, this in turn, leads to employee and customer preference and customer salience. On the other hand, the communications perspective of internal branding means ensuring the organisation’s reputation is consistent with organisational values, or even protecting the organisation’s reputation among internal stakeholders. This definition emphasises the concept of reputation introduced by definitions of the corporate brand (section 3.3.2.1), thus
reinforcing the link between corporate branding and internal branding. The brand should be articulated in the same way, regardless of the audience (external or internal), thus underpinning the organisational culture. From this definition it can be contended that contemporary business organisations that aim to create and sustain their competitive advantage through integrated communication, specifically branding initiatives, understand the importance of incorporating internal branding techniques into the organisation, so as to transform personalities at the individual level and the culture at a broader level. The basic premise is to “create a system populated by the kind of people whose behaviours will support corporate messages both internally and externally” (Blumenthal, 2001:5).

Bickerton (2000:2) expands upon the preceding views of Blumenthal (2000:10) through the belief that corporate branding, specifically internal branding, is an organisational tool that must be managed to create alignment between the internal and external image of the organisation. This must begin with the organisational vision and mission. Tosti and Stotz (2002:1) postulate that organisational alignment is derived from human performance technology and focuses on linking an organisation’s culture, processes and behaviours with its corporate goals and strategies. Therefore, internal branding is an organisational alignment effort designed to make sure an organisation can, and will, effectively deliver on its brand promise to customers. Internal branding ensures that the entire organisation understands and actively pursues the delivery of the brand promise (Tosti & Stotz, 2002:4). As such, internal branding translates the corporate brand into internal behaviour and systems that support people in turning the brand promise into the reality of customer experience. In order for this customer experience to be implemented, a powerful brand statement which will attract customers needs to be upheld, but the long-term success of most organisations depends on keeping these customers.

Emphasising the elements presented the review of the implementation of the internal brand; Figure 3.7 presents a basic diagram of the linkages between the concepts of the alignment process and shows how these aspects of organisational life effect one another. The implementation of a successful internal branding process will lead to increased pride in the organisation by the employees because they will understand that these initiatives are aimed at them, thus enhancing feelings of organisational loyalty and affinity. This pride enhances both the internal and external alignment of the organisational brand, leading to a sustained competitive advantage and increased external rewards (profit, good reputation, and market share) for the organisation.
From the model of the internal branding process, emphasising the linkage between internal branding and employee satisfaction, it can be deduced that an employee’s perception of an organisation will be influenced by aspects such as company policy; communication techniques, channels, and procedures utilised; company products; as well as pay structures. The internal benefits attributed to the improvement of internal branding include:

a) A corporate image, according to Blumenthal (2001:4), which the public perceives as dependable, trustworthy, and responsible (better consumer relations);

b) The Conference Board’s (2002:4) research findings indicate that it results in the attraction of quality personnel (leading to higher productivity);

c) Increasing assets (financial and investment opportunities), which Key (2002:2) indicates that creates a valuable competitive advantage for the organisation;

d) Management’s clear perception of organisational goals, which are well-defined business objectives, according to Mersham et al. (1995:142);

e) Mersham et al. (1995:142) further indicate that there is an increased focus on employee morale, on communication and on a coordinated media framework and picture;

f) The corporate brand becomes more coherent the more employees identify with the corporate brand and the values it represents. Conversely, Stanier (2001:31) postulates that the higher and stronger reputed the corporate brand is with external stakeholders; the more likely the employees are to strive to identify with it. Hence, the strengthening of the corporate brand
needs to occur both from the inside out and from the outside in. Therefore, the closer the employees are with the brand and with the customer, the greater their loyalty and commitment will be to the organisation; and
g) An employee-driven brand values programme (internal branding programme), according to Stanier (2001:31), is found to have increased employee engagement as well as improved customer service.

In summation, internal branding is a long-term process of adjusting employee behaviours, whilst numerous communication methods and chains of managerial command are utilised, not merely to conform to a desired identity; but to “live, breathe, sustain and revitalise it willingly” (Blumenthal, 2001:2). From an integrated approach to communications, Stratecom (2000:4) indicates that internal branding involves marketing and human resources strategically supporting each other’s communications, and ensuring they are brand-driven and aligned at the core level of the organisation. According to Tosti and Stotz (2002:6), when an organisation is already customer-focused, and the organisation has the view that it is a service company, then internal branding may be achieved and implemented relatively easily. If an organisation has already moved from an operational orientation to a service orientation, it is well prepared to provide internal support for its new brand. Based upon the preceding discussion on internal branding, the following provides a review of the process pertaining to the implementation of the internal brand.

3.4.1 Implementation of the Internal Brand
According to research conducted by Blumenthal (2001:6), there are activities and aspects of the organisation that can be controlled, but aren’t currently being considered as part of that brand impression or brand perception activity, although they actually are. Due to the fact that each member of the organisation is involved in delivering the internal brand to some degree, in some way or form, there needs to be a process and discipline associated with the implementation of the internal brand. Moreover, successful internal branding requires a comprehensive understanding of the organisation from all perspectives. Research findings by Interbrand (2001:3) and Stratecom (2000:6) expand upon Blumenthal’s (2001:6) statements and indicate that there is a proven process that needs to be followed so as to create a holistic vision of the internal audiences, the information they need to maintain motivation, focus and allegiance, the team development requirements for achieving maximum performance, as well as the cross-functional integration necessary for operational efficiency. This process, according to Interbrand (2001:3), includes:
a) Management review

Management review occurs when the organisational executive management team meets with the communication strategists to further understand the vision, mission and objectives of the organisation; learn how to value the employees; gain a shared understanding of internal branding; as well as establish benchmarks for measuring success. Stanier (2001:29) further indicates that the leadership team needs to be committed to a method in which leadership not only helps to define behaviours associated with organisational values, but also needs to be publicly committed to them; thus becoming role models of the behaviour for the rest of the employees.

b) Culture assessment

Culture assessment utilises tactics to understand the internal relationships of the organisation, organisational culture, employee psyche, and the external brand identity and corporate and internal brand strategy. Stratecom (2000:6) reveals that these tactics include a management review, which is a meeting with various management teams, such as sales, marketing and human resources, within the organisation, a culture assessment, which involves reviewing existing documentation regarding the current culture, and a programmes analysis to determine the implementation of various rewards and recognition programmes, sales incentives, team building strategy, and employee motivation campaigns.

c) Communication planning

Communication planning essentially deals with the development of an internal communication plan that integrates the external organisational branding strategy into its employee communication. This strategy coordinates employee communication; corporate learning; teambuilding; and organisational development. Contemporary corporate communication specialists have realised the inherent importance of corporate events as internal communication tools in the enhancement of an internal organisational brand. Thus, Bryant (1996:1) states that these communication specialists now offer a wide variety of venues, gadgets, and themes for corporate entertainment and motivation programs. For example, family fun days are seen as a cost-effective way of rewarding employees and their families.

d) Objectives and measurements

Objectives and measurements occur when the internal communication plan is approved, the development of objectives for each aspect and the establishment of success measurement benchmarks follow. These benchmarks, according to Interbrand (2001:5), include employees’ satisfaction scores, stock value, sales programme results as well as comparative retention scores.
e) Implementation

In order to enhance the success of any internal branding effort, the organisation must develop an integrated programme of internal activities, which actively support the brand. These activities will move employees from awareness of the brand vision to acceptance of the values and behaviours in support of the vision, and ultimately to a sustained effort in bringing the brand to life. These activities, according to Interbrand (2001:3) include senior management stewardship aligning business and brand strategy, responsibility and accountability, and ongoing performance measurement and feedback. This is the production of an implementation plan, which will define roles and responsibilities that need to be undertaken within the organisation. Based on this plan, all tactics will be developed, implemented, managed and evaluated by a team of organisational personnel. Regular interdepartmental meetings and cooperation, as well as continuous feedback, is advised for the successful implementation and management of the internal branding process.

Blumenthal (2001:5) indicates that the attraction of highly qualified employees through the creation of a brand message for not only customers, but employees too, and the training of employees to communicate a certain desired message to attain competitive advantage, are examples of such applications. Research conducted by Aaker (1996:115) concurs with Blumenthal’s (2001:5) statements by revealing that it takes an organisation with a particular set of values, culture, people, programmes and assets or skills to deliver a product or service. These organisational characteristics, according to research conducted by the Performance Enhancement Group (2002:2), can provide a basis for differentiation, a value proposition, as well as a customer relationship. Stanier (2001:31) expands upon these statements and found that aligning the brand messages with the values and behaviour expected internally increases employee satisfaction. Moreover, a link now exists between employee pride and satisfaction, and the extent to which internal and external brand values are aligned. An opportunity to increase employee satisfaction needs to be pursued due to the fact that success will make the organisation more profitable. Employee satisfaction, according to authors such as Barber et al. (1999:1), Asif and Sargeant (2000:299) as well as Farner et al. (2001:351), drives both quality and client relationships, which in turn contribute to financial performance.

f) Change management

As discussed in Chapter Two section 2.3, organisations are operating within a dynamic and evolving global environment, and are constantly dealing with many change initiatives at once, often in fairly rapid succession. Thus, internal branding, according to Tosti and Stotz (2002:2), is viewed as a way to integrate change initiatives; branding has the ability to act as
a master initiative, which other initiatives support. Furthermore, internal branding provides a positive rationale for change by enabling employees to determine how their jobs provide value to customers and how they are contributing to the formation of an organisation that will also return value to its employees. Thus, the role of employees is crucial to the successful use of the brand and customer satisfaction and retention to drive change. With regards to these customer values, Blumenthal (2001:4) indicates that marketing professionals have developed effective research methods, such as surveys and opinion polls, for determining what customers’ value. These findings are translated into a value proposition that serves as the base for promotion and advertising messages that tell the prospective customers what they want to hear. This information forms the foundation of a successful internal branding strategy of an organisation. Through the provision of value to customers, the employees are creating value for the organisation and for themselves, hence the fact that employees need to see themselves as assets to the organisation (Tosti & Stotz, 2002:4). However, the success of a corporate branding campaign, specifically internal branding, is hard to measure or quantify (Blumenthal, 2001:4), as it is regarded as an intangible asset to the organisation. The Conference Board (2002:1) concur and state:

A successful effort to reach employees through the brand should enable them to say what we stand for in regard to our employment philosophies and standards. You may not necessarily be able to quantify it, but the fact that employees know it and can speak about and live it influences the calibre of new employees they bring to us. In both a quantitative and qualitative way, our employees help us in winning the war for talent.

Tosti and Stotz (2002:4) summarise the above processes through the reiteration that an internal branding approach creates the need for an ongoing support process that ensures effective development. The existence of focused, meaningful communications, aligned reward systems, and appropriate training are crucial to the sustainment of the internal branding initiative. Without this support, the potential for the internal branding effort to succeed could disappear. The creation of an internal brand is about living the promise the organisation makes to its customers in a consistently, distinctive way (Key, 2002:2). Change Communications (2002:5) concur with Key (2002:2) and indicate that the essence of an internal brand based on a consistent value proposition will give the organisation an edge in a market which is growing ever more competitive in terms of attracting and retaining the right employees. Furthermore, building and sustaining an internal brand can translate into numerous rewards for both employees and the organisation.
Both internal and external factors play a significant role in the alignment of corporate branding and the organisation. Research conducted by Tosti and Stotz (2002:5) indicates that there is a difference in perspective between external marketing professionals and internal management, which needs to be reconciled. Due to the fact that the basic foundation of implementing internal branding initiatives is to ensure that the delivery of the brand promise is easily understood, as well as to drive change, the execution thereof is not always easy, as such an organisation must often change the way it thinks about itself and its business practices. External marketing professionals develop brand images by focusing on the positive attributes of the organisation that can be promoted in a new, unusual and compelling manner. As with external branding, internal branding also emphasises positive aspects of the brand promise (Tosti & Stotz, 2002:6), as well as focusing on how the organisation actually aligns itself to deliver that specific brand promise. Therefore, the need for realignment becomes paramount. These differences could create cultural differences between internal branding (organisational alignment) groups and external marketing groups. The former are experienced in identifying problems, whilst the latter might be uncomfortable delivering what they perceive to be news which the organisation might not want to know (Tosti & Stotz, 2002:6). The important difference is that internal branding is related to making and maintaining promises to customers, thus having a greater emotional impact on both management and employees than financial goals alone, which is due to the inclusion of emotional aspects and feelings of pride within the organisation.

In summation, branding efforts within organisations, according to Schultz (2000:18), enables organisations to build cooperation, collaboration and alignment with their internal and external customers on the policies, products and performance of the organisation. Thus, resulting in corporate strategies that are grounded in a solid understanding of what is actually beneficial and important to customers. Research conducted by Schultz (2000:20) concludes that the internal branding process enables organisations to overcome organisational and technical barriers that hinder connections. To transcend these barriers, organisations must create a new relationship strategy based on a conversation, not a campaign. This highlights the importance of the organisation actually listening to what its employees are saying and engaging in a participative dialogue amongst the employees. However, these advantages can only be leveraged if the organisation is aligned with the brand.

3.5 CONCLUSION

Kalin (2001:1) is of the opinion that ten years ago, most people viewed branding as a creative process that was done to a name or product. Brands, according to Kalin (2001:1), are described
as the sum totals of all the images that people have in their heads about a particular organisation and a particular mark. Historically, a brand has been a promise that says “if you buy this product or buy from my company, you can rely on me because of the attributes attached to the brand”. Now, a new kind of branding is emerging, one which is a much more customer-centric branding where the promise is “I know you as an individual customer better than anyone else, and you can trust me to assemble the right products or services to meet your individual needs”. Corporate communicators are now faced with the challenge of proving their impact on an organisational bottom line. A customer-focused living-the-brand programme, according to Stanier (2001:28), is one method utilised by corporate communications practitioners to prove their impact on the bottom line. As such, the development of a communication programme that has an effect on customer salience, as well as on employee satisfaction, reiterates the contemporary strategic management paradigm that focuses on IC practices. Therefore, from the above literature reviewed, it can be concluded that if employees are convinced that the corporate brand has meaning and value, the brand should enable the enhancement of the employees’ quality of life. Authors such as Blumenthal (2001:5), Einwiler and Will (2001:2) and van Riel (1997:291) are all in agreement that the more intensely the employees’ identify with their organisations, the more supporting they are of organisational promises and objectives, and the more they implement a living-the-brand strategy into their daily work life. Moreover, internal branding translates a corporate brand into internal behaviour and systems that support employees and customers.

With regards to the customer-focused living-the-brand strategies, Kalin (2001:1) and Stanier’s (2001:28) views on branding reveal the evolution from product branding to corporate branding, where the focus is on the organisation, and its employees, behind the brand. Thus, summarising and consolidating the research conducted by Balmer (2001:248), de Chernatony (2001:18), Koekemoer (1998b:79), Knox and Bickerton (2003:999) as well as McEnally and de Chernatony (1999:4), research conducted by Balmer and Grey (2003:979) and Hatch and Schultz (2003:1044) reveals the differences between product brands and corporate brands as follows:

a) Balmer and Grey (2003:979) postulate that the focus of the branding effort shifts from the product to the organisation. This implies that the behaviour of the organisational employees becomes more visible, which in turn, enhances the importance of a strong organisational culture.

b) Thus, there is a shift in managerial responsibilities from a middle management marketing function (product brands) to a strategic perspective (corporate brands).
c) There is a difference in who the brand relates to in terms of attraction and support. Product brands particularly target consumers, whilst corporate brands contribute to the images formed by the organisation’s internal and external publics. A statement by Klein (2001:335) indicates the impact of branding on organisations and the communities in which they operate: “branding has taken a fairly straightforward relationship between buyer and seller and – through the quest to turn brands into media providers, art producers, town squares and social philosophers – transformed it into something much more invasive and profound”.

d) Hatch and Schultz (2003:1044) indicate that there is a redefinition of who is responsible for the branding effort. Product branding can remain within the scope of the organisational marketing department, whilst corporate branding requires organisation-wide support. Corporate branding depends on the total corporate communication mix as it requires integration of internal and external communication.

e) There is a shift in temporal associations. Product brands live in the present whilst corporate brands simulate associations with heritage and articulate strategic visions of what is to come from the organisation.

f) There is a greater reach of corporate brands relative to product brands, thus corporate branding takes on strategic importance relative to the functional importance of a product brand.

The corporate brand has significant internal value. A strong corporate brand generates and sustains momentum; if clearly articulated, employees of the organisation understand the brand’s promise and know they will be rewarded according to their personal commitment to the promise (CoreBrand, 2002:2), thus company politics and issues of turf begin to disappear, which reviewed as two disadvantages pertaining to the internal customer approach identified by Farner et al. (2001:353). However, Klein (2001:335) indicates that a reciprocal relationship exists between the success and vulnerability of the organisation: the more successful this endeavour is, the more vulnerable these organisations become. In other words, if brands are actually intertwined within a culture and identity of a community, when they do wrong, the organisational mistakes are not dismissed as the misdemeanours of another corporation trying to make a profit. Hence the fact that egoism and internal power struggles can adversely affect the efficiency of the entire organisational operating system. However, Einwiller and Will (2001:5) are of the opinion that the common values and a common idea, represented by the corporate brand, can significantly contribute to combating the negative consequences of coordination. In the pursuit of synergy, which is an outcome of the functions of corporate branding aimed at internal targets, good coordination and cooperation are essential, and inevitable. Blumenthal (2001:8) reiterates the
fact that in pioneering organisations, the internal brand creates a very strong, very personal sense of meaning that goes beyond enacting cultural norms independently and extends to a personal way of life for the employee.

Various models of corporate identity management have been reviewed and the evolution thereof has lead to the development of a definitive model of the corporate identity management process. This model is of particular relevance to this study, as it emphasises the aspects of integrated organisational communication previously identified, the importance of employee participation and cooperation in the branding process, as well as the fact that the external environment, which impacts on all aspects of organisational operations and performance, is taken into account.

From the research conducted throughout the preceding sections, a fundamental statement can be made: a strong corporate brand builds and sustains an organisational competitive advantage, thus enhancing employee motivation and retention at the organisation. In this regard and linking to the research question pertaining to role of corporate identity as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation, an association can be made back to the key theoretical underpinnings of integrated communication, symbolism and the management of behaviour identified in the discussions on corporate branding and corporate identity. Moreover, the association can be made to the theoretical indication that the more intensely the employees identify with their organisations, the more supportive they are of organisational objectives, and the more they implement branding strategies that facilitate organisational alignment into their daily work lives. This linkage on the facilitation of organisational alignment forms the basic premise of the following sections on the concept of internal organisational alignment.

As such, the following provides a holistic overview of the concept internal organisational alignment through discussions on the organisation as a system, organisational culture, principles of organisational alignment as well as the manner in which employee satisfaction can be attained through service quality.
CHAPTER FOUR: INTERNAL ORGANISATIONAL ALIGNMENT

4.1 INTRODUCTION

Kelly (2000:96) notes that increasing attention has been paid to the role that organisational culture plays in the matching process between individuals and their organisations. Organisations employ a variety of approaches to improve the match, or increase the overlap, between individual values and organisational values. A method of improving this match between organisational and individual values is the acceptance of the organisational culture, where Harris and de Chernatony (2001:440) concur with the above and postulate that the organisational culture needs to be appropriate, adaptive and attentive to the needs of all stakeholder groups, and can thus represent a source of competitive advantage for the organisation. With regards to attaining a competitive advantage for the organisation, corporate communicators are now faced with the challenge of proving their impact on the bottom line of an organisation. A customer-focused living-the-brand programme, according to Stanier (2001), is one method of the strategic management paradigm utilised by corporate communication practitioners to prove their impact on the bottom line. The development of a communication programme that has an effect on customer salience, as well as on employee satisfaction, reiterates the contemporary strategic management paradigm that focuses on integrated communication practices. Moreover, Kitchen and Daly (2002:48) report that the sectors of management of knowledge, internal communication and employees have all been identified as being crucial to organisational survival and growth. As such, the implementation of an effective corporate brand and the successful internal organisational alignment, results in an increase in employee satisfaction levels, motivation, and productivity, which in turn reduces the recruitment costs associated with turnover; knowledge and experience are retained within the organisation to serve the customer more effectively; and the organisation consolidates its image, develops a dialogue and strengthens salience among existing employees (Cchange Communications, 2001:1).

Overall discussions on the theoretical underpinnings associated with an organisation whose employees conceptualise their role in the broader organisational mission, know how their jobs support organisational strategies, act in accordance with those strategies, and empower themselves to achieve personal and professional goals are presented in the proceeding sections. According to findings by the American Productivity and Quality Center (1995:3), the outcome of such an environment is the alignment of employees with the mission, vision, direction, values and initiatives of the organisation.
The discussions have been divided into four interlinked sections. The first section deals with the concept of organisations as systems, the components of systems, the organisational influences on systems, as well as the inherent importance of a systems approach to organisational alignment. Expanding upon the theoretical principles from the first section, the second section reviews the numerous perspectives of organisational culture and the influence that organisational culture has on organisational communication. The third section defines the concept of organisational alignment, indicates the impact of communication and change management on organisational realignment strategies and discusses the benefits attributed to organisational alignment strategies on employees and the organisation as a whole. The fourth section discusses how employee satisfaction can be achieved through internal branding and alignment. Finally, throughout the sections mention is made of the manner in which internal organisational alignment can be measured by focusing on organisational learning and performance.

4.2 THE ORGANISATION AS A SYSTEM

This section aims to highlight the inherent importance of a systems approach to organisational alignment and showcases the various components of organisational systems that actually aid in the internal alignment of organisations.

Research conducted by Lin and Chen (1998:1062) on the general systems theory, which integrates the analytic and the synthetic method encompassing holism and reductionism, reveals that the biologist Ludwig von Bertalanffy first proposed the general systems theory in 1948. In this regard, Heylighen and Joslyn (1992:1) define the systems theory as “the transdisciplinary study of the abstract organisation of phenomena, independent of their substance, type or spatial or temporal scale of existence. It investigates both the principles common to all complex entities, and the (usually mathematical) models which can be used to describe them”. Drawing on the theoretical definition of the general systems theory, Angelopulo (1996:41) defines the actual systems component of the general systems theory, where a system is “a set of objects or entities that interrelate with one another to form a whole”. Whilst Skyttner (1996:16) presents a similar definition to that of Angelopulo, where a system is characterised by a set of interacting units or elements that form an integrated whole intended to perform a function. These definitions emphasise the aspects of interrelatedness and integration, as the system, according to Hoogervorst et al. (2004:296), is any structure that exhibits order, pattern and purpose. This essentially implies consistency over time. From a management perspective, Skyttner (1996:17) further presents a description of a system, where a system is the collection of men, machines and material required to accomplish a specific purpose, where these elements are all tied together by
communication links. This definition is pertinent as it views the system as a metaphor for the organisation, and implies that the communication, specifically integrated communication, is the linchpin of organisational functioning.

From the above definitions of the general systems theory and the concept of a system as a whole, it can be said that the general systems theory is the theoretical umbrella beneath which the concept of systems falls. Thus, the characteristic elements ascribed to the general systems theory are pertinent to systems themselves. Hence, Heylighen and Joslyn (1992:1) and Skyttner (1996:20) postulate that a fundamental aspect of the systems theory is the idea that the whole is more than the sum of its parts: the arrangement of and relations between the parts which connect them into a whole (the principle of holism). There are other characteristics of systems that are homogenous to all systems for the mere fact that they are systems. With regards to these characteristics, Bucklund (2000:450) and Heylighen (1998:1) postulate that organisms are open systems which cannot survive without continuously exchanging matter and energy with their environment. Open systems interact with other systems outside of themselves. This interaction, according to research conducted by Skyttner (1996:20), encompasses two components: input (what enters the system from the outside) and output (what leaves the system for the environment). In order to fully understand the concepts of the inside and the outside of the system, Hyde and Thomas (2002:408) and Skyttner (1996:20) indicate that differentiation between the system itself and its environment needs to be made. The system and its environment are separated by a boundary. Generally, the output of a system is a direct or indirect result from the input. However, the output is different from the input as the system is an active processor of inputs. The transformation of input into output by the system is called throughput. The concepts of a system-boundary interface, input, output, throughput, and the environment encompass the basic components of a system, as it is understood in the general systems theory.

Organisations, as with all other systems, are perceived as being predominately introverted or extroverted. Introversion is a perception of a system, as defined by Angelopulo (1996:40), which is “predisposed to operate as a static whole which remains unchanged through time, as a fixed structure, and with an emphasis on the importance of internal phenomena in the relationship of the system with its environment”. Whilst Angelopulo (1996:44) defines extroversion as a perception of a system which is “predisposed to operate as an adaptable part of a larger system, with an emphasis upon the importance of the environment in the system-environment relationship, as morphogenetic and functional”. In the organisational context, the extrovert view is a necessary condition for ongoing effectiveness in the exchange of values with the environment. According to Skyttner (1996:20), this can be termed the active outward orientation,
which is a state of existence which the organisation may attain without any specific effort; but which is best attained with the active intervention of a facilitating agent. In order to maintain the organisation as an actively outward orientated entity, management and corporate communicators need to act as these facilitating agents so as to promote and preserve a perception of the organisation as an adaptable open system which relies, for its well-being, upon mutually beneficial environmental relations.

In summation, research conducted by Angelopulo (1996:43) and Skyttner (1996:21) reveals that the systems approach addresses any system, whether organic, inorganic, cognitive or social. As with all systems, Bucklund (2000:450) and Heylighen (1998:1) postulate that organisations are open systems, although they may not be perceived as such. They exist within hierarchies and they are hierarchies themselves. Organisations have boundaries of variable permeability, thus they interact with their environments. Therefore, Tosti and Jackson (2000:4) are of the opinion that the organisational structure is the product of these stabilised interaction patterns; however, the stability and the structure is adaptable. In this regard, any change introduced to an organisation should be aligned to fit the existing system, or alternatively, that system should be modified so as to accept the change. This alignment or modification should occur due to the fact that change has the potential to impact on organisational performance.

Due to the fact that organisations are dynamic open systems, which function optimally when their components are designed to work together smoothly and efficiently, two interdependent paths exist so as to enable movement from a “broad statement of organisational mission and vision to specific organisational results” (Tosti & Jackson, 2000:1). The model (see Figure 4.1) represents a simplified systems framework for understanding the relationship between organisational components, as well as the two interdependent strategic and cultural paths. The left-hand path (strategic) emphasises what needs to be done by the organisation, such as the strategic goals the organisation will work toward; the objectives that groups and individuals need to accomplish so as to implement those strategies; and the activities that need to be performed to meet goals and objectives. On the other hand, the right-hand path (cultural) emphasises how things should be done, such as the values, which reflect how the organisation intends to conduct its business, that will guide employees to carry out the mission and vision; the practices which reflect those values; and the specific day-to-day behaviours which will represent the organisational values and practices to the employees.
Varey and White (2000:5) expand upon the above statements and indicate that an organisation is comprised of two inter-related communication systems. The internal system directs activities of organising so as to accomplish goals that are based on the gathering and interpretation of information on expectations, attitudes and conditions, from the environment through external communication channels. The authors further postulate that external systems of communication are utilised to present information regarding the internal organisational processes to the external environment to attempt to influence the behaviour of the various stakeholders. In other words, internal communication processes are directed towards the establishment of structure and stability in organising, whilst external communication processes are directed towards innovation by facilitating identification of directions for organisational development. Leaders strive for cooperation for a productive balance between stability and innovation.

Compatibility between the strategic and cultural paths, as well as consistency within them is required in order to attain organisational alignment (Tosti & Jackson, 2000:2). In essence, values should be compatible with goals, as should day-to-day behaviour be consistent with the stated values. Traditionally, organisations have been prone to emphasise the strategic path, investing considerable effort in defining strategic goals and objectives. Few organisations actually make a consistent effort to ensure that values and strategy are compatible, and that work behaviour represents the organisational values. Collins and Porras (1996:65) concur and indicate that
successful organisations have core values and a core purpose that remain fixed while their business strategies continuously adapt to a changing business environment. However, the way the organisation does things (the cultural path) influences results just as much as what the organisation does (the strategic path). Organisational goals, like organisational values, are business necessities. The maintenance of an aligned organisation requires clarity about values as well as strategies and goals. Moreover, Andriopoulos (2001:835) and Doherty and King (1998:106) imply that it requires communicating relevant organisational values and ensuring that typical organisational behaviour is a reflection of those values.

4.2.1 Components of Organisational Systems
Drawing on Tosti and Jackson’s (2000:1) model of organisations as systems (Figure 4.1), it is evident that the organisation as a system is comprised of several interrelated components.

The mission and vision statements of the organisation represent long-term organisational purposes, which are expressed in terms of what the organisation is in business to do (the mission), as well as with a picture of the expected impact of the organisational performance (vision). Vision, according to research conducted by Collins and Porras (1996:66), provides guidance about what core to preserve and what future goal to stimulate progress toward. As such, the authors indicate that a well-conceived vision consists of two components, the core ideology and the envisioned future. The core ideology defines what the organisation stands for and why it exists, and includes the elements of core values (a system of guiding principles and tenets) and the core purpose (the organisation’s most fundamental reason for existence), whilst the envisioned future articulates what the organisation actually aspires to achieve and to become. The envisioned future is essentially a progress that will require significant change and progress to attain. Within the envision future, Collins and Porras (1996:68) indicate that organisations need to provide a vivid description of where they aim to be in 10-to-30 years time. This vivid description forms part of what is termed “BHAG” which is an acronym for “big, hairy, audacious goal” (Collins & Porras, 68). Moreover, Key (2002:1) expands upon the research conducted by Collins and Porras (1996:66) and states that a vision is defined as “a compelling and realistic view of the future that inspires the organisation to reach heightened goals”. Kelly (2000:95) further expands upon this definition and notes that vision is “a view of a realistic, credible, attractive future for the organisation, a condition that is better in some important ways than what now exists”. These statements provide guidance to employees of the organisation so as to enable them to make informed choices about strategies, customers, products, services, and the market in which the organisation operates. Moreover, Kelly (2000:95) and Tosti and Jackson
(2000:3) report that vision is the amalgamation of many organisational members’ values, and not something that is thought of by one individual. However, a problem arising from this amalgamation is that organisational leaders often codify and communicate their own personal values and express them as a vision for the organisation. Research conducted by Collins and Porras (1996:67) conceptualises the articulation of a vision through the inclusion of the key tenets of an organisational vision, namely the core ideology, core values, core purpose and the envisioned future, into a diagrammatical representation, Figure 4.2.

Figure 4.2: Articulating a Vision (Collins & Porras, 1996:67)

The previous discussion and the model on the vision and mission component of organisations as systems serve as an introduction to the next interrelated components, those of organisational goals and values. Greater direction about where the organisation is going, and by what means, is provided in the organisational goals and values. These establish how the organisation intends to allocate resources so as to accomplish the mission and vision over time (goals), as well as how it intends to behave as it does so (values). Tosti and Jackson (2000:3) are of the opinion that these statements give employees guidance about how to allocate resources and where to invest their time and effort. Essentially, Collins and Porras (1996:66) are of the opinion that core values are a small set of timeless guiding principles that require no external justification due to the fact that they have intrinsic value and importance to organisational members. Moreover, Tosti and Jackson (2000:3) indicate that the organisation can make statements regarding the kinds of values it considers crucial, such as partnering or initiative; thereby providing guidelines for the
manner in which employees are expected to behave whilst working with customers, and how managers are expected to behave toward the personnel who deal with customer support. As such, the organisational mission, vision, values and strategy statements communicate to people what the organisation is about and guides employees of the organisation in setting priorities and choosing how to behave.

The objectives and practices are the implementation of organisational strategies and values. These components represent decisions about how to implement those strategies and values, with regards to the objectives employees set for themselves and the results they expect of their work teams, as well as the typical ways they interact with other employees and customers both internally and externally of the organisation. Whilst Tosti and Jackson (2000:3) indicate that the activities and behaviours that the organisation engages in are the execution of organisational intent, which are the ultimate determinants of organisational performance. These represent the activities employees choose to invest their time in and the way they behave as they perform those activities. This is essentially what really happens in an organisation on a day-to-day basis. Statements of mission and vision and values and strategies are only meaningful if they are translated into action. For example, values of partnership and initiative become reality when employees engage in behaviours like taking action to meet needs as they arise, rather than waiting for approval from managers. Furthermore, a strategic decision to build a competitive advantage through customer service is translated into reality when employees throughout the organisation engage in activities such as acting on customer feedback and testing organisational decisions for their potential impact on customers.

The above-mentioned components culminate in results, which are “the outcomes an organisation produces, as a function of the activities and behaviours performed” (Tosti & Jackson, 2000:4). These results can be measured in a variety of ways: product/service measures, customer retention rates, financial indicators, and employee and customer attitude surveys. The manner in which an organisation chooses to measure its performance determines its ability to evaluate its progress against values and strategic goals. In essence, an organisation that measures results exclusively in terms of outcomes like sales volume and profit will have an accurate indication of short-term success, but will be missing information that could be crucial to long-term sustainability, such as customer retention measures. Moreover, these above-mentioned components operate within a system, the organisation, thus each of these components of organisational systems are impacted upon by the each component of the system as well as by the external environment. Thus, the following section will examine the external factors which have an influence on, and impact on, the organisation as a system.
4.2.2 Organisational Influences

Research on the organisational system concludes that the strategic and cultural paths identified in Figure 4.1 do not operate in isolation. As such they interact with the external environment of the organisation, its internal support systems, and with its stakeholders. These organisational influences are as follows:

a) Organisational environment

Heylighen (1998:1) indicates that a closer inspection of the environment of a system reveals that it too consists of systems interacting with their environments. The mutual interactions of the component systems bind the various components together into a whole. If these parts however did not interact, the whole would not be more than the sum of its components. Reiterating the statements made by Heylighen (1998:1) and Tosti and Jackson (2000:4), The Marketing Teacher (2002b:3) states that the marketing environment surrounds and impacts upon the organisation, and is composed of the micro-environment, the macro-environment and the internal environment. The micro-environment has a direct influence on the organisation; it includes consumers, customers, local stakeholders, and suppliers that deal directly or indirectly with the organisation. Micro describes the relationship between organisations and the driving forces that control this relationship. The organisation can exercise a degree of influence due to the fact that it is a local (contextual) relationship. The macro-environment (the external environment), on the other hand, includes all factors that can influence the organisation, but that are out of the direct control of the organisation, for example, an organisation does not generally influence the laws of a country with regards to trade policies although it is generally accepted that the organisation can lobby for control. This environment is constantly evolving, thus the organisation needs to be flexible to adapt (The Marketing Teacher, 2002b:4). Competition, rivalry, and globalisation mean that there is always the threat of substitute products and new entrants into the market.

The external environment, according to O’Keeffe (2002:132) includes a plethora of factors, namely: the economy, competition, state of technology, and the socio-political environment. All may have an influence on the strategy and values of the organisation. The impact an organisation has on the physical environment could result in a greater emphasis on social responsibility as a value. The broader environment is ever changing; hence the fact that the organisation, specifically the corporate communications team, need to compensate for changes in culture, politics, technology, and economics. This external environment can be audited using, for example, Interbrand’s (2004:1) Opportunities Model, which examines the four aspects of relevance (how are the needs of all stakeholders evolving and how can the
organisation meet those needs?), differentiation (what is the brand’s perceived differentiation?), credibility (what strengths can be leveraged and can the promise be delivered on? What weaknesses need to be addressed to ensure that brand promise is believable?) and stretch (how can the brand grow with the business as it continues to expand?). This is a newly developed technique drawing on the SWOT analysis technique. Finally, the internal environment consists of all factors that are internal to the organisation. The internal environment is of equal importance for managing change as the external environment is: the process of managing change is referred to as ‘internal marketing’ (The Marketing Teacher, 2002b). Essentially, marketing approaches are implemented to aid communication and change management.

b) Stakeholders

Stakeholder value, another addition to the expanded model, occurs when stakeholders, defined by Tosti and Jackson (2000: 5) as “any group that is significantly effected by the organisation’s performance, such as customers, shareholders, suppliers, even the general public”, have different relationships with, and expectations of the organisation; understanding these expectations lays the foundation for organisational decision-making.

c) Internal organisational support systems

Leadership and organisational systems function as performance levers that facilitate employees to implement strategies and values and to produce results. Leadership and organisational systems are the basis of internal support systems and form another addition to the expanded model. Organisational systems include information systems, compensation and benefit systems, reward systems, organisational structure and reporting relationships, work design, and administrative practices. Whilst, leadership reflects the ability of leaders and managers to focus on the big picture; thus they are able to serve as both models and coaches in support of strategies and values.

Due to the fact that the organisation is a system operating within a broader environment, organisational functioning and performance will be impacted on by other components of the system as well as by the external environment. Moreover, the environment in which the organisation operates will have an influence on the culture of the organisation and the manner in which the organisation’s members align their behaviour in accordance with that culture.

4.3 ALIGNMENT WITH ORGANISATIONAL CULTURE

The fact that organisations operate within rapidly changing environments, characterised by increased competition, as discussed in Chapter Two section 2.3, indicates that more interest is
paid to the values side of the organisation, the side associated with culture (as illustrated in Figure 4.1). This section proposes to detail the various perspectives attributed to organisational cultures by discussing the numerous definitions of culture as well as the impact that organisational culture has on organisational communication. The concept of organisational culture being crucial to the successes of an organisation is reviewed.

With regards to the models of corporate identity discussed throughout Chapter Three, Wilson, A. (2001:353) notes that questions of organisational culture have been included within the conceptual models of corporate identity/image formation. Moreover research conducted by Rashid et al. (2003:708) indicates that organisational culture has received much attention in the past few years due to its effects and potential impact on organisational success. Numerous definitions, from various fields of discipline, on the concept of organisational culture have emerged in recent years. Each definition emphasises concepts which are of importance to organisational success.

### 4.3.1 Organisational Culture Defined

According to Dipboye et al. (1994:213), organisations not only differ in cultural content, but also in the extent to which those in the organisation share the values and other cultural contents. Newstrom and Davis (1997:102) are of the opinion that the key members of an organisation may have consciously created culture, or it may have evolved within the organisation over time. Therefore, the idea of organisational culture is intangible as it represents a key element of the work environment in which employees perform their jobs.

Organisational culture is defined by Schein (1991:9) as “the pattern of basic assumptions, invented, discovered or developed, by a given group as it learns to cope with 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 relate to those problems”. Maull, Brown and Cliffe (2001:305) indicate that a key feature of Schein’s (1991:9) definition is that culture is taught to new members as the accepted way to behave, thus perpetuating organisational survival and growth. Newstrom and Davis (1997:102) further present a similar, simplified definition to that of Schein’s (1991:9), where organisational culture is described as the set of assumptions, beliefs, values and norms that are shared by the members of an organisation. Presenting an all encompassing definition of organisational culture, which expands upon the above presented definitions and descriptions, Wilson, A. (2001:356) defines organisational culture as “the visible and less visible norms, values and behaviour that are shared by a group of employees which shape the group’s sense of what is acceptable and valid. These
are generally slow to change and new group members learn them through both an informal and formal socialisation process”. There are three important elements evident within this definition, namely that culture is a shared phenomenon, there are visible and less visible aspects of cultures and the manner in which new members learn the culture, which is the process of cultural socialisation. This definition is pertinent as it links back to the discussion of organisations as systems and the values and behaviours components thereof in section 4.2.1.

From an integrated communications approach, Stanier (2001:29) concurs with and expands upon the definition presented by Wilson, A. (2001:356) and imparts the following definition of culture: “The values, behaviours and practices that are rewarded in an organisation. The assumptions that a group uses to cope and which are taught to new members.” It is from this perspective that artefacts are defined as “aspects of culture that you can observe in the daily work environment, e.g. language, structure, dress code, environment, and ritual”, values are “the conscious rules and norms that guide day-to-day behaviour”, and underlying basic beliefs are “the shared assumptions that exist at an unconscious level, the deepest ‘rhythms’ of the organisation” (Stanier, 2001:29). Research conducted by Andriopoulos (2001:835) and Maull et al. (2001:304) expands upon the above research through the indication that the view of culture which emphasises shared values and beliefs gives identity to employees and generates commitment beyond their individual self and enhances social system stability. Moreover, Hatch and Schultz (2003:1047) describe organisational culture as the internal values, beliefs and basic assumptions that embody the heritage of the organisation and communicate its means to its members. Essentially, culture manifests itself in the ways employees all through the ranks feel about the company they are working for. The above mentioned definitions and descriptions of organisational culture from authors such as Newstrom and Davis (1997:102), Schein (1991:9), Stanier (2001:29) and Wilson, A. (2001:356) all emphasise the importance of the role of organisational culture in the employees’ socialisation processes. On the other hand, Dipboye et al. (1994:213) present a definition of organisational culture, from an Industrial Psychology perspective, which emphasises the fact that organisational culture can provide distinctiveness to organisations, where culture is “a shared pattern of thought and action that distinguishes the organisation or group from other organisations or groups”.

Furthermore, from an organisational communication perspective, Hoogervorst et al. (2004:293) and Pace and Faules (1994:62) identify three perspectives of culture that are applied to organisational settings in managerial literature. These perspectives are the holistic perspective, where culture is the patterned ways of thinking, feeling and reacting, the variable perspective, which is the expression of culture, and the cognitive perspective, where there is an emphasis on
ideas, concepts, beliefs, values and norms, the organised knowledge that people have in their minds for making sense of reality. A combination of cognitive structuring devices and a developmental perspective result in cognitions becoming commonly held in processes of social interaction. Therefore, the essence of culture is the collective construction of social reality. With regards to the sense-making (subjective) perspective of organisational culture, culture is a symbolically created context, which enables employees to make sense of events. According to Pace and Faules (1994:65), the concept of organisation per se is symbolic behaviour and its existence depends upon the shared meanings and interpretations that occur through human interaction. Moreover, organisation actually depends upon the existence of common modes of interpretation and shared understanding of experience, thus enabling day-to-day behaviour to become routine. The various organisational symbols and symbolic behaviours make organisational life possible. Symbolic behaviour both enables and constrains the movement and vision of an organisation. In essence the critical aspects of culture as sense-making focus on symbolically influenced behaviour, interaction, and shared meaning. This perspective embodies the belief that organisations are systems, as discussed in section 4.2, and forms the basis of some of the definitions of organisational culture discussed throughout this section. To understand symbolic behaviour is to understand how a particular organisation shapes its actions. Expanding upon the above research, Maull et al. (2001:304) indicate that culture is a sense-making device that guides and shapes behaviour. Organisations that have cultures supportive of strategy are likely to be successful, whilst those that have insufficient alignment between strategy and culture must change as it is the culture which supports the strategy.

Organisational culture has been defined in many ways by various authors; however, drawing on the various definitions presented, organisational culture can be referred to as a set of values, beliefs and behaviour patterns that form the core identity of organisations and helps in shaping the employees’ behaviour. Maull et al. (2001:302) conclude that organisational culture provides a people-centred, theoretical perspective on the management of change that is perceived to offer insight into the nature of organisations and their behaviour. Klein (2001:178) reiterates the above through the statement: “The underlying message is that culture is something that happens to you. It is not something in which you participate, or to which you have the right to respond.”

It is from the above presented definitions that the characteristics of organisational cultures can be identified.
4.3.2 Characteristics of Organisational Cultures

Research conducted by Newstrom and Davis (1997:103) and Wilson, A. (2001:356) reveals the following characteristics and dimensions of organisational culture:

a) Each organisation is unique with its own history, patterns of communication, procedures and policies, mission statements and vision which, in totality constitute its distinctive culture.

b) Organisational cultures are relatively stable in nature, generally evolving only slowly over time. An exception to this is when two organisations merge with each other, thus requiring a careful blend of the two so as to avoid culture clash.

c) Most organisational cultures evolve directly from the actions of top management, who can have a powerful influence on their employees by what they say and do.

d) Historically most organisational cultures have been implicit rather than explicit. However, more recently organisations have begun discussing their intended cultures, and many executives view one of their roles as speaking out about the type of environment they would like to create within their organisations.

e) Most organisations are viewed as symbolic representations of the underlying organisational beliefs and values.

f) There is no universal one best culture for all organisations. Organisational culture depends on the organisation’s goals, industry, nature or competition and factors in the environment in which the organisation operates.

g) Organisational cultures are more easily recognised when their elements are integrated and consistent with each other.

h) Most organisational members must accept the assumptions and values of the culture. A process of cultural socialisation arises informally from the existing employees and formally through induction training programmes.

i) A culture could exist across the entire organisation, or it could be comprised of various subcultures (the environments within different organisational departments).

j) Organisational cultures have varying strengths, and an organisation, according to Dipboye et al. (1994:213), can be characterised by either a weak or a strong culture. A weak culture is hard to describe, as there is no widely shared set of values and assumptions, whereas a strong culture is characterised by employees being influenced by a common set of values and assumptions.

The above characteristics reveal that organisational cultures are unique to each organisation. However, Hoogervorst et al. (2004:293) are of the opinion that due to the fact that the organisation is an open system operating within a broader system (its environment) and
interacting with other systems (other organisations as well as the families of the organisational employees), there are factors which impact on each unique organisational culture. These factors are aligned with those which have been illustrated in Section 4.2 Figure 4.1.

4.3.3 Factors Influencing Organisational Cultures

Contributing to the research conducted by Daly et al. (2003:154), Kitchen and Daly (2002:46) and Tosti and Jackson (2000:1) on global trends (detailed in Chapter Two section 2.3), the research conducted by Wilson, A. (2001:359) reveals there are four factors which underpin and influence organisational culture. These include:

a) The business environment

This is the environment in which an organisation operates helps to determine the organisational culture and society as a whole will influence opinions regarding work, status, financial performance and different types of jobs. Moreover, the traditions of a particular industry will also have an impact on the organisational culture. For example, banks and bankers have a risk-averse nature, whilst stockbrokers have a deal-oriented culture. Such societal aspects lay the foundations upon which the organisational culture is developed. Adding to these foundations is the specific market environment within which the organisation is operating. Within such an environment, the speed of change, the level of competitiveness, the value placed on people utilising technology, and the demands of the customer will have an influence on the values, norms and behaviour of those who work within it.

b) Leadership

This is thought of as having some influence on the culture of an organisation, due to the act that leadership is involved in the long-term direction of the organisation through the development of a vision and strategies for the future. Thus, indicating a link between organisational culture and the organisation as a system; wherein leadership and organisational systems act as performance levers to encourage employees to implement strategies so as to achieve results for the organisation (as discussed in section 4.2.2c). Moreover, research conducted by Verwey (1998:6) indicates that leadership within contemporary organisations differs from what was traditionally viewed as management. Within the new organisation, leadership is formed by mutual consent; coordinators replace traditional leadership functions. The coordinator role is based on the foundation that the organisation is there to serve employees, not the other way round. The leader is then responsible for communicating, through words and actions, the vision to internal and external
audiences while motivating and inspiring the employees who have to deliver the vision. In contemporary organisations, such as those founded by entrepreneurs, the founder influences the culture through his or her own ambitions. A growing trend, according to the Public Affairs Group (1999:12), is the linkage of performance to employee leadership and communications. As such, Stock (2001:1) indicates that leaders who actively develop and maintain an organisational culture centred on sincere care and service to fellow employees and customers, forms the basic premise of the Service-Profit Chain Model (discussed in Chapter Two section 2.4.1). Leadership development efforts for managers, according to Vanguard Consulting (2000:3), are designed to support the strategy and business values of an organisation. Leadership programmes include classroom training sessions, the utilisation of the Full Range Leadership Model, values-led contingency leadership, and working management meetings that include planning and follow-up. These programmes are beneficial as they enable participants to learn new skills for effective leadership, and encourage teamwork and employee participation to address the organisational issues faced in the workplace.

The Full Range Leadership Model, as noted by Gurr (2001:8), is a people focused view of leadership, where the leader essentially defines, inspires, motivates, challenges and develops individuals around them. This model acknowledges learning theory in terms of the use of reinforcement and rewards to promote desirable behaviour. Increased use of transformational leadership behaviour results in increases relating to a range of organisational outcomes. However, this model is very leader centred with little acknowledgement of the context in which leadership is exercised. Within this model, leaders are primarily people centred and expert at being able to manage several tensions and problems. Gurr (2001:10) thus discusses a post-transformational model of leadership, referred to as values-led contingency leadership, which includes:

- values and vision, which encompasses personal alignment and organisational alignment;
- integrity, which is consistency and integrity of actions;
- context, which is an understanding of internal and external environments;
- adaptive, balance between involving others and taking individual action;
- continuing professional development, which includes power with and through others; and
- reflection, which entails developing the individual.

The above mentioned model emphasises personal and organisational values, as well as the contextual nature of leadership. This model is in line with the research on the systems theory
presented in section 4.2, as this model is more oriented in systems thinking, which is due to the fact that it includes the concept of context (as did the Definitive Model of the Corporate Identity Management Process presented in Chapter Three section 3.3.2.3).

c) Management practices and the formal socialisation process

The manner in which an organisation is managed is likely to influence either positively or negatively the beliefs, behaviour and attitudes of the employees. Management represents the detailed planning, organising, controlling, problem-solving and staffing of the organisation. Within these management functions, managers have control over a range of factors which effect cultural transmission. These factors include recruitment, turnover of employees and formal socialisation procedures. The formal socialisation activities include induction training for new employees and comprehensive reward systems, as alluded to in the definition of organisational culture presented by Stanier (2001:29) in section 4.3.1.

d) The informal socialisation process

To be accepted into the organisation, new members will attempt to behave in a manner which is generally consistent with the established organisation norms. This socialisation process is reinforced by the telling of stories about specific situations and how they were handled. This entrenches patterns of acceptable and unacceptable behaviour, as well as being a tool for revealing inconsistencies in the main organisational culture.

Although there are factors which influence organisational cultures, there are also numerous organisational benefits attributed to organisational cultures.

4.3.4 The Importance of Organisational Cultures

To know a culture, as stated by Pace and Faules (1994:71), is to understand what it makes possible for its members. Verwey (1998:11) expands on this statement through the belief that a organisational culture can promote growth and dignity of individuals, affirm a direction for the company, empower employees to freely acquire and solve problems, and stand for integrity and honesty in everything the organisation embarks upon, thus laying the foundation upon which an organisation can create and maintain its competitive advantage in a saturated business environment. Furthermore, organisational cultures are crucial to the success of organisation for several reasons; namely:

a) They give an organisational identity to employees. Thus culture is a defining vision of what the organisation actually represents (American Productivity and Quality Center, 1995:3);

b) They identify appropriate sets of beliefs and behaviours, according to Hoogervorst et al. (2004:294), which will allow the organisation to fit its internal operating efficiencies with its
problems of existence in its environment (American Productivity and Quality Center, 1995:2);

c) They enable the organisation to remain responsive to marketplace expectations by developing and sustaining the behaviours required to meet these marketplace expectations. Eagle and Kitchen (2000:4) reiterate this through the suggestion that the importance of culture, incorporating shared norms, values and assumptions, has been underestimated and that failure to align cultures can lead to organisational ‘learning disabilities’;

d) Organisational culture may be a source of competitive advantage, but only when brand values are respectful of the organisational culture and its core values. Hatch and Schultz (2003:1048) indicate that this requires reflection on the historical expression of the organisation culture and the strategic visions the culture holds for the organisation’s future;

e) They are an important source of stability and continuity to the organisation, which in turn provides a sense of security to its members (Newstrom and Davis, 1997:102);

f) They “attract attention, convey a vision, and typically honour high-producing and creative individuals as heroes” (Newstrom & Davis, 1997:103); through this recognition and rewarding, organisational cultures are identifying these individuals as role models to emulate. Smythe (1996:2) too is of the opinion that employees observe role models of leaders and counter-culture heroes and model their own behaviours on these. Dipboye et al. (1994:213) report that a strong organisational culture is maintained, to some degree, through the stories that people tell about heroic feats by members of the organisation. Lau, (2000:428) expands upon the above through the indication that maintenance of a strong employee orientated culture, which provides employees with satisfaction and job security, facilitates the retention of productive employees;

g) They stimulate employee enthusiasm for their tasks; and

h) Knowledge of this culture enables newer employees to interpret internal organisational functioning by providing a solid context for organisational events. Pace and Faules (1994:65) indicate that when groups encounter novel situations, new interpretations need to be constructed to sustain organised activity.

Overtime, an organisational culture becomes perpetuated by its tendency to attract and retain employees who match its specific values and beliefs. Newstrom and Davis (1997:103) indicated that employees tend to gravitate toward the organisational culture they would prefer as a work environment, thus resulting in a good alignment between of employer and employee. Therefore, Cchange Communications (1999:5) expand upon the above through the conclusion that when employees fully understand and embrace the organisational culture, values and business
objectives, they are more likely to share common goals, effort and information. According to the American Productivity and Quality Center (1995:2) every structure and culture of the organisation has an impact on its needs and processes for internal communication. Therefore, innovative practices in one organisation may be of limited usefulness in another organisation with a different culture or organisational structure.

4.3.5 Implications for Organisational Communication

Research conducted by Pace and Faules (1994:71) on the role of communication in organisational culture, concludes that the role of communication is seen differently depending on how culture is conceptualised. For example, if culture is thought of as a collection of symbolic artefacts communicated to organisational members for organisational control, and then communication can be conceived of as a tool that enables that specific outcome. However, if culture is construed as sense making, the process of communication itself becomes the focal point of interest, due to the fact that that is what ‘making sense’ is.

Organisational communication, viewed from a cultural perspective, involves more than examining only the official exchanges between selected people with status. Pace and Faules (1994:71) are of the opinion that “everyday talk reveals an organisational sense making and networks of shared meanings that may exist”. Day-to-day behaviour that allow routine and organising to exist are embedded in communication. With regards to the role of organisational communication in day-to-day behaviour, the role of organisational communication, according to research conducted by Smythe (1996:2), fulfils three functions with regards to the behavioural relationship styles. These functions aim to provide the instruments to measure relationship styles; work with others to define the development processes which modify relationship styles; and facilitate debate on the type of relationship styles that would be most effective. Smythe (1996:2) further expands upon the above through the indication that the predominant style of relationships, which exist in an organisation between management and employees, are the most tangible experience that employees will have of that particular organisational culture, and will thereby shape the employees’ values and beliefs in the organisation. The day-to-day relationships and communications throughout the organisation enable the employees to learn which behaviours are rewarded and valued. Relationships in the organisation play a gateway role in determining and sustaining organisational culture, thus efforts to manage and change the organisational culture should be directed towards mapping and understanding the dynamics of the various relationships. These day-to-day relationship styles and their effect are definable, manageable and measurable. In this regard, the styles of relationships are crucial to the retention
of customers, employees and partner alliances, therefore indicating the fact that communication will become increasingly important as the cultural conscience of the organisation.

In essence, the manner in which messages are interpreted depends on the symbolically created context in which they occur. Therefore, predicting the reactions to messages has little chance of accuracy without knowledge of the organisational context. Communication that seems obtuse, random, and contradictory may actually serve important functions for the members of an organisation. Kelly (2000:94) further reports that shared context and organisational communication encompass elements such as shared beliefs and assumptions, organisational values, expectations, and behavioural norms. Therefore, the context of the vision, which expresses and clarifies central organisational values, and the process of communicating the vision to organisational members, aid in establishing a shared context. Thus, this differentiates the organisation from other organisations, hence creating a sustainable competitive advantage for the organisation.

Stanier (2001:29) states that communication plays a vital role in developing programmes to shape a culture that engages employees and once the connection between brand values, culture and employee satisfaction is understood, communication becomes a powerful reason for why communicators should be concerned with how a living-the-brand programme is implemented. The organisational culture encompasses employees’ values and assumptions, which guide their behaviour. Therefore, organisational culture must be aligned with brand values. Due to the fact that culture must be adaptive and appropriate to the needs of stakeholders, managers need to agree on a number of core corporate values that will remain unchanged, and the less central values that need to adapt to changing circumstances. Klein (2001:176) expands upon the above opinion through the inclusion of the human-relationship model attributed to conceptualising the corporate brand place in society. According to this model, the connection between the consumer and the corporate brand is not driven by the image the brand contains within the organisational culture, but rather by the profound and significant “psychological and socio-cultural meanings the consumer bestows on the brand in the process of meaning creation” (Klein, 2001:176). This implies that the consumers are not influenced by the corporate image of an organisation, but rather by the cultural meanings they attribute to the organisation because of the culture the organisation portrays. Moreover, research results by Stanier (2001:30) revealed three main findings regarding the value of a culture that reflects and enhances the external brand values to positive effects on employees and the bottom line. The three factors are that internal behaviour is the greatest factor in creating a culture that reflects the brand; defines values that are known throughout the organisation are linked to employee pride; and employee pride is linked to
employee satisfaction. Grimaldi (2002:1) is of the opinion that a focused, differentiated, and emotionally loaded strategy will make an organisation’s brand sell more effectively. A brand focused on positioning in the customer’s mind is aimed at influencing that customer’s behaviour, which ultimately means more revenue for the organisation (see Figure 4.3). This focused brand positioning strategy improves alignment within the organisation, and between the organisation and its stakeholders (Grimaldi, 2002:2).

Figure 4.3: Linking the Brand to Measurable Results (Adapted from Workplay Training & Communications, 1998:58)

Expanding upon the above-mentioned research results, Stanier (2001:31) indicates that employee behaviour is the strongest influence on whether the culture reflects the corporate brand. Thus, organisations need to realise that changing obvious artefacts of the culture will not bring the brand inside the organisation. For example, a stylish new reception area will not change the organisational culture. Moreover, the importance of creating a consistent definition of what brand values mean internally and how they then translate into behaviours is essential for a successful values programme. A culture is known when its values and the behaviours supporting those values are explicit. Furthermore, employee advocacy for an organisation and pride in working for an organisation are often regarded as a dual construct with a strong and consistent correlation. In conclusion, employee behaviour drives organisational culture, which in turn drives the experiential expression of the brand. An employee’s knowledge of the brand, and the organisational culture which supports it, drives employee pride. Employee pride in the organisation, as discussed in Chapter Two section 2.4.1.1, is linked to employee satisfaction, which directly correlates to the financial performance of an organisation. Stanier (2001:31) states that “proud employees who know their brand and culture and the behaviour that’s expected of them deliver service in alignment with the external brand, become increasingly proud and grow more, or at least remain, satisfied.
The above research suggests that organisational culture is a key component in the field of organisational behaviour, particularly in trying to understand the context of organisations and the people working within them. This implies that organisational culture could affect the success of organisations in trying to achieve its goals and objectives. Moreover, the commitment of the organisational employees is also crucial to ensure the successful implementation of organisational policies (Rashid et al., 2003:709).

In conclusion, Newstrom and Davis (1997:105) and Tourish and Irving (1995:9) are of the opinion that advocates of cultural change emphasise the importance of consistency so as to ensure that the new culture becomes organisationally embedded. Thus, the interrelationship between all aspects of the communication process must be acknowledged. When an organisational culture is fragmented or does not reflect its stated principles, a clarification or redefinition of business values needs to take place, followed by the implementation of programmes and systems to translate those values into day-to-day behaviour in the organisation (Cchange Communications, 1999:4). Moreover, Aon South Africa (2002:1) report that management need to design and implement changes in culture that free and focus energy for organisational transformation and sustainable organisational success. Thus, in order to ensure that the internal and external organisational audiences perceive the organisation in the same light, strategic alignment of the organisational culture with the external organisational image and with the internal organisational brand needs to exist. The principles of internal organisational alignment aim to discuss how this strategic alignment can occur.

4.4 PRINCIPLES OF INTERNAL ORGANISATIONAL ALIGNMENT

The preceding section introduced the importance of a systems approach to organisations and the importance thereof with regards to organisational culture and successful internal organisation alignment. The following section defines and discusses the concepts of organisational alignment, relationship marketing, and internal marketing strategies, and regards the impact of communication and change management on organisational realignment strategies. Moreover, the benefits of organisational alignment strategies on employees and the organisation as a whole are also reviewed.

Organisational alignment, according to research conducted by Tosti and Jackson (2000:6), occurs when strategic goals and cultural values are mutually supportive, as well as when crucial components of an organisation are linked and compatible with each other. In this regard, market strategies should be consistent with organisational values, and perceived as such by
organisational employees. Group objectives should be derived from organisational strategy and supported by management practices. Moreover, the day-to-day activities and behaviours employees engage in should be consistent with the organisational mission, strategy and values. Lastly, leadership and organisational systems need to support those activities and behaviours for the optimum attainment of organisational results.

The process of creating employee agreement and trust with the organisational vision, mission, and values is known as achieving alignment (American Productivity & Quality Center, 1995:4). Thus, Tosti and Jackson (2000:7) define organisational alignment as “linking strategy, culture, processes, people, leadership and systems to best accomplish the needs of a company”. An aligned organisation is one whose performance influences are mutually supportive and focused on effective and efficient delivery of results. Moreover, process alignment, according to research undertaken by Vanguard Consulting (2000:3), occurs when the delivery of products and services to customers is a coordinated effort of employees from many different units throughout the organisation.

Aon South Africa (2002:1) further expands upon the work by Tosti and Jackson (2000:7) and Vanguard Consulting (2000:3) and report that organisational alignment “improves the fit between organisational structure, operations and practices, and organisational mission and strategies”. In this regard, Kelly (2000:95) defines a person-organisation fit as “the congruence between patterns of organisational values and patterns of individual values”. This definition highlights the fact that the focus is on how the match between an individual’s values and the values in an organisation affect an individual’s attitude and behaviour. In essence, the match between the organisational values and an individual’s values affects employee retention and commitment. Lau (2000:428) further notes that loyal employees are those who can fit in with each other within the same organisation. Therefore, it is important that the communication management team assists the organisation to better understand internal customer needs for effective human resource management and to align the human resource strategy, policies, procedures and practices to better fit those needs (Aon South Africa, 2002:2).

The aim of organisational alignment is to achieve a degree of compatibility and consistency that enables employees to devote most of their energy toward the accomplishment of results, with minimum effort needed to overcome obstacles as well as to help the organisation to continue to grow and adapt. Research conducted by both the Performance Enhancement Group (2002:4) and Tosti and Jackson (2000:8) suggests that as the vision for the future of the organisation is clearly articulated, the organisation will become a team, integrating individual interests and aptitudes for
the best possible results. Moreover, alignment reflects the extent of an individual’s emotional investment in the organisational purpose, regarded as the meshing of organisational purpose with organisational practice. In essence, this occurs when individuals have internalised organisational values and beliefs (in terms of its most fundamental meanings), and can act instinctively in accordance with those values. The establishment of high performing organisations requires the organisation to create structures and develop processes that are aligned with the market the organisation is striving to capture. The vision, mission, values and strategy statements of the organisation are the foundations on which these structures and processes are built.

Moreover, organisational alignment is a business discipline that deals with operational processes and employee behaviour on a systematic, outcome-focused basis. Thus, organisational alignment campaigns could begin with a business need, followed by an organisation-wide alignment analysis to recommend and implement appropriate interventions. Due to the fact that organisational alignment focuses on business drivers and meaningful results, it is often readily accepted and implemented by the management team of an organisation, which is fundamental to the success of the alignment effort on an organisation-wide scale. The employees will be more willing to accept and implement strategies that have the support of management, therefore the alignment messages perceived to be relevant to the employees themselves would be internalised and acted upon.

Tosti and Jackson (2000:7) further expand upon the above discussion through the indication that organisational alignment efforts address numerous business problems so as to ensure that components of the organisational system are working together in a manner that effectively meets the needs of the organisation. Essentially, the benefits of the internal alignment effort include making modifications to the organisation that aid in the evolution of the organisational culture and systems to support new operational procedures, as well as aid employees, under the direction of management, to work to create a core culture that people from different nationalities could accept and that supported the strategic direction of the organisation. Expanding upon the above, the Performance Enhancement Group (2002:2) indicates that in order to ensure a successful internal organisational alignment strategy, certain steps need to be implemented by the organisation:

a) Improve communication

The organisational communication team, including the brand team, need to work with the management team to improve communication and teamwork. Communication tools and techniques will help summarise and interpret what the management team has to say about
themselves, as well as define how these team members can work together as an effective team.

b) Identification of communication styles

The identification of which communication styles lead to conflicts and breakdowns enables each employee to determine how they can more effectively communicate with other people on the management team. With regards to communication styles and the concept of internal organisational alignment, research undertaken by Grönroos (1997:331) and Storbacka, Strandvik and Grönroos (1994:20) reveals that a strategic importance exists with regards to intra-organisational collaboration. The level of interdependence between functions and departments in an organisation depends on whether the organisation prescribes to a transaction-type marketing strategy or a relationship-type marketing strategy. Due to the fact that marketing and sales specialists are responsible for the total marketing function, the internal interface between functions has very limited strategic importance to the organisation. However, the relationship oriented situation is different. The customer interface is broader and involves a large number of organisational employees operating in several different functions. A successfully implemented interactive marketing strategy requires that all the components of the organisation that are involved in customer care can collaborate and support one another, thus providing customers with a total perceived quality and enhancing satisfaction. In conclusion, for an organisation pursuing a relationship oriented strategy, the internal interface between marketing, operations, personnel and other functions is of strategic importance to success.

c) Finalise the organisational vision

The management team must arrive at a common vision and strategic direction for the organisation.

d) Implement strategies

The organisation should implement strategies to facilitate teambuilding, conflict-resolution and management alignment.

McAdam and Brown (2001:83) postulate that strategic alignment is crucial for organisations seeking to improve agile responsiveness within service organisations in rapidly changing environments. The basic premise of this alignment theory is that organisational performance is enhanced by achieving alignment between four dimensions which determine its success. These include the competitive situation is the market in which the organisation operates; the organisational strategy is the organisation’s planned response to particular competitive opportunities; the organisational culture, which is the organisation’s internal capacity to deliver
its strategy; and organisational leadership, which is the shaper of culture and driver of the culture. Such alignment must be achieved either directly between the organisation and the markets, or via an intermediary. In conclusion, Chennell, Dransfield, Field, Fisher, Saunders and Shaw (2000:1) report that the principle of alignment refers to a wide range of issues, such as: clear job descriptions, ensuring consistency of purpose, clarity about what constitutes a job well done, and focusing improvements in areas of priority.

Drawing on the above discussion of organisational alignment, various components of the organisational alignment have been identified. These include the use of internal marketing strategies to aid internal organisational alignment and the concepts of organisational change and communication strategies within the internal alignment context.

4.4.1 Internal Marketing Strategies

Internal marketing, according to Jobber (1995:2), is an implementation tool, which aids communication and helps organisational members to overcome any resistance to change, as it informs and involves all employees in new initiatives and strategies. Moreover, internal marketing is needed to ensure the organisational support of employees. The internal marketing concept implies that the internal market of employees is “best motivated for service mindedness and customer-oriented performance by an active, marketing-like approach, where a variety of activities are used internally in an active, marketing like and coordinated way” (Grönroos, 1997:331). Internal marketing obeys the same rules as, and has a similar structure to, external marketing. The basic premise of internal marketing is that the customers of the organisation are employees and colleagues from that specific organisation. Grönroos (1997:332) further concurs with Jobber (1995:1) and states that internal marketing is a process, thus it needs to be integrated with the total marketing function. With regards to the external marketing sector of the total marketing function, the various components of external marketing, both the traditional parts of it and interactive marketing, start from within the organisation. A thorough and ongoing marketing process is required to enhance the success of relationship marketing. Therefore, if internal marketing is neglected, external marketing suffers.

Drawing on the link between internal marketing and corporate identity, the elements of continuity, centrality, and distinctiveness are attributed to corporate identity, discussed in Chapter Three using van Riel’s (1997:289) definition of corporate identity, these concepts can also relate to integrated communication practices, specifically within the internal marketing context. This is due to the fact that internal marketing, especially the internal alignment efforts,
introduce the role of brand teams within the organisation to manage relationships between the organisational stakeholders. A brand management team is defined by Harris and de Chernatony (2001:444) as “comprising those people responsible for designing and developing the brand strategy”. This could include both internal employees and those in external agencies working on the brand. Hence, organisational marketing necessitates both a planning perspective which addresses the marketing of external opportunities with core competencies and considers the integration of internal activities to ensure cohesion and therefore consistency in delivery. With regards to the concept of marketing integration, Stratecom (2000:2) report that a symbolic relationship between marketing and human resource departments is required to maximise organisational performance. Furthermore, when employee communication utilises external marketing themes and reinforce the external brand messages, numerous advantages are realised. Stratecom (2000:2) identified these advantages as: sales incentive programmes realise greater success; customer satisfaction scores improve; employee pride in the brand improves, thereby creating increased employee brand salience; and, inter-departmental alignment is achieved resulting in improved operational efficiency and support of ongoing change. Smythe (1996:1) reports that the increasing emerging organisational communication role is to reconcile the thinking and the programmes conceived by the inward- and outward-facing communication disciplines, so as to align the marketing promise and the actual employee and customer experience. To effectively manage these relationships, the brand teams should focus on procedures to overcome the barriers to organisational centrality and integration. As such, research conducted by Schultz (1993:1) reveals six common internal barriers to integration, most of which are related to the organisational culture of the organisation, namely:

a) The perception exists that the organisation is already integrated
   Usually, each department within the organisation only communicates with those departments in direct relation to them (packaging reports to sales, distribution reports to purchasing), thus there is limited integration of specific areas of the communications programme.

b) History, tradition and experience
   Often the organisations hold the belief that they do not need to alter their communication practices in favour of integration because the old policies and procedures have always worked for them in the past.

c) Turf, power and position
   Due to the fact that there are different departments fulfilling similar functions, separate streams of communication are formed, which are engaged in internal competition for resources and credibility.
d) Cult of specialisation

Skyttner (1996:21) postulates that in complex systems, like a business organisation, specialised units perform specialised functions. This characteristic of complex systems is often referred to as specialisation or division of labour. Few organisations are actually designed to, or willing to develop holistically integrated communication programmes that benefit both the internal and external audiences. Moreover, the majority of contemporary employees have honed their skills and learnt to become specialists. However, integration requires a different perspective, one in which a broad view of the customer, competition, marketplace, and communication is considered.

e) Horizontal communications

Traditionally, organisations have developed vertical (top to bottom or bottom to top) communication programmes. Hendrikse (1999:47) further indicates that the more hierarchical the structure, the more complex and difficult speedy, accurate and efficient communication will become. Nevertheless, contemporary organisations, and indeed the evolved traditional organisations, realise the importance of horizontal communication programmes. Realising the importance of integrated and horizontal communication programmes, contemporary organisations appreciate the fact that integration requires communication across departments, functional specialities and brands. To enhance the effectiveness of integration, new types of horizontal communication systems, such as developing intranets, employee forums, newsletters, daily stand-up meetings, and team building weekends (Jobber, 1995:1), are required.

f) Decentralisation.

Lastly, although the need for employees to be empowered and to be equipped to respond to customers is required, it creates problems for the organisational communication programme. Empowerment and decentralisation are important elements in the restructuring of the organisation; however communication practices must be handled differently.

With regards to the integration of branding aspect discussed, research findings by the Conference Board (2002:3) conclude that some organisations utilise separate dedicated employer branding efforts to align employees with the organisational culture, vision and values, whilst others strive for the goal as part of broader corporate branding strategies. Research results by Stratecom (2000:4) conclude that successful internal branding involves human resources and marketing strategically supporting each other’s communication efforts and ensuring these functions are brand-driven and aligned at the core level. This integrated approach involves coordinating and
integrating programmes that are developed in isolation, such as employee communication, organisational development, employee events, as well as rewards and recognition.

Key (2002:5) identified four critical elements necessary to be addressed if the organisation is going to build the brand from the inside out. It is these four factors of vision, culture, external image and core competence that must be acted upon in relation to each other for inside out branding to work. Assessing whether or not these are in alignment lays the foundation for the organisation to build enduring profitable growth. The four factors of inside-out brand alignment are:

a) Vision
The vision or the leadership’s picture of where the organisation is going in the long-term refers to how the leadership conveys the vision, as well as how they involve employees in turning the vision into a reality for the organisation.

b) Organisational culture
The organisational culture includes collective values, attitudes and behaviours displayed within the organisation, as well as how employees perceive the organisation. These factors gauge if the culture inside the organisation is acting in alignment with the image the organisation wants to convey to its stakeholders.

c) External image
The external image or how the stakeholders see the organisation in general is done by conducting a brand audit and analysing the image the organisation is currently projecting to its customers and stakeholders. Ask a question like “how can we align our external image with the vision and culture of the organisation?”

d) Core competencies
The core competencies or the collective skill set of the organisation is where planning for the future requires developing core competencies beyond what the organisation currently has.

With regards to internal organisational alignment, internal marketing strategies interconnect with traditional change management in the process of implementing an internal marketing strategy. Jobber (1995:1) explains that the organisation should first identify its internal customers, as it does with its external customers, as the internal customers will have their own way of buying into the changes which the corporate communication and brand management teams are charged to implement. The similarities in differing groups enable these communication teams to segment them. The segments are supporters, neutral and opposers of the proposed organisational change. Jobber (1995:1) notes that each group requires a different internal marketing mix so that the
internal marketing objectives of the organisation can be achieved. For example, if the change that the organisation was to relocate closer to its market, the supporters could be targeted with a tailor-made relocation video detailing the lower property prices in the new location; neutral internal customers could be targeted with pay increase incentives; whilst opposers could be coerced or forced to accept the change regardless.

The following section discusses the concepts of organisational change and communication strategies within the internal alignment context.

4.4.2 Organisational Change and Communication Strategies

Due to the fact that the business environment has become less predictable and become synonymous with change, Kitchen and Daly (2002:48) report that the challenge for contemporary organisations is “not so much to plan for change but to learn to live with it, anticipate it, and where possible – capitalise on it”. Moreover, contemporary business organisations, according to research conducted by Berrell et al. (2002:83) operate within an environment that is characterised by high-speed technological advancement and business models that are constantly being reinvented. Therefore, although all organisations are faced with change, some are perceived to operate in more dynamic environments than others, it is the way the organisation manages that change that ensures strategic success. The ability of an organisation to proactively manage strategic change is a prerequisite to retaining an organisational competitive advantage.

In order to operate successfully in times of change, management teams need to proactively manage the resources they have in such a manner so as to satisfy market and organisational needs. This management style in times of change is known as change management, and is defined by Kitchen and Daly (2002:48) as “an ongoing attempt to understand industry dynamics which businesses must operate in, as well as the organisation’s own internal dynamics”. This definition indicates how crucial employees are in relation to effective change management. Thus, organisations should strive towards becoming a so-called Strategy Focused Organisation (Artemis, 2002:2), where an organisation that is able to effectively and efficiently translate the strategy conceptualised by the management team into actions by the employees who implement it. The challenge to become a Strategy Focused Organisation is to align the thinking and ability to execute the strategy from the top management team to all the employees who implement that organisational strategy. In order to become such a strategy focused organisation, Kitchen and Daly (2002:50) report that it is important to note that there are internal and external factors which impact on organisational ability to manage change. Internal factors relate to management
philosophy, systems of internal power and control, organisational structure, as well as culture. Whilst the external factors are changing customer expectations, new technology, competitive activities, and changes in the marketplace.

Moreover, the drive to become a Strategy Focussed Organisation will only be successful if communication strategies are implemented throughout the organisation. This is due to the fact that communication is considered a key factor in the successful implementation of organisational change and alignment programmes, as it can be used as a tool for “announcing, explaining or preparing people for change and preparing them for the positive and negative effects of impending change” (Kitchen & Daly, 2002:50). Moreover, Aon South Africa (2002:1) notes that planning, designing and implementing information disclosure and communication processes support organisational, cultural and process change. In essence, communicating alignment strategies, according to research conducted by Ketchum (1999:1), is crucial to the success of these organisational change and alignment strategies. Announcement of an organisational realignment strategy emphasises the new focus of the organisation on being market-driven. In this regard, internal organisational alignment strategies aid in the development and implementation of strategic business practices, due to the fact that alignment strategies signify a major cultural shift, where employees are requested to change the way they worked from the organisational traditional association mindset to a for profit approach. Core communication processes, identified by the American Productivity and Quality Center (1995:2), for achieving alignment with the corporate vision include:

a) Planning process

The planning processes for achieving alignment involve internal communications participation in transforming the corporate vision and directives into clear and consistent messages (shaping the vision), assisting internal clients with their departmental communication plans (client services), and developing a plan for disseminating the messages throughout the organisation (plan development).

b) Implementing process

Deployment is the implementing process for permeating the organisation with the corporate vision and strategic directives. This process involves disseminating the messages throughout the organisation, linking the corporate objectives with the individual employee’s work objectives, reinforcing the key messages through ongoing communications, and creating horizontal alignment between the organisation’s functional units. Furthermore, Ketchum (1999:3) indicates that in order to accomplish the goals of alignment strategies, the communication team should announce the alignment of the organisation through a cascading
communication process from the executive management to senior leaders of business groups, so as to reinforce how the department’s and employee’s work related to business goals and objectives.

c) Measurement process

Feedback is the process of measuring organisational alignment with the corporate vision. Moreover, effective organisations listen to their employees. Potential measures that organisations can utilise to measure the feedback from their employees include:

• Measures of suggestions and improvements
  Sytsma (2002:2) is of the opinion that measures of suggestions made and implemented by tracking the number of employee suggestions made and the percentage implemented is an effective measure of employee involvement. Measure of improvement concept assumes that the rate of improvement is constant, in other words, if the constant-rate of improvement is plotted on a graph, the data is reduced to a straight line. Creating a measure to track the percentage of improvement projects that are on schedule is an effective measure when continuous improvement goals are of vital organisational importance.

• Measures of organisational alignment
  If each organisational unit and sub-unit has goals that are aligned with the organisational goals, tracking the percentage of units that are meeting their goals can be an effective organisational success measure and a method for measuring the effectiveness of an organisational learning implementation. Furthermore, research conducted by Sytsma (2002:2) reveals that employees of contemporary organisations are frequently working as members of teams. Thus, measuring team performance can also be a valid organisational alignment measure.

• Strategic Control Methodology (The Balanced Scorecard)
  The balanced scorecard, developed by Kaplan and Norton, has been defined by Pupius (2001:1) as “a system of linked measures, targets and initiatives that collectively describe the strategy of an organisation and how that strategy can be achieved.” It should be utilised by organisations as a means for measuring internal organisational performance as it provides the framework for setting a performance measurement guideline focusing on financial, customer, internal business process and innovation, as well as learning and growth perspectives. Jones (2001:1) further reports that the balanced scorecard provides a process to bring about the alignment and commitment to strategy for both the management team and organisational employees as a whole; and it provides a framework
for managing the implementation of strategy whilst allowing the strategy itself to evolve in response to changes in the competitive, market and technological environments in which the organisation operates (Kaplan & Norton, 1996:85). Figure 4.4 represents the four management processes influencing the balanced scorecard. The first process, translating the vision, enables managers to build a consensus around the vision and strategy of the organisation. The second process, communicating and linking, provides managers with the means to communicate their strategy throughout the organisation and to link it to departmental and individual objectives. Thus ensuring that all levels of the organisation understand the long-term strategy and that individual and departmental objectives are aligned with it. The third process, business planning, enables organisations to integrate their business and financial plans, thereby undertaking and coordinating only the specific initiatives that move them toward their long-term strategic objectives. Finally, the fourth process, feedback and learning, provides organisations with the capacity for strategic learning.

Figure 4.4: Managing Strategy: Four Processes (Kaplan & Norton, 1996:77)

Based on the above discussion, it can be note that while significant effort is placed on the initial announcement of the organisational alignment, it is the first step in an ongoing employee communication effort focused on creating a vibrant organisational culture that is successfully “anticipating and responding to the ‘new’ demands and requirements that will drive the organisation’s success” (Ketchum, 1999:1). Good communication is a key to organisational
success, where the clarification of individual and corporate visions, missions, values and needs of the management team members, according to the Performance Enhancement Group (2002:3), is one of the crucial steps that need to be taken toward organisational improvement. Stratecom (2000:3) consolidates the above through the summation that integration of communications has been found to result in the enhancement of the customer experience; the building of a strong culture; increased productivity; a growing organisational brand equity; an improved operational efficiency; retaining and enhancing the value of employees and their ability to promote the organisation; as well as the establishment of the ability of the organisation to change a competitive advantage.

Internal communication, as noted by the American Productivity and Quality Center (1995:3), is a strategic management function responsible for achieving organisational objectives, such as increasing organisational effectiveness through employee alignment. Furthermore, Kitchen and Daly (2002:49) report that internal communication is a means to increase understanding of the commitment to change and alignment and to reduce resistance towards it. Individual employees within the organisation interpret words, phrases and sentences differently, each attributing their own meanings to the words they hear and the manner in which they are delivered. Therefore, to be successful, employees need to be able to communicate with others in a way that is meaningful for the listener.

Research findings by the Performance Enhancement Group (2002:2) indicate that breakdowns in communication result in discord, stress and frustration in organisations. Most business failures can be attributed to a lack of clear management alignment with stated organisational goals. Individual employees have needs and goals, as well as visions for themselves and for the organisation; thus, overcoming the barriers to communication occurs when these ideas are openly discussed and a common set of strategic goals for the organisation are derived. To work productively in an empowered environment, employees should agree with and trust in the vision of the organisation as defined by top management (American Productivity & Quality Center, 1995:2). If an organisation promises to exceed customer and employee expectations, according to Key (2002:3), the challenge becomes to do so consistently. If the organisation does this, it’ll increase customer salience and build an asset that will distinguish it from the competition. It for this reason that the need exists to establish a stronger sense of salience among employees, increase job satisfaction, and create a sense of belonging and accomplishment resulting in reduced turnover (Stratecom, 2000:2). It is from this perspective that brand loyalty, traditionally associated with external marketing, is now having an impact on internal communication.
In summation, change, according to research conducted by Cchange Communications (2001:2), can act as a catalyst for a positive move towards internal organisational alignment. The organisation is in a strong position to build consistency as the structure, values and processes are still being coordinated. Pace and Faules (1994:71) are of the opinion that those who engage in organisational change should identify and deal with organisational culture. From a sense-making perspective, this relates to knowing how an organisation communicates. Research conducted by Vanguard Consulting (2000:1) concludes that the majority of large-scale organisational change begins with decisions about strategic direction. Invariably, those decisions have important implications for organisational culture and employee satisfaction in the organisation.

4.5 TOWARDS EMPLOYEE SATISFACTION THROUGH SERVICE QUALITY

With regards to the statements made by Kitchen and Daly (2002:50) in Chapter Two and those made by Blumenthal (2001:8) in Chapter Three, Cchange Communications (2001:2) expand upon the belief that employees are the most important asset of an organisation, and indicate that the attraction, retention and motivation of the right employees aids in the creation of a stable, productive workforce. Furthermore, the organisation gains a reputation as the employer of choice in its specific sector; builds upon skills and knowledge to serve customers more efficiently; as well as enables the evolution of a values-based learning culture within the organisation. Research findings by Barber et al. (1999:2) and Hoogervorst et al. (2004:295) concur with the above statements and conclude that organisations should not underestimate the value and business benefits associated with investing in employees: increasing employee commitment increases sales and customer satisfaction. In that regard, internal customer satisfaction is a future-oriented indicator of the profitability of an organisation (Storbacka et al., 1994:23). It can thus be regarded as an important complement to traditional measures of performance, such as return on investment, profit and market share. In actual fact, focusing on existing internal customers enhances the profitability of an organisation, due to the fact that satisfaction leads to lower costs, higher internal customer retention and higher revenue.

Furthermore, the ability of an organisation to provide superior value to internal customers is a prerequisite when attempting to establish and maintain long-term relationships. Ravald and Grönroos (1996:20) reiterate the fact that the underlying construct of employee satisfaction is more than a perception of the quality of service received. In other words, the addition of more value to the core product, which could be the internal realignment strategies of the organisation, enables organisation to improve employee satisfaction so that the bonds are strengthened and employee loyalty is ultimately achieved. Payne et al. (2000:261) concur and reiterate the above
through the belief that there is a reciprocal relationship between employee value and job performance: if an organisation provides benefits for its workforce, the employees are more likely to support the organisation and its goals through enhanced job performance. Employee value can be considered from two perspectives, which are the value the organisation delivers to employees and the values employees deliver to the organisation (usually measured against a number of performance objectives). Moreover, employee satisfaction should be tracked throughout the organisation on a frequent basis so as to determine if and where problems exist. Employee retention is a key indicator of employee satisfaction. Key staff turnover is often tracked to determine whether key employees are remaining with the organisation. An increased turnover rate could be an indicator of some unresolved problem in the organisation and should be dealt with speedily. Employee productivity is a frequently used organisational learning measure. Taking the revenue of the organisation and dividing it by the number of employees calculates the revenue per employee. In addition, revenue per employee is often utilised in the evaluation of the progress of an organisational process-reengineering attempt. Therefore, when revenue per employee is increasing, employee productivity is increased. However, Sytsma (2002:4) warns that organisations should not place too much emphasis on reducing the denominator (eliminating employees) compared to increasing the numerator (increasing customer satisfaction).

From the above it can be concluded that the employee value provided by the organisation is closely linked to the benefits an employee receives from an organisation in exchange for the opportunity, cost, time and labour expended in performing the job. The benefits include the internal service quality created by management practices, such as training, reward structure, development and empowerment of the employee. In this regard, Stanier’s (2001:31) research on internal branding indicates a correlation between the organisational ability to live the brand and employee pride and satisfaction. Moreover, employees’ commitment in the organisation, increased by their organisational pride and satisfaction, is required to achieve a combination of internal and external alignment of brand and a culture of its values. Commitment requires leadership’s support and a willingness to confront the difficulty of behaviour change, time and resources.

4.5.1 **Service Quality**

When discussing the concept of employee satisfaction, reference needs to be made to the concepts of service quality and internal quality, due to the fact that employee satisfaction is largely driven by the internal quality of the working environment. Internal quality is defined by Stock (2001:1) as “the feelings that employees have toward their jobs, colleagues, and
company”. As such, Payne et al. (2000:263) indicate that practices associated with internal service quality, include: effective training, management support, and providing the systems and tools necessary to serve the customer.

Services are processes not things, thus introducing a definition by Grönroos (2001:150) where a service is “a process that leads to an outcome during partly simultaneous production and consumption processes”. Thus, other characteristics such as the fact that the production and consumption are partly simultaneous activities and that internal customers participate in the service production process, follow from the process characteristic. This indicates that a service organisation has no products, only interactive processes. Within a service context, a need-satisfying equivalent of a product emerges gradually for the internal customer throughout the consumption process. Compared to the marketers of physical, tangible products, service organisations rely on a set of resources, such as physical resources, technology and systems, customers, and employees, and a governing system that puts these resources to use when the internal customer requests a service. In this regard, service marketing has been labelled interactive marketing; thus, the interactions between the employees and the quality-generating resources controlled by the service provider lay the foundation of service (interactive) marketing.

Storbacka et al. (1994:21) indicate that the dominating perspective within service quality research has been the assumption that service quality has a positive correlation with satisfaction, which will ultimately lead to increased salience. The current satisfaction paradigm is based on the assumption that internal customers’ actions are based on their perception of quality and satisfaction, and that a salient internal customer is more profitable than a less salient customer is. The ultimate aim of adding more value to the core product, in other words to enhance customer salience, will not be attained if the value added is not customer-oriented. If the organisation can provide value in terms of reducing the internal customer’s perceived sacrifice, so that the relationship costs are minimised and customer performance improved, the changes of organisational success are enhanced. However, to be able to provide this value the organisation should understand the elements of customer-perceived value as well as how the activities of the organisation influence internal customer performance. According to Ravald and Grönroos (1996:21), customer-perceived value is defined as “the consumer’s overall assessment of the utility of a product based on a perception of what is received and what is given”, where perceived value is subjective, individual and varies among internal customers. Moreover, an individual could evaluate the same product differently on different occasions.
When confronted with the question “how is the service concept transformed to something that provides satisfaction?” Grönroos (2001:151) introduces the concept of the perceived service quality model, whereby the employee perceives what they receive as the outcome of the process in which the resources are used (the technical or outcome quality of the process) as well as perceiving how the process itself functions (the functional or process quality dimension). In this regard, the technical quality and functional quality dimensions of perceived quality begin to emerge. In traditional quality models, quality is supposed to precede internal customer satisfaction. According to Ravald and Grönroos (1996:20), perceived service quality is defined as “the difference between expectations and actual performance”. Quality is further regarded as an overall judgement of the superiority or excellence of a service. Due to the fact that internal customers often have continuous contacts with the organisation, a dynamic aspect is needed in a service quality model. Internal customers bring their previous experiences and overall perceptions of the service organisation to each encounter. Thus, the image concept is introduced as another crucial component in the perceived quality model, taking the dynamic aspect of the service perception process into account. Moreover, Storbacka et al. (1994:23) are of the opinion that perceived service quality can be viewed as an ‘outsider’ perspective or a cognitive judgement of a service. It can be based on knowledge about the organisation through word-of-mouth advertising, as well as on experiences with the service.

Satisfaction, on the other hand, refers to an insider perspective, which is the internal customer’s own experience of a service where the result has been evaluated in terms of the value received. In this regard, satisfaction depends on value. Ravald and Grönroos (1996:20) define perceived value as “the ratio of perceived benefits relative to perceived sacrifice”. Therefore, if customer satisfaction depends on value, then it must also depend on the total costs or sacrifice. When examining the customer-perceived value of an event in a relationship, it cannot be derived solely from the core product plus supporting services, rather it should include the effects of maintaining a relationship. In addition, increasing the benefits for the internal customers means adding an aspect to the core product that the internal customer perceives important, beneficial, and of unique value. Good core product quality combined with supporting service, through training and development programmes or reward and incentive schemes, results in increases in the benefits for the internal customer, and this in turn, affects customer-perceived quality positively. Storbacka et al. (1994:30) note that a satisfied internal customer creates a strong relationship with the organisation, thus leading to relationship longevity (customer retention and salience). Retention generates steady revenues, and the addition of revenues overtime improves internal
customer relationship profitability. In this regard, the organisation can utilise potential internal customer relationship economic opportunities in a positive manner.

4.6 CONCLUSION

The preceding sections discussed the theoretical underpinnings associated with an organisation whose employees conceptualise their roles in the broader organisational mission, understand how their jobs support organisational strategies, act in accordance with those strategies and empower themselves to achieve an alignment between personal and organisational goals. As such, organisations are dynamic systems that function optimally when their components are coordinated to function holistically. The strategic and cultural paths of the organisation influence the activities the organisation participates in, how the organisation operates, and the organisation’s profitability. A key conclusion to this section is that the cultural and strategic elements interact with the external organisational environment, with the organisation’s internal support systems, and with the various organisational stakeholders.

The establishment of top performing organisations requires the organisations to develop processes and to create structures that are aligned with the environment in which the organisation operates. If internal stakeholders understand the reason for change, the new strategic organisational intent and are properly motivated, the internal stakeholders are able to render quality service to customers. Moreover, when customers experience the high levels of quality service, the likelihood of customer satisfaction and retention is increased. Thus, the profitability of the organisation is impacted upon in a positive manner. The ever-changing business environment facilitates change, and organisational change can act as a catalyst for a proactive shift towards internal organisational alignment. In essence, organisational change needs to address the organisational culture, as decisions relating to strategic direction have implications for organisational culture. Organisational culture, image and communication are processes that have an influence on the ability of employees to render a quality service to customers, thus achieving strategic organisational objectives. The ability of an organisation to meet targets for customer, internal-process, and financial objectives depends on the organisational capabilities for learning and growth. Organisational growth is enabled by three sources: employees, systems, and organisational alignment. Employee satisfaction, retention, and productivity are outcome measures from investments in employees, systems, as well as personal and unit alignment to organisational goals.

With regards to the research question pertaining to the role of organisational culture as a tool for internal organisational alignment amongst banking service organisations in South Africa that
have undergone an amalgamation, a link can be made to the theoretical postulations regarding the influence that the characteristics of organisational culture have on the alignment of key organisational strategies. Moreover, impact that organisational culture, image and communication have on the ability of employees to render a quality service to customers is aligned to the research question due to the fact that it is theoretically established that socialising employees into the organisational culture, by engaging them through the corporate brand and organisational communication techniques facilitates internal organisational alignment.

The following provides a discussion on the empirical research utilised, wherein the research problem and its associated research questions, research aims and theoretical statements are reviewed. Moreover, the chosen methodological orientation, population and sampling, research design and data collection techniques are discussed. Finally, the data analysis techniques and the validity and reliability of the chosen empirical research are presented.
CHAPTER FIVE: EMPIRICAL RESEARCH

5.1 INTRODUCTION

Within the first section a discussion on the research problem, which deals with the concepts of internal branding, internal organisational alignment and South African banking service organisations, the research questions and the research aims precedes a discussion on the identified theoretical statements. The research questions and research aims deal with the concepts of organisational communication, corporate identity and organisational culture, which are concepts related to those documented in the research problem. In this regard, the identified research problem forms the foundation from which the research questions and the research aims are conceptualised. The quantitative and qualitative research methodologies, and the appropriateness thereof, are described in the second section. A review of probability and non-probability sampling is followed by a brief overview of the suitable non-probability sampling procedures chosen. Thereafter, a discussion on the research design is followed by discussions on data gathering and data analysis for the two phases. The overall research design subscribed to is a one-shot case study approach. Additionally within this one-shot case study approach, there are three stages which occur. These include a documentation study, which attempts to investigate the use of internal branding as a tool for internal organisational alignment within a banking service organisation in South Africa, semi-structured telephone interviews and e-mail interviews, where the goal of these phases are to use semi-structured interview techniques to better understand the case study. Each of the stages identified draw on the qualitative research methodology.

5.2 RESEARCH PROBLEM

In the pursuit of organisational success, organisations traditionally focused on building and sustaining relationships with external customers, as the belief was that the external, paying customers would ensure the financial success of an organisation (Farner et al., 2001:351). As such, the potential impact that the internal customers have on the successful functioning of the organisation was largely overlooked. Whilst organisational communication focused on external organisational branding and image the organisation portrays to the external publics, communication within many organisations was not considered to be of importance. However, Kitchen and Daly (2002:45) report that the ever-evolving global environment in which the organisation operates emphasises the concept of change and the organisations’ abilities to adapt to change. Moreover, Stratecom (2000:3) note that this cognisance of the impact of change on the organisation, has lead some contemporary organisations to realise the inherent importance of
internal customers to the successful organisational functioning. With regards to banking service organisations, Payne et al. (2000:267) indicate that there have been considerable changes in the banking organisations services business environment. These include consumer demand, new competitors and technological environment. In order for these service organisations to continue to exist in these changing times, Farner et al. (2001:351) postulate that new business strategies, which include new communication strategies, need to be implemented. Moreover, Payne et al. (2000:268) are of the opinion that due to these changes, banking service organisations are paying more attention to increasing employee salience and value through internal marketing efforts. As such, research findings by the American Productivity and Quality Center (1995:3) conclude that focus needs to be on the implementation of internal communication techniques, such as internal branding, so as to align the core organisational values with the external image the organisation portrays. Moreover, the Performance Enhancement Group (2002:2) indicates that the organisation needs to ensure that the message it communicates to its external audience is built upon its key organisational values and vision, and that these values are communicated internally throughout the organisation; thus in order to ensure a successful internal organisational alignment strategy, which promotes employee satisfaction and participation, improvement needs to be made to internal communication strategies and strategies which facilitate teamwork should be implemented. Although there is not much that management teams can do to improve the state of the overall business economy, they can increase the value of their organisations by aligning their focus with what markets value most. In successful banking service organisations, all members of every executive team think carefully about how markets develop and how to sustain them, what customers and markets value, how to best serve these markets, as well as how to reallocate resources to succeed Moore and Wiefels (2002:2) postulate that an organisation’s competitive advantage is the differentiation it can achieve relative to its direct competitors. The more competitive advantage an organisation has, the greater the potential for increasing its earnings. Managing shareholder value directly equates to managing for increases in competitive advantage.

Although there are is extensive research and corresponding models investigating customer satisfaction (Heskett, Jones, Loveman, Sasser & Schlesinger’s 1994 Service-Profit Chain Model), alignment (Tosti & Jackson’s 2000 Organisational Component’s Model) and corporate identity management (Stuart’s 1999 Definitive Model of the Corporate Identity Management Process), there is little research that fully encompasses the processes of internal branding and internal organisational alignment holistically.
In light of this, the research problem is: What is the role of internal branding as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation?

5.3 RESEARCH QUESTION

The specific research questions to be addressed are as follows:
1. What is the role of internal organisational communication as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation?
2. What is the role of corporate identity as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation?
3. What is the role of organisational culture as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation?

5.4 RESEARCH AIM

The specific research aims to be addressed are as follows:
1. To determine the role of organisational communication as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation.
2. To determine the role of corporate identity as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation.
3. To determine the role of organisational culture as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation.

5.5 THEORETICAL STATEMENTS

Based on the above, the following theoretical statements provide the theoretical grounding for the identified research questions and research aims:

4. Due to the changing nature of today’s global economy, authors like Dolphin and Fan (2000:100), Millar and Rose (1994:15) as well as Wood (1997:11) concur that internal organisational communication provides competitive advantage for the organisation by
helping the organisation convey its most significant points of distinctiveness and contributing to positioning the organisation in the marketplace, thus it is a key competitive and creative weapon for the organisation.

5. Research conducted by Alessandri (2001:173) and van Riel (1997:289) indicates that corporate identity is perceived to be an endorsement of the brand and corporate values and is evident in every aspect of the brand experience, as such the stronger the employees’ identify with their organisations, the more supportive and accepting they are of organisational promises and the more they make decisions that are consistent with organisational objectives.

6. Both Jobber (1995:2) and Kitchen and Daly (2002:50) postulate that internal branding is considered a key implementation tool, which aids communication and helps organisational members to adopt the organisation’s culture, as this tool informs and involves all employees in new initiatives and strategies.

5.6 METHODOLOGICAL ORIENTATION

Researchers gather data by employing specialised techniques and use the data to support or reject theories. Neuman (2000:7) indicates that data are “the empirical evidence or information that one gathers carefully according to rules or procedures”. Methodologies or data can be categorised under the headings of quantitative (numbers) and qualitative (words, pictures or objects) research methodologies. The distinction between quantitative and qualitative methodologies applies to the research process as a whole and not any specific part thereof only. Moreover, quantitative and qualitative researchers often have varying assumptions about social life and have different objectives. Quantitative researchers try to convert concepts about various aspects of social life into variables that can be precisely measured with numbers. Thus, the way they approach research and gather data will differ. Quantitative and qualitative research differ in many ways, however, they also complement each other in many ways.

The differences between these two methodologies are discussed in the following section.

5.6.1 Quantitative Research Methodology

Quantitative research methodology is a scientific research approach that is formalised and clearly controlled with a specifically defined range. Neuman (2000:123) and Skinner (1993:216) are in agreement that quantitative research methods are the description of the scientific action that combines the use of numbers, deduction and hypothesis testing. The purpose of quantitative research is to explain and predict, and to test, confirm and validate theory (Anon., 2002:4).
Positivist social science embraces quantitative research methodology, which implies that a researcher begins with a general cause-effect relationship that the researcher logically derives from a possible causal law in general theory. Seale (1999:21) concurs and expands upon the above statements by documenting that positivism has often involved commitment to value neutrality, a preference for measurement and quantification of observable events and a search for statistical regularities that can be understood as causal laws. In this regard, Neuman (2000:66) defines quantitative methodology with a positivist association as an “organized method for combining deductive logic with precise empirical observations of individual behaviour in order to discover and confirm a set of probabilistic causal laws that can be used to predict general patterns of human activity”. Moreover, research conducted by Huysamen (1998:4) reveals that quantification is essential to the quantitative methodology, thus concepts embedded in theoretical hypotheses are apparent to be observable and testable. Neuman (2000:122) further indicates that quantitative researchers follow a linear research path and emphasise measuring variables and testing hypotheses that are linked to general causal explanations.

In this regard, qualitative research uses reconstructed logic, which indicates that the logic of doing research is highly organised and restated in a formal, idealised, and systematic form (Neuman, 2000:122). As such, quantitative researchers subscribe to a technocratic perspective, where the researcher is the expert and the research goal is to discover generalisations oriented toward increasing efficiency through the use of explicit, shared technical research procedures. This implies that findings can be generalised to a larger population, and direct comparisons can be made between two cases, so long as valid sampling and significant techniques have been used. Anon. (2003:1) concurs and indicates that researchers classify features, count them and construct more complex statistical models in an attempt to explain what is observed. Moreover, research conducted by Neuman (2000:125) further indicates that quantitative researchers stress objectivity and the use of mechanical techniques. The principle of replication is used, numbers are measured, standardised methodological procedures are adhered to, and then the data is analysed with statistics (Allan, 1993:177). Authors such as Fouché and Delport (2002:81) and Neuman (2000:126) expand upon Allan’s (1993:177) research through the opinions that quantitative research addresses the issue of integrity by relying on an objective technology such as standard techniques, statistics, replication and numerical measures. Moreover, in quantitative research, cases are generally the same as a unit of analysis, which is the unit on which variables are measured. Thus, quantitative analysis allows researchers to discover which phenomena are likely to be genuine reflections of the behaviour of a population, and which are merely chance occurrences. As such, a key factor of quantitative research is that it disregards the human factor,
which implies that quantitative researchers seek to understand relationships without emphasis on the participants’ perspectives (Reichardt & Rallis, 1994:11).

From the above presented definition and discussion, it can be said that quantitative research accentuates general laws of cause and effect and is based on an explanatory viewpoint, where reality consists of a world of objectively defined facts. Neuman (2000:22) characterises explanatory research through the statements that explanatory research:

a) Tests a theory’s predictions or principles;
b) Elaborates and enriches a theory’s explanation;
c) Extends a theory to new issues or topics;
d) Supports or refutes an explanation or predication;
e) Links issues or topics with a general principle;
f) Determines which of several explanations is best.

Based on the above discussion on quantitative research, the advantages and disadvantages of this research style are presented below.

a) Advantages of qualitative research

Therefore, the advantages of quantitative research are as follows:

- The use of numbers allows for greater precision in reporting research results (Wimmer & Dominick, 1987:50).
- Quantification makes the observations in the research more explicit and accurate, as the human factor is not taken into account, thus making the facts more factual.
- Quantitative research enables the use of various methods of mathematical analysis (Wimmer & Dominick, 1987:50).

b) Disadvantages of quantitative research

The disadvantages of quantitative research include:

- Quantitative research forces responses or people into categories that might not fit in order to make meaning (Palmquist, 2002a:1). The picture of data that emerges from quantitative analysis is less rich than that obtained from qualitative analysis. For statistical purposes, classifications have to be of the hard-and-fast, where an item either belongs to class $x$ or it doesn’t. Therefore, quantitative analysis is an idealisation of the data in some cases. This is a relevant disadvantage, as a purely quantitative method could
cause facts to be interpreted incorrectly, as the relevant context could provide useful insight into the research result.

- Quantitative analysis tends to sideline rare occurrences. To ensure that certain statistical tests (such as chi-squared) provide reliable results, it is essential that minimum frequencies be obtained, for example categories may have to be collapsed into one another resulting in a loss of data richness (Anon., 2003:1).

The preceding section dealt with the definition of and characteristics of the quantitative research methodology. The following section reviews the definition of and characteristics of the qualitative research methodology. As within the above discussion of the quantitative research methodology the following section will highlight the advantages and disadvantages associated with a qualitative research methodology.

5.6.2 Qualitative Research Methodology

Qualitative researchers often rely on interpretive or critical social science. The interpretive approach is defined as “the systematic analysis of socially meaningful action through the direct detailed observation of people in natural settings in order to arrive at understandings and interpretations of how people create and maintain their social worlds” (Neuman, 2000:71). Whilst, critical social science is defined by Neuman (2000:76) as “a critical process of inquiry that goes beyond surface illusions to uncover the real structures in the material world in order to help people change conditions and build a better world for themselves”. Moreover, qualitative researchers use a transcendent perspective, follow a non-linear research path and apply logic in practice, where the logic of how research is actually carried out is criticised as being relatively ambiguous and tied to specific cases and oriented toward the completion of a task.

Allan (1993:178) notes that qualitative researchers emphasise conducting detailed examinations of cases that occur in the natural cycle of social life. Neuman (2000:122) expands upon Allan’s (1993:178) view through the indication that qualitative researchers speak a language of “cases and contexts”. Qualitative research relies on the informal wisdom that has developed from the experiences of researchers. Anon. (2003:1) concurs and indicates that the aim of qualitative analysis is a complete, detailed description. Qualitative analysis allows for fine distinctions to be drawn, as it is not necessary to categorise the data into a finite number of classifications. Due to the fact that the researcher only rarely discuss variables or hypotheses and prefers to interpret the soft data (words, impressions and symbols) collected, researcher integrity is a critical issue in qualitative research. It is for this reason that ambiguities can be recognised in the analysis. As such, Allan (1993:179) is of the opinion that qualitative data give quantitative researchers useful
information regarding the social processes in specific settings, as well as enables critical researchers to break through technocratic assumptions implicit in quantitative approaches. Expanding upon the above statement, Miles and Huberman (1994:6) hold the belief that the human factor and an intimate firsthand knowledge of the research setting is emphasised by qualitative researchers, thus taking advantage of personal insight and human perspectives to understand social life more in-depthly. Allan (1993:180) further notes that qualitative researchers aim to use participants’ own understandings of events in analysing social settings. Reichardt and Rallis (1994:11) are in agreement and indicate that qualitative researchers usually seek to explicate the meaning of reality from the participants’ perspectives. The qualitative research process is a holistic process that deals with unknown variables, uses flexible guidelines and an emergent design, is context-bound and is subjective (Anon., 2002:5). Expanding upon these views, research conducted by Neuman (2000:145) reveals that qualitative data are empirical, as they involve documenting real events, recording what people say, examining visual images, and studying written documents. These are all concrete aspects of the world.

Research conducted by Shaw (1999:13) concurs with Neuman’s (2000:145) view regarding interpretation, thus qualitative evaluation is interpretive. Anon. (2002:4) further implies that the purpose of qualitative research is to describe and explain, to explore and interpret, and to build theory. Allan (1993:80) concurs with the above statements and notes that qualitative approaches are regarded as exploratory. The goal of exploratory research is to formulate more precise questions that future research can answer. Exploratory research could be the first stage in a sequence of studies. An exploratory study may be conducted in order to know enough to design and execute a second, more systematic and extensive study (Neuman, 2000:21). Moreover, exploratory research rarely yields definitive answers and is difficult to conduct, as there are few guidelines to follow. Therefore, within exploratory research, everything about a topic is potentially important. In short, research conducted by Shaw (1999:130) concludes that qualitative evaluation research:

a) Identifies causal mechanisms;
b) Deals with complex local networks;
c) Sorts out the temporal dimensions of events;
d) Is well equipped to cycle back and forth between different levels of variables and processes;
e) Has an analytic induction provides a way of testing deepening single case explanations.
In order to determine the appropriateness of qualitative research methodologies, it is essential to document the advantages and disadvantages thereof, as suggested by Shaw (1999:173) and Wimmer and Dominick (1987:50).

a) Advantages of qualitative research

The following are advantages of qualitative research:

- The researcher is able to view behaviour in a natural setting without the artificiality that surrounds experimental or interview research.
- Qualitative research has the ability to enhance a researcher’s depth of understanding of the phenomenon under investigation. This is appropriate, according to research conducted by Shaw (1999:173), as the implementation of this methodology will increase the range of understanding of this specific research topic, as there is a lack of information available on the topic.
- Qualitative methods are characterised as being flexible and allow the researcher to pursue new areas of interest. This flexibility is crucial due to the fact that internal branding, an aspect of integrated marketing communication, and internal organisational alignment are relatively young fields of study. If new ideas arise during the research, Shaw (1999:173) postulates that the study can be adapted to enhance the meaningfulness of the results.
- There is a concern with the research process as well as the outcome.
- Qualitative research provides explanations which are adequate at the level of meaning, but which are also fully aware of questions of causal adequacy, even if they cannot be fully resolved.

b) Disadvantages of qualitative research

The following are disadvantages of qualitative research:

- Sample sizes are generally too small to allow the researcher to generalise the data beyond the sample selected for the specific study.
- Shaw (1999:173) concurs with Wimmer and Dominick (1987:50) and indicates that the reliability of data can be difficult to ascertain as single observers are describing unique events.
- If qualitative research is not properly planned, a risk exists that the project may produce nothing of value.
- If aiming for validity at the level of meaning it falls short at the level of causal adequacy.
- It is not representative and thus not capable of generalisation. Palmquist (2002a:1) concurs and indicates that qualitative research sometimes focuses too closely on
individual results and fails to make connections to larger situations or possible causes. The findings of qualitative research cannot be extended to wider populations with the same degree of certainty that quantitative analyses can. This is due to the fact that the research findings are not tested to discover whether they are statistically significant or due to chance.

Although both quantitative and qualitative methodologies share basic principles of science, the two approaches differ in significant ways. Each has its strengths and limitations and classic studies that provide insights into social life. From the above discussion of the two research methodologies, the differences between quantitative and qualitative research can be summarised in Table 5.1, as suggested by Fouché and Delport (2002:81) and Neuman (2000:123).

Table 5.1: Differences between Quantitative and Qualitative Research (Fouché & Delport, 2002:81; Neuman, 2000:16)

<table>
<thead>
<tr>
<th>Quantitative (Verification-based) Research Methods</th>
<th>Qualitative (Discovery-based) Research Methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Epistemological roots in positivism.</td>
<td>Epistemological roots in phenomenology.</td>
</tr>
<tr>
<td>Measure objective facts, such as test hypothesis that the researcher begins with.</td>
<td>Construct social reality, cultural meaning, so as to capture and discover meaning once the researcher becomes immersed in the data.</td>
</tr>
<tr>
<td>Focus on variables, due to the fact that concepts are in the form of distinct variables.</td>
<td>Focus on interactive processes, events, due to the fact that concepts are in the form of themes, motifs, generalisations and taxonomies.</td>
</tr>
<tr>
<td>Reliability is key.</td>
<td>Authenticity is key.</td>
</tr>
<tr>
<td>Value free.</td>
<td>Values are present and explicit.</td>
</tr>
<tr>
<td>Independent by context.</td>
<td>Constrained by the situation.</td>
</tr>
<tr>
<td>Many cases, subjects.</td>
<td>Few cases, subjects.</td>
</tr>
<tr>
<td>Statistical analysis.</td>
<td>Thematic analysis.</td>
</tr>
<tr>
<td>Researcher is detached.</td>
<td>Researcher is involved.</td>
</tr>
<tr>
<td>Measures are systematically created before data collection, and are standardised.</td>
<td>Measures are created in an ad hoc manner and are often specific to the individual setting or researcher.</td>
</tr>
<tr>
<td>Theory is largely causal and is deductive from</td>
<td>Theory can be causal or non-causal and is</td>
</tr>
</tbody>
</table>
general case theory to specific situations. | often inductive from specific situations to general cases.
---|---
Procedures are standard and replication is assumed. | Research procedures are particular and replication is very rare.
Analysis proceeds by using statistics, tables or charts and discussing how what they show relates to hypotheses. | Analysis proceeds by extracting themes or generalisations from evidence and organising data to present a coherent, consistent picture.

From the above information, it can be summated that qualitative data involves words and quantitative data involves numbers, where qualitative research is inductive and quantitative research is deductive. In qualitative research, a hypothesis is not needed to begin research; however, all quantitative research requires a hypothesis before research can begin (Palmquist, 2002a:1). A major difference between the two research styles is the underlying assumptions regarding the role of the researcher. In quantitative research, the researcher is ideally an objective observer that neither participates in nor influences what is being studied. In qualitative research, on the other hand, the researcher has an opportunity to learn the most about a situation by being immersed in it. According to research conducted by Palmquist (2002a:1), these underlying assumptions of both methodologies guide and sequence the types of data collection methods implemented.

Based on the above discussion on the differences between quantitative and qualitative research methodologies, it can be said that an exploratory, qualitative research methodology has been chosen. This is due to the fact that the purpose of exploratory, qualitative research is to describe and explain a set of concepts, to explore and interpret the relationships between the concepts, and to build theory about a topic. Moreover, an exploratory study has been chosen due to the sparseness of research in the fields of organisational communication, internal branding and internal organisational alignment. Authors such as Argenti (1996:73), Balmer (2001:248), Dolphin and Fan (2000:105) and Tosti and Jackson (2000:2) are all in agreement that despite the voluminous literature, the concepts of organisational communication, internal branding, and internal organisational alignment remain unclear and ambiguous. This potentially creates a setting for confusion and misinterpretation, as no universally accepted definitions have emerged, as the definitions come from the integration of several different disciplines within the wider communication field.

In order to increase the depth of understanding of the research, population and sampling techniques are discussed in the following section.
Clark and Causer (1993:168) note that once the research objectives have been established, the next stage is to design a project that will enable the researcher to attain the research objectives. In social sciences, the typical unit of analysis is a person, or groups of people. Hence, the population is banking service organisations within South Africa. Due to the fact that the population of interest is usually very large, it is impossible to observe all of the population’s members, thus the researcher uses a sample from the population to study that population (Huysamen, 1998:3). As such, the sample is a relatively small subgroup of individuals from the population. The researcher is observing a sample of the population and inferring something about the characteristics of the population (Howell, 1999:6). Sampling enables a reduction of data so as to make it easier to interpret (Bless & Kathuria, 1993:109).

The purpose of sampling is to collect specific cases that can clarify and deepen understanding. Mouton (1996:132) notes that the aim of sampling in social research is to produce representative selections of population elements. Quantitative researchers use a type of sampling based on theories of probability from mathematics (probability or random sampling), whilst qualitative researchers focus less on a sample’s representativeness for drawing a probability sample. Instead, Neuman (2000:196) indicates that focus is placed on how the sample highlights social life. Qualitative researchers aim to find cases that will enhance what other researchers learn about the processes of social life in a specific context (non-probability or non-random sampling). Miles and Huberman (1994:27) concur with the above and further indicate that sampling in qualitative research involves setting of boundaries to define aspects of the case that connect directly to the research objectives and the creation of a frame to uncover, confirm and qualify the basic processes or constructs that form the foundation of any study.

Based on the above discussion on quantitative and qualitative researchers utilising two different types of sampling procedures, the following section will review the various probability and non-probability sampling methods available for researchers to use.

5.7.1 Probability Sampling Methods
With regards to probability sampling, Deacon et al. (1999:41) and Mouton (1996:138) indicate that units are selected randomly; the chance of each unit of a population being selected for a sample can be calculated; and every unit of a population has an equal chance of being selected. The distinguishing characteristic of probability sampling is that the researcher can specify for each element of the population the probability that it will be included in the sample. In essence,
probability sampling increases the possibility that the selection of elements from the population provides an accurate reflection of the population parameters.

Although there are several forms of probability sampling, each of them involves consideration of two issues: defining a population and identifying a sampling frame (Deacon et al., 1999:44). As indicated above, the population of a sector of research is never constant; it is defined by research objectives. As such, defining a population provides the foundation for deciding upon an adequate and appropriate sampling strategy and heralds how broadly the findings can be extrapolated. The sampling frame is a list that contains all of the elements of the population the researcher wishes to sample. Examples of probability (random) sampling are simple random sampling, systematic sampling, stratified sampling and cluster sampling, which are described as follows:

a) Simple Random Sampling

Deacon et al. (1999:46), Neuman (2000:203) and Wimmer and Dominick (1987:73) all agree that this is the simplest kind of sampling and the one on which other types are based. Within this sampling, each subject or unit in the population has an equal chance of being included in the sample. Each sample unit is selected on a random basis from the sampling frame by assessing each unit on the sampling frame a unique number and then randomly selecting numbers between the top and bottom value, until the researcher has the requisite number of sample units.

b) Systematic Sampling

This sampling method is simple random sampling with a short cut for random selection. Instead of using a list of random numbers, a sampling interval is calculated and the interval becomes the researcher’s quasi-random selection method (Neuman, 2000:206). In systematic sampling, every $n$th entry on the sampling frame is systematically chosen for inclusion in the sample (Deacon et al., 1999:46). A sampling rate is then selected, and the starting point and the interval are randomly selected (Wimmer & Dominick, 1983:75). A major disadvantage lies in the possibility that the sampling process may be biased due to periodicity (Neuman, 2000:206).

c) Stratified Random Sampling

It is necessary in certain communication studies not only to draw a representative sample but, in addition, to have certain sub-groups (strata) included in the same proportion as they occur in the population (Deacon et al., 1999:47). The population is first subdivided into two or more mutually exclusive strata based on any characteristic or variable. Simple random samples are drawn from each stratum. Each of these samples are joined to form the complete, stratified sample (Neuman, 2000:208). Stratified random sampling is a popular sampling
technique due to its cost-effectiveness and the control it provides the researcher (Goode & Hatt, 1952:221) however, it is not always possible to apply (Deacon et al., 1999:47).

d) Cluster Sampling

In some instances, the units of a population are not listed or known. The population is divided into groups or clusters, and a sample of clusters is randomly selected. Instead of sampling individual units the researcher samples groups, which saves time and is cost-effective (Neuman, 2000:211). However, the possibility of sampling errors increases in cluster sampling as there is a possibility that the randomly selected clusters, and the individual units that make up these clusters, are not necessarily representative of the whole population (Deacon et al., 1999:49).

The previous section discussed the various probability sampling methods quantitative researchers utilise in their research, thus the following section will provide a review of the various non-probability sampling methods generally used by qualitative researchers.

5.7.2 Non-Probability Sampling Methods

Qualitative researchers tend to employ non-probability or a non-random sample, which implies they rarely determine the sample size in advance and have limited knowledge about the larger group or population from which the sample is taken. Cases are chosen gradually with the specific content of a case determining whether it is chosen (Neuman, 2000:196). It is the case’s relevance to the research topic rather than the representativeness which determines the manner in which the people to be studied are selected. According to research conducted by Deacon et al. (1999:41), researchers purposively select sample units in non-probability sampling; selection chance is unknown to each unit of a selected population; and it cannot be guaranteed that every unit of a population has an equal chance of being selected. In non-probability sampling, there is no way to estimate the probability each element has of being included in the sample and no assurance that every element has an equal chance of being included. The chance for bias is higher within non-probability sampling, thus generalisations that are derived from these samples are regarded as being less accurate than those that are based on probability samples. Some examples of non-probability sampling are convenience sampling, purposive sampling, theoretical sampling, and snowball sampling, which are described as follows:

a) Convenience Sampling

In convenience sampling (also known as hazard or accidental sampling) sample selection is less preconceived and directed, and more the product of expediency, chance and opportunity than of deliberate intent (Deacon et al., 1999:54). Convenience sampling occurs when cases
are selected that are convenient. However, this method is criticised due to the fact that it misrepresents the population (Neuman, 2000:196).

b) Purposive Sampling

Purposive or judgemental sampling uses the judgement of an expert in selecting cases or it selects cases with a specific purpose in mind (Strydom & Delport, 2002b:334). With purposive sampling, the researcher does not know whether the cases selected are representative of the population. It is an acceptable method of sampling used for unique situations. This method is used with the knowledge that it does not represent the general population; rather it attempts to represent a specific portion of the population. It is used in exploratory research.

c) Theoretical Sampling

Goulding (1998:53) is of the opinion that theoretical sampling is the process of data collection for generating theory whereby the researcher collects, codes and analyses the data and decides what data to collect next and where to find it, in order to develop the theory as it emerges. Deacon et al. (1999:52) and Neuman (2000:200) are in agreement that theoretical sampling is a method that isn’t concerned with representativeness – what the researcher is sampling is carefully selected, as the researcher develops grounded theory. The theoretical interest guides the selection of samples cases. According to Miles and Huberman (1994:28) and Strydom and Delport (2002b:335), theoretical sampling is often theory-driven, where the purpose of this sampling is to find examples of a theoretical construct and then elaborate and examine it.

d) Snowball Sampling

Snowball sampling is not distinct from theoretical sampling, due to the fact that theoretical samples are derived from snowball sampling techniques (Deacon et al., 1999:53). Snowball sampling, also known as network, chain referral or reputational sampling, is a multi-stage technique (Neuman, 2000:199). As with a snowball rolling down a hill, the snowball sample grows through momentum: it begins with one or a few people and spreads out on the basis of links to the initial cases.

The above discussion has highlighted some of the possible sampling choices that could be implemented. Taking the above-mentioned factors relating to sampling into account, the sampling method selected is discussed below.

A non-probability, purposive sample is used due to the fact an exploratory, qualitative research methodology is used. Moreover, a purposive sample is pertinent as the chosen sample for the one-shot case study, as it does not represent the general population, but it rather attempts to
represent a specific portion of the population (Miles & Huberman, 1994:27), such as Absa Bank as a South African banking service organisation. The reasons for the selection of Absa Bank are as follows:

1) Absa Bank was formed through the merger of a number of smaller banks and insurance companies, namely Allied Bank, TrustBank, United Bank and Volkskas Bank. This merger resulted in the amalgamation of four bank brand names into one, Absa Bank. This occurred due to the fact that organisational communication practices implemented, especially those relating to internal branding, were first aimed at the employees so that they could accept the changes and be part of the branding exercises. Hendrikse (1999:22) indicates that the aim of Absa Bank’s communication campaigns after the amalgamation in 1998 was to change employee perceptions about the organisation and to make Absa Bank an organisation that people wanted to work for. In striving to reposition Absa Bank in the minds of the customers and within the marketplace, the internal organisational values, which are reflected in the internal brand, were aligned with the new external organisational image. In order for Absa Bank to adopt a customer-centric business model, Bruwer (2003) postulates that internal and external publics were introduced to various organisational initiatives designed to achieve this business model. These initiatives endeavour South African financial institutions to move closer to their clients and provide more added values. Thus, Absa Bank realigned its business activities to match a dynamic market environment.

2) The banking industry, according to Nallie Bosman the former CEO of Absa Bank (2002:1), has changed over the past few years, which can be attributed to the ever-changing market, technology, client satisfaction as well as continuous growing competitiveness. As part of Absa Bank’s initiative to become a fully fledged customer centric organisation with a dedicated and committed customer focused model, Absa Bank strives to introduce its stakeholders and publics to various organisational initiatives designed to achieve this business model (Bosman, 2002:1). These initiatives endeavour South African banks to move even closer to their clients and providing even more added value service. Hence, Absa Bank has had to realign its business activities to match an ever-changing market environment (Hendrikse, 1999:3). Thus, due to the changing nature of the business environment, the organisational communication initiatives implemented by Absa Bank were reformulated. The integrated communication practices now implemented, as compared to those previously used, are viewed as being more sophisticated, more measurable and more focused on the overall strategic goals. Communication is more open, transparent and more ‘real time’ (Prins, 2003).
These specific communication practices are utilised so as to ensure that Absa lives up to the Absa Bank core values.

3) Absa Bank, according to Hendrikse (1999:23) has implemented major corporate branding and marketing campaigns so as to align its internal brand with its external brand. Reference has been made to the importance of employees (internal customers) to the success of the internal and external brand campaign, as well as to the overall service success of the organisation (Adfocus, 2001:109). Absa Bank is a uniquely South African organisation that has utilised its strengths, and weaknesses, to become an organisation that realises the inherent importance of constant communication campaigns to sustain its competitive advantage, thus ensuring both the happiness of its internal and external customers and its continued financial success. De Jager (2003) and Prins (2003) echo these sentiments by stating that Absa Bank aims to continue to build, protect and nurture the Absa Bank brand, and further indicates that Absa Bank’s corporate vision, which is to be a customer focused financial services group in specific market segments, is becoming a reality through employee training and innovative marketing that challenges the public to acknowledge the positive ways that Absa Bank has effected their lives. Moreover, Absa Bank’s organisational goals, objectives and activities are impacted upon by the brand position because they are part of one strategy. This reveals the alignment of the Absa Bank brand, both internally and externally, to realise the corporate vision.

4) The amalgamation of the four banks led to the development of a new organisational culture which embodied the key tenets of the new bank operating in the new South Africa. As a result of the amalgamation, everything was ‘Absadised’ internally and the core value communicated throughout the bank is that “The customer is in charge” (AdFocus, 2001:109). Employees were led to believe that their attitude toward customers and the conversations among themselves, even after hours, have a direct effect on how people actually perceive the bank and the Absa Bank brand (Irwin, 2002:2). According to Workplay Training & Communications (1998:60), all the employees within Absa Bank are considered to be real or potential brand ambassadors, who are essentially representatives of the brand who can leave strong impressions of the brand wherever they go. Absa Bank’s employees are conveying something about the brand’s identity every time they communicate with outsiders and with each other in any way that relates to the brand. An alignment between internal and external stakeholder objectives took place. Furthermore, in 2002 Absa Bank was voted Most Loved Financial Services Brand by Markinor/Sunday Times, Best Company to Work For by The Deloitte & Touche Human Capital Corporation, as well as Best Customer Care by The Banking Adjudicator (Absa, 2003d:1). In 2003, Absa Bank was once again voted Most
Loved Financial Services Brand by Markinor/Sunday Times and one of the Best Companies to work for.

5.8 RESEARCH DESIGN

A well-defined research strategy is a precondition for any research study. Thus, the development of a research design follows logically from the research strategy. Smith (1988:179) defines a research design as “a comprehensive data collection plan whose purpose is to answer research questions and test research hypotheses”. Mouton (1996:107) presents a similar definition, where a research design is “a set of guidelines and instructions to be followed in addressing the research problem”. The overriding function of a research design is to enable the researcher to anticipate the appropriate research decisions, thus aiming to maximise the validity of the eventual results (Mouton, 1996:175).

According to Neuman (2000:21), the techniques for gathering qualitative data are not specifically linked to a certain theory or research question. In essence, qualitative research tends to be more open to using a range of evidence and discovering new issues. The qualitative research design, according to Fouché (2002:272), is inherently different from the quantitative research design, as it does not usually provide the researcher with a step-by-step plan. In essence, during the research phase, qualitative researchers will create the research design best suited to their research, whilst in quantitative research the design determines the researcher’s choices and actions. Findings by Smith (1988:180) reveal that qualitative research designs, often equated with humanistic studies, reject numerical measures in favour of literary or narrative data.

Based on the above theoretical overview of qualitative research designs, the following section presents a review of the overall research design applied, as well as the stages which characterise this research design. The overriding research design is a one-shot case study.

The case study approach is defined by Yin (1989:23) as “an empirical enquiry that uses multiple sources of evidence to investigate a contemporary phenomenon within its real-life context in which the boundaries between the phenomenon and context are not clearly evident”. This definition highlights how a case study actually differs from other research strategies. Research conducted by Wimmer and Dominick (1987:155) expands upon this definition through the statement that case studies are performed when a researcher aims to understand or explain a phenomenon. However, Rose (1993:191) is of the opinion that attempting to formally define the case study approach is unsatisfactory, as it might result in closing off rather than opening up the potential variety and diversity of the approach.
Goode and Hatt (1952:330) note the case study can be most efficiently used in social research. Hedrick (1994:48) expands upon the statement by Goode and Hatt (1952:330) through the inclusion that case studies can be portrayed as either quantitative or qualitative. Moreover, Wimmer and Dominick (1987:155) concur with this statement and indicate that the case study method is another technique that is referred to as qualitative research. Some qualitative case studies aim to provide rich descriptions of data from which the reader may draw his or her own conclusions. Shaw (1999:134) postulates that serious criticisms of traditional experimental designs, and the developments in qualitative methodology which incorporate an understanding of causal processes to a certain degree, have combined to place case studies at the fore as an evaluation design which offers a focus on evaluation outcomes linked to an appreciation of the contingent and constructivist nature of policies, programmes and practices. Case study research raises questions about the defining characteristics of a case. These questions assist in the generation of new thinking and theory. Neuman (2000:144) further postulates that the language of qualitative research is that of interpretation. Moreover, Wimmer and Dominick (1987:156) postulate that ideally case studies should be used in conjunction with theory to achieve the maximum understanding.

Palmquist (2002b:1) is of the opinion that case studies examine individuals or small groups within a specific context. Fouché (2002:272) is in agreement and indicates that the case being studied can refer to a process, activity, event, programme or individual bound within a specific time and setting. Research is typically gathered through qualitative means (interviews, observations or grounded theory) where data is usually analysed either holistically or by coding methods. Neuman (2000:32) notes that the data obtained from case studies are usually more detailed, varied and extensive. The case study approach makes use of the logic of analytic rather than of enumerative induction. The researcher considers the specific context of the case and examines how the parts are configured. Case studies enable researchers to connect the micro level, which are the actions of individual people, to the macro level, which are the large-scale social structures and processes. According to research conducted by Fouché (2002:276), there are three types of case studies, each serving a different purpose: an intrinsic case study aims at garnering a deeper understanding of an individual case; an instrumental case study elaborates on a theory or aims at gaining a better understanding of a social issue; whilst collective case studies examine groups of cases and extent and validate existing theories.

The case study method is a means of obtaining a wealth of information about the research topic. Wimmer and Dominick (1987:156) propose the case study as a research methodology for the following reasons:
• The case study technique can suggest why something has occurred.
• Case studies enable the researcher to obtain a plethora of information about the research because of the multiple sources of evidence consulted.
• Case studies are advantageous to the researcher who is trying to find clues and ideas for further research.

Although a case study is advantageous to the researcher, Goode and Hatt (1952:334) indicate that the limitation to this approach is the response of the researcher. The researcher comes to feel a false sense of certainty about the research conclusions. Wimmer and Dominick (1987:157) document three further criticisms of the case study approach, namely:

• There is a general lack of scientific rigor in many case studies.
• The case study is not easily open to generalisation. Generalising, according to Allan (1993:192), is difficult or impossible because one person or a small group cannot represent all similar groups or situations.
• Case studies are likely to be time-consuming, with the added risk of producing large quantities of data that are hard to summarise.

Allan (1993:192) considers it more appropriate to treat representativeness in terms of qualitative logic for the selection of cases for study, rather than a quantitative logic of sampling from a population. Conclusions drawn in case studies are only about the participants being observed. Palmquist (2002b:1) reveals that with rare exceptions, case studies are not meant to establish cause-effect relationships between variables. Within this specific case study phase, the following stages are used in order to better understand the case study:

a) Documentation study

• A documentation study, according to research conducted by Strydom and Delport (2002a:321), is “the analysis of any written material that contains information about the phenomenon being researched”. As such, if these documents are being analysed for the purpose of scientific research, the method of document study, as a data collection technique, becomes operative. Strydom and Delport (2002a:325) note some of the following advantages of a document study as follows:

  • Relatively low cost
    The cost of a document study is influenced by factors such as the type of document being studied and the dispersion and availability of documents.
- Non-reactivity
  With interviews and questionnaires the respondents are aware of the fact they are being studied, however the producers of documents do not necessarily anticipate the analysis of their documents. Thus, the contents of the documents are not affected by the activities the researcher undertakes.

- Inaccessible subjects
  It is the only research technique where the researcher does not need to make personal contact with the respondents. Therefore, through a document study the researcher can study the behaviour of individuals who are already dead.

Although a document study presents several advantages to the researcher, there are certain disadvantages to this type of data collection technique. The most pertinent of these, as presented by the research conducted by Strydom and Delport (2002a:325-326), include:

- Incompleteness
  The documents being studied, such as reports, historical documents and statistical record, are often incomplete, which implies that there are gaps in the database.

- Bias
  Due to the fact the documents are often not intended for research purposes, there are factors that can influence their objectivity.

- Lack of availability
  Within some fields of study the documents are not available for study, as records were never kept or are classified or inaccessible.

- Lack of linguistic skills
  In a document study the researcher is dependent on the ability of respondents to write clearly and meaningfully. Therefore, the lack of linguistic skills may negatively influence the contents of documents and their research potential.

- Origins of documents
  At times it is impossible to ascertain the origin or date of documents, thus impacting on their reliability.

This particular qualitative research design is utilised due to the fact that it is a research design pertinent to the chosen non-probability purposive sample of 50 articles relating to Absa Bank as a banking service organisation in South Africa. Moreover, this research design enables the description and explanation of the set of concepts relating to internal
branding as a tool for internal organisational alignment within banking service organisations in South Africa that have undergone an amalgamation to occur effectively, as well as the exploration and interpretation of the relationships between these concepts to occur in order to build theory about the topic.

b) Semi-structured telephone and e-mail interviews

- Within telephone interviews, the researcher initiates a dialogue with a real person and engages the interviewee as a human being, not a research subject. Thus, the interviewer does not utilise a structured interview, but rather constructs a guide of open-ended questions. Interviews, according to Strydom (2002:213), should take place against the background of a broad perspective gained from the literature review. Smith (1988:230) states that interviews can be conducted on a face-to-face basis or administered by telephone. Interpersonal interviews are often preferred for relatively small samples. Telephone and e-mail interviews can be structured or unstructured; however they are more suited to standardised interviewing procedures because of the pressures imposed by the mode of delivery.

Deacon et al. (1999:290) note that an unstructured or quasi-structured interview aims to facilitate a deeper representation of particular issues from the social group insiders, as well as a richer understanding of the values and viewpoints essential to insider experience. Strydom (2002:213) expands upon the above statements through the belief that the purpose of interviews is to bring alternative perspectives to the fore or to confirm or reject the researcher’s own views. Furthermore, informal questioning techniques are intended to encourage interactive dialogue. With the semi-structured interview, Greef (2002:302) postulates that the researcher has a set of predetermined open-ended questions that are guided by an interview schedule. Semi-structured interview seeks to promote an active, open-ended dialogue. The interviewer controls the discussion by referring to an interview guide that sets out the topic to be covered during the exchange (Deacon et al., 1999:65). Unlike the structured interview, the unstructured interview implies that the researcher purposefully deviates from detached observation in order to experience the world of the participant. Thus, context and non-verbal behaviours are taken into account. Greef (2002:292) concurs and notes that interviews are interactional events and the interviewers are inherently part of creating meanings that reside within the participants.

For the purpose of this stage, semi-structured interviews are conducted using telephone and e-mail interviews, for the reason that they will provide more accurate responses to
questions and they will provide a wealth of information and detail on the topics covered, so as to better understand the case study. Telephonic question administration offers some important advantages, but it also has some important disadvantages. Wimmer and Dominick (1987:126) and Deacon et al. (1999:64-70) present a list of advantages and disadvantages attributed to telephone interviews.

- Advantages of telephone interviews
  The following are seen as advantages of telephone interviews:
  - Relatively inexpensive.
  - Data collection time is short.
  - Response rate is usually good.
  - Questions can be clarified.
  - Respondents don’t have to be literate.

- Disadvantages of telephone interviews
  The following are attributed to being disadvantages associated with telephone interviews:
  - There may be problems in gaining access to certain samples of respondents.
  - Non-verbal behaviour cannot be observed.

Based on the above, it can be deduced that an intrinsic, one-shot case study is chosen as the research design for this phase due to the fact that the focus is purely with the aim of gaining a deeper understanding of the individual case utilising Absa Bank as the purposive sample for this one-shot intrinsic case study phase. A case study approach is adopted within the sphere of exploration so as to achieve a more focused approach. Exploratory research can be the first stage in a sequence of studies on a specific phenomenon and it is a particularly relevant research method in this regard. Neuman (2000:21) notes that exploratory research seeks to explore the specific case under investigation to argue towards a logical conclusion and not necessarily to prove it. The literature review will be used as a foundation for interpretation to enable the realisation of the conclusion. The exploratory research will be used to gather new information, to establish facts and to determine if there are significant trends in the data (Mouton, 1996:103).

5.9 DATA COLLECTION

Neuman (2000:122) is of the opinion that all social researchers systematically collect and analyse empirical data and examine the patterns in them to understand and explain social life. The data required for the purposes of the one-shot intrinsic case study was collected in two
stages. The first stage involves the analysis and review of articles on the general problem area and forms part of the document study. The second stage involves obtaining data through the telephonic and e-mail in-depth interviews. The data collection methods for two phases are discussed below.

5.9.1 Phase One: Document Study
Bearing in mind that the sample for this phase is articles relating to the role of internal branding as a tool for internal organisational alignment within Absa Bank as a banking service organisation in South Africa, the data collection technique utilised in this phase is one of internet and printed media research for articles relating to the topic.

The sample is 50 articles relating to Absa Bank as a South African banking service organisation. In order to obtain the sample, the 50 articles, the following Internet search engines are utilised:

a) Google
b) Hotbot
c) Ask Jeeves
d) Ananzi.com
e) The Absa Bank Website (www.absa.co.za)
f) Brandchannel.com (www.brandchannel.com)
g) Emerald Insight (www.emeraldinsght.com)
h) MediaToolbox (www.mediatoolbox.co.za)

The following key words are used in order to obtain the relevant articles from the search engines:

a) Absa Bank
b) Communication policies of Absa Bank
c) Internal branding in South African banking service organisations
d) Business models of Absa Bank
e) Alignment within South African banking service organisations
f) Absa Bank’s organisational culture
g) Internal service quality and employee satisfaction in South African banking service organisations
h) Internal branding and organisational alignment strategies in Absa Bank

Through the utilisation of the above search engines, the following table (see Table 5.2) presents a detailed account of the articles sourced and reviewed.
<table>
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<th></th>
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<td>Absa Website</td>
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<td>C. Barron</td>
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<td>2002</td>
<td>N. Bosman</td>
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<td>A. Carlisle</td>
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<td>The differential impact of business models on e-commerce.</td>
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<td>E. Cloete</td>
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<td>Corporate branding in the banking environment.</td>
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<td>Absa is the Best Company to Work For.</td>
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<td>J. Eedes</td>
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<td>The effects of internal communication, leadership and team performance on successful service quality implementation: A South African perspective.</td>
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<td>J. MacLiam</td>
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<td>Absa corporate &amp; merchant bank wins Most Progressive Company Award 2002: ABSIP.</td>
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<td>38</td>
<td>The come back kids.</td>
<td>2002</td>
<td>J. Spark</td>
<td>Google</td>
<td>10 April 2003</td>
</tr>
<tr>
<td>39</td>
<td>Four into one goes rather well, it seems.</td>
<td>2003</td>
<td>M. Theobald</td>
<td>Hotbot</td>
<td>16 June 2004</td>
</tr>
<tr>
<td>40</td>
<td>Transforming your business through customer-focused strategies</td>
<td>2002</td>
<td>C. Toffel</td>
<td>Google</td>
<td>17 April 2003</td>
</tr>
<tr>
<td>41</td>
<td>Financial services industry in South Africa.</td>
<td>2001</td>
<td>TRADE PARTNERS UK</td>
<td>Google</td>
<td>11 April 2003</td>
</tr>
</tbody>
</table>
In addition to the articles resources from the Internet, the following sources have been consulted:


### 5.9.2 Stage Two: Telephonic and E-mail Interviews

For the purpose of the second phase, telephonic and e-mail semi-structured interviews are used as a data collection technique. A total of 27 questions are prepared to ask during the telephone and e-mail interviews. These interviews are conducted so as to understand the case study. During this phase of data gathering, telephonic discussions were held with members of the Absa Bank Group Division of Communication. This department was chosen due to the fact that this department disseminated all of the internal communication to the employees throughout the various branches of Absa Bank after the amalgamation of the banks. The telephone discussions held with the respondents are presented below in Table 5.3.

**Table 5.3: Interview Respondents**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Means of Contact</th>
<th>Date of Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angela Bruwer</td>
<td>General Manager: Absa Bank Group</td>
<td>Telephonic discussion</td>
<td>February 2003</td>
</tr>
<tr>
<td></td>
<td>Communication and Public Affairs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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These questions have been developed using the key categories of the research question as guidelines. These questions are discussed below in section 5.9.2.1 to illustrate the purposes thereof.

5.9.2.1 Prepared Interview Questions

a) Section A: Internal Organisational Communication

1) *Briefly describe the environmental factors impacting upon Absa Bank.*

The purpose of this question was to gain a better understanding of the environment in which Absa Bank operates and the factors impacting thereupon, in keeping with the principles of the systems approach.

2) *Are there problems of existence that can be attributed to the environment in which Absa Bank operates?*

Expanding on the above question, the purpose of this question is to determine the problems Absa Bank could experience because of the environment in which it operates.

3) *How are these problems overcome?*

The aim of this question is to determine the methods Absa Bank would employ to overcome any problems attributed to the environment.

4) *Discuss the type of integrated communication practices previously used by Absa Bank.*

This question attempts to identify the communication practices implemented before the new communication strategy.

5) *Discuss the type of integrated communication practices now used by Absa Bank.*

This question aims to discuss the communication practices implemented after the new communication strategy.

6) *Why are those specific communication practices used?*

The purpose of this question is to expand the above question and obtain a clearer understanding of the why those communication practices are used.

7) *What are the internal communication policies at Absa Bank?*

This question attempts to discover the type of communication policies, such as transparency, open dialogue or secrecy that Absa Bank might subscribe to.
8) *What are the external communication policies at Absa Bank?*

This question attempts to discover the type of communication policies, such as transparency, open dialogue or secrecy that Absa Bank might subscribe to.

9) *How do these policies impact upon the quality of relationships with the organisational stakeholders?*

This question aims to understand how the communication policies at Absa Bank actually effect the relationships Absa Bank has with its employees and stakeholders.

10) *How is the organisational leverage translated into the internal service strategy?*

The purpose of this question is to relate the practical example to the model developed.

b) Section B: Corporate Identity

11) *Why was the branding initiative decided upon at Absa Bank?*

This question serves as a means to obtain background information on why the new communication strategy was decided upon.

12) *What was the duration of the branding project?*

The purpose of this question is to garner information about the duration of the project.

13) *What is the specific business model process adopted by Absa Bank to achieve organisational positioning within the environment?*

This question proposes to discover the manner in which Absa Bank approaches business operations within the environment in which it operates.

14) *What was the process implemented to develop the brand position?*

The purpose of this question is to determine the process and steps Absa Bank adopted to ensure a strong brand position.

15) *How are the following impacted upon by the brand position:*

    a) *Organisational goals?*
    b) *Objectives?*
    c) *Activities?*

This question aims to understand how organisational processes and components are affected by the brand position.

16) *Describe the actual internal branding (internal communication) practices implemented at Absa Bank.*

The purpose of this question is to gather specific data on the internal branding practices implemented by Absa Bank.

17) *How was the internal brand aligned with the external brand?*
The purpose of this question is to link the theory reviewed in the first phase of the study to a practical example.

18) How has the branding initiative impacted upon organisational functioning, with regards to:

a) Organisational learning?

b) Reputation?

c) Stakeholder value?

d) Employee satisfaction?

e) Organisational profit?

The purpose of this question is to obtain a deeper understanding of how the new communication strategy has influenced certain organisational functioning aspects.

19) Are there any benefits attributed to the branding initiative?

This question is to determine if there have been any new benefits attributed to the new communication strategy.

20) Due to the branding initiative, was there a need to adjust service strategy so as to be appropriately aligned:

a) Internally?

b) Externally?

This question aims to discover if there was a need to adjust the manner in which Absa Bank communicated with, and provide service to, its internal and external stakeholders.

21) Can the branding initiative be attributed to Absa Bank:

a) Achieving a competitive advantage?

b) Sustaining a competitive advantage?

The purpose of this question is to garner information on the link between communication strategies, internal organisational alignment and competitive advantage.

c) Section C: Organisational Culture

22) Is the culture of the organisation reflected in the organisational brand?

This question attempts to establish a link between organisational culture and the brands the organisation encompass.

23) Briefly describe Absa Bank’s organisational culture.

This question serves as a means to obtain background information on the culture that characterises Absa Bank.
24) How important is internal organisational alignment to the successful functioning of Absa Bank?

The purpose of this question is to gauge how important the respondents believe internal organisational alignment is to the functioning of Absa Bank as an organisation.

25) Due to the branding initiative, how is the level of organisational learning measured?

The aim of this question is to discover the procedures Absa Bank implements to measure organisational learning now that a new communication strategy has been implemented.

26) How is the level of organisational learning monitored?

This question expands upon the above question and aims to discover how the organisational learning is monitored.

27) From your experience, do you believe internal branding is a successful tool for promoting internal organisational alignment?

This question aims to get the respondents’ personal views on whether internal branding is a successful tool for enhancing internal organisational alignment.

The data collection techniques for the two stages within the one-shot case study have been analysed and discussed in this section. The following section sets out the pilot study conducted.

5.10 PILOT STUDY

A pilot study is conducted to determine the effectiveness of the questions asked. Within this pilot study, it was determined that the questions were adequate and did not need to be modified. The pilot study was conducted on Linda Hendrikse, an employee within the Absa Bank Group Division of Communication. The pilot study was conducted over several evenings at her home in Johannesburg. No problems were encountered throughout the duration of the pilot study, thus the questions remained the same.

The following section discusses the data analysis techniques utilised.

5.11 DATA ANALYSIS

According to research conducted by de Vos (2002:339), data analysis is the process of bringing structure, order and meaning to the plethora of collected data. A traditional research study separates data collection from data analysis; however a qualitative research study involves an inseparable relationship between data collection and data analysis. According to further statements by de Vos (2002:346) and Fouché (2002:273), data collection and data analysis within the qualitative research approach stand in a reciprocal relationship with one another, as
they are tightly interwoven processes. Data analysis is the process of bringing order, structure and meaning to a plethora of collected data.

Within the field of qualitative data analysis, de Vos (1998:340) postulates that the Morse and Field approach can be utilised. This approach consists of four cognitive processes integral to all qualitative data analysis methods, namely comprehending, synthesising, theorising and recontextualising. De Vos (1998:341) theorises that the first process, comprehending, involves the process of making sense of the data through the transcription, checking and coding of the data. Synthesising, the second process, involves the analysis of categories, which are sorted by commonalities and which consist of segments of notes or transcripts compiled from the transcripts of several participants. The categories that are used include organisational communication, corporate identity and organisational culture. De Vos (1998:341) further indicates that theorising, the third process, involves linking the data back to existing theory and interpreting the data that will create links back to the established theory. The fourth stage, in turn, is characterised by the recontextualising of the data. In essence, de Vos (1998:342) purports that the results are placed within the context of established knowledge and the results which support the literature or detect unique contributions are identified.

For the purpose of processing the data obtained from the telephone and e-mail interviews conducted, the notes of the interviews were reviewed. The questions stated in 5.9.2.1 are used as a guideline to determine categories and links to the articles analysed. The participants’ answers to the questions were grouped into categories. The responses were then grouped in the categories according to their similarities and differences. These documents were also coded and placed into the relevant categories. These all form a comprehensive review of the similarities and differences between the information gathered, so as to form the basis for the interpretation.

5.12 VALIDITY AND RELIABILITY

Validity and reliability, according to Delport (2002:166) and Huysamen (1998:25), are two of the most crucial concepts in the context of measurement. A valid measurement is described as doing what it intended to do, measuring what it is supposed to measure and producing scores whose differences reflect the true differences of the variable being measured rather than random errors (Delport, 2002:166). Reliability refers to the extent to which independent application of the same instrument consistently yields the same or similar results under comparable conditions (Delport, 2002:168). However, research conducted by de Vos (2002:351-352) reveals alternate
constructs that accurately reflect the qualitative paradigm. These four constructs are identified by de Vos (2002:351-352) as:

a) Credibility
The goal is to demonstrate that the inquiry was conducted so as to ensure that the subject was accurately identified and described. Moreover, the strength of the exploratory, qualitative study will be its validity, within the parameters of that setting, population and theoretical framework the research will be valid.

b) Transferability
With regards to the transferability, the actual generalisation of qualitative findings to other populations and settings could be problematic; however, in order to counter this challenge, the researcher could refer back to the original theoretical framework to illustrate how data collection and analysis will be guided by concepts and models; thereby setting the theoretical parameters of the study.

c) Dependability
Dependability is viewed as the alternate to reliability. In attempting to prove dependability the researcher endeavours to account for changing conditions in the occurrence chosen for review and the changes in the design created by an increasingly refined understanding of the research setting.

d) Confirmability
The researcher needs to determine if the findings could be confirmed by an independent researcher, thereby basing the evaluation on the data and not having to be influenced by the researcher’s objectivity.

Due to the fact that a qualitative research methodology is implemented, the credibility, transferability, dependability and confirmability of the research stages will be discussed.

Within the one-shot case study, the validity is presented due to the fact that the parameters of the case-study are clearly stated, the population is known and the sample identified. Thus, according to the guidelines set out by de Vos (2002:351-352), the validity has been confirmed. Moreover, positivist notions of reliability indicate an unchanging social world where inquiry could be replicated. However, this is in direct contrast to the qualitative or interpretive assumption that the social world is constantly being created, thus the concept of replication is problematic.

With regards to the documentation study stage of the one-shot case study, research conducted by Strydom and Delport (2002a:324) reveals that when documents are being analysed, it is of great
importance that the researcher evaluates the validity and reliability of the documents. This is due to the fact that the authors of the documents may harbour ulterior motives, such as seeking prestige and making money. With regards to a document study, Strydom and Delport (2002a:324) have found the following methods which can be used to test the validity and reliability of the document:

a) Compare the relevant document with other written documents or data collected in other ways. For the purpose of this phase the documents are collected from a variety of sources, thus increasing the chances of validity due to the fact that documents from various sources were used and not just from one source.

b) Verify the data by interviewing people who are knowledgeable about the subject. Thus, the content of the document is compared with an external source. Moreover, the content of documents studied is discussed with members of the sample group in order to gain their knowledge on the subject, thus further enhancing the reliability and validity of this phase.

From the above discussion on the reliability and validity, it can be deduced that methodological validity is attained due to the fact that more than one method of research, namely the one-shot case study and the telephonic and e-mail interviews, is used.

5.13 CONCLUSION

A qualitative research strategy is decided upon as being most suited to the investigation of the concept of internal branding as a tool for internal organisational alignment within a banking service organisation. Absa Bank is the one-shot case being studied. The chosen methodology is an explorative one-shot case study utilising a document study approach and telephonic and e-mail interviews as the stages within the case study. The case study research is divided into two distinct, yet interrelated stages. The first stage, characterised by the document study, attempted to investigate the use of internal branding as a tool for internal organisational alignment within Absa Bank as a service banking organisation in South Africa. This stage was conducted through the review of 52 articles and documents relevant to the case study. The second phase also utilises qualitative research methodology, in the form of telephone and e-mail interviews, where the goal was to gain a better understanding of the case study through the semi-structured interviews.

The focal point has been on internal branding as a tool for internal organisational alignment, emphasising the importance of employees to the organisation’s competitive advantage, quality of service delivered, and the alignment of the organisation’s internal and external brands. Therefore, one of the first limitations is that of the candidates’ willingness to partake in the
study, and the chosen organisation as a case study to reveal its business strategies, internal organisational functioning and the marketing strategy it employs to achieve alignment between the internal and external brands. As such, the second limitation to the case study was the difficulty in obtaining information from Absa Bank on the new single brand strategy, the business strategies Absa Bank adheres to, the culture thereof, as well as the alignment between employee satisfaction and functioning and the external image Absa Bank portrays. This is a limitation to the study due to the fact that there was a scarce amount of pertinent information available on Absa Bank. Although there are numerous articles on Absa Bank as a whole, there was limited information available on the internal branding and communication aspects of the bank.

In the following section, the results of the data obtained and processed are interpreted so as to arrive at a final conclusion for the study.
CHAPTER SIX: FINDINGS AND INTERPRETATION

6.1 INTRODUCTION

The findings garnered while conducting specific research on the role of internal branding as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation will be illustrated in-depth. The data collection method implemented is a one-shot case study utilising a documentation study as well as telephonic and e-mail interviews. Respondents to the telephonic and e-mail interviews form part of Absa Bank’s Group Communication department and include Angela Bruwer, Dr Johan de Jager and Riana Prins. The findings will provide the foundation for the interpretation of the data, which will in turn be analysed within the context of the existing literature pertinent to the topic. As such, the Morse and Field data analysis method is utilised, whereby data and theory are linked together in a process of comprehending, synthesising, theorising and recontextualising (de Vos, 1998:340). The main sections to be discussed included internal organisational communication, corporate identity and organisational culture.

The first section expands upon the first research aim relating to the determination of the role of internal organisational communication as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation by discussing concepts such as organisational communication, the trends impacting on organisational communication as well as the specific outcomes these trends have on the functioning of Absa Bank. Throughout the section references will be linked back to the theoretical postulations pertaining to the concept of organisational communication, thus aiming to add theoretical validity to the research results obtained relating to Absa Bank’s organisational communication endeavours. The second section analyses the research aim pertaining to the determination of the role of corporate identity as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation by identifying the marketing functions implemented so as to fully achieve the conceptualisation of the Absa Bank brand, the initiatives taken to align the internal customers with the Absa Bank brand as a whole, as well as the manner in which Absa Bank implements its business and branding strategies. Moreover, an analysis of the manner in which Absa Bank achieves and sustains its competitive advantage, as well as the rewards and achievements accrued by Absa Bank since the amalgamation of its brand is undertaken. In order to further corroborate the findings obtained, a correlation between the theoretical evidence pertaining to corporate identity and the results garnered will be made. The final section discusses the determination of the role of
organisational culture as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation. The theoretical conclusions relating to organisational culture and internal organisational alignment form the foundation for the verification of the research findings associated with the final research aim. Finally, the implications of the findings will be reviewed, as well as recommendations for future research.

6.2 INTERNAL ORGANISATIONAL COMMUNICATION

The following presents a tabulated summary of the key aspects pertaining to internal organisational communication. Within this table the key results obtained by the telephonic and e-mail respondents as well as the key results garnered from the documentation study pertaining to organisational communication, the trends impacting on organisational communication as well as the outcomes of these trends, such as internal communication, integrated communication and service quality are documented.

Table 6.1: Summary of Key Findings Pertaining to Internal Organisational Communication

<table>
<thead>
<tr>
<th>Sub-section</th>
<th>Bruwer</th>
<th>De Jager</th>
<th>Prins</th>
<th>Documentation Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational communication defined</td>
<td>Internal aspect of communication within organisation is emphasised. as to</td>
<td>Communication that takes places from the organisation to its various stakeholder groups.</td>
<td>Method of sharing meaning throughout the organisation, accepting organisational change and adapt employee behaviour to be aligned with the values of the organisation.</td>
<td>Process of transaction between organisational units with the aim of sharing meaning and encouraging behaviour change throughout the organisation.</td>
</tr>
<tr>
<td>Trends impacting on organisational communication</td>
<td>• Globalisation • Technological innovation • Corporate</td>
<td>• Economic changes • Socio-political changes</td>
<td>• Globalisation • Technological innovation • Corporate</td>
<td>• Globalisation • Total Quality Management • Changes in the</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Governance</th>
<th>Customer-Centricity.</th>
<th>Technology Changes</th>
<th>Customer-Centricity.</th>
<th>Environment such as internationalisation, disintermediation, decline in profitability and increasing customer sophistication.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Communication</td>
<td>Process of communicating to the employees.</td>
<td>Communication within the organisation to encourage employee development and increasing employee participation.</td>
<td>Process of communication amongst employees using internal communication media.</td>
<td>Communication to internal employees to enhance employee affiliations with the organisation and its brand and to aid in enhancing service quality levels internally and externally of the organisation.</td>
</tr>
<tr>
<td>Service Quality</td>
<td>Meeting customer requirements to ensure the highest delivery of service and increase customer satisfaction and retention.</td>
<td>Service quality can be attained through effective leadership, internal communication and team performance.</td>
<td>Meeting customer needs, wants and expectations through effective leadership, internal communication and team performance leads to increased service quality, customer salience and organisational profitability.</td>
<td>Meeting customer needs, wants and expectations through effective leadership, internal communication and team performance so as to increase employee and customer salience.</td>
</tr>
</tbody>
</table>
6.2.1 Organisational Communication Defined

Author's such as Asif and Sargeant (2000:200), Kelly (2000:93) and Pace and Faules (1994:22) present definitions of the concept of organisational communication whereby organisational communication is a process by which individuals share meaning and it offers the means of creating and implementing behavioural changes both internally and externally of the organisation. As such, organisational communication is the behaviour of organising that takes place and how those engaged in that process transact and actually assign meaning to what is taking place. There are three key elements presented within these definitions, namely sharing of meaning, the implementation of behavioural changes, as well as the internal and external aspects.

Within the context of Absa Bank, Prins (2003) indicates that Absa Bank subscribes to these three elements of organisation communication through the indication that the crux of Absa Bank’s organisational communication campaigns are to enable open communication between employees so as to share meaning amongst them, which is the first identified element, as well as to encourage employees to accept organisational change and to adapt their behaviour so as to be aligned with the organisation, which corresponds to the second key identified element of the definitions. Moreover, with regards to the third element of the organisational communication definitions, that of the internal and external aspect, findings from Prins (2003) disclosed that the internal and external aspects pertaining to Absa Bank’s organisational communication are of importance. In this regard, de Jager (2003) concurs and indicates that Absa Bank’s organisational communication campaign has been focused internally and externally, with the Absa Bank employees identified as the internal stakeholders and the external stakeholders identified as the media, customers, the financial community, the larger community and the government. The fact that the three key identified elements of organisational communication are evident within the context of Absa Bank indicates that there is an alignment between the theoretical postulations and the research conducted. In summation, Hendrikse (1999:22) highlights this alignment between the theoretical postulations and the research findings through the indication that the major goal of Absa Bank’s communication campaign has been to inform and educate (share meaning) so as to encourage change (behavioural change) and to obtain acceptance from all (internal and external aspect) stakeholder groups. With regards to this final aspect of obtaining acceptance from both internal and external stakeholder groups, de Jager (2003) states that “Absa Bank considered it of critical importance that all stakeholders understood why the communication strategy was changing”.

The above-mentioned three elements relating to organisational communication emphasise the importance of communication with regards to effective organisational functioning. Furthermore,
the functioning of contemporary organisations, and the role of communications within these organisations, has changed over the last few years. These changes can be attributed to the changes in the business environment and the external trends which influence organisational communication.

6.2.2 Trends Impacting on Organisational Communication

According to research conducted by Mersham et al. (1995:5), contemporary South African organisations increasingly operate within an ever-changing business environment where local and global trends impact upon the operating business environment. In this regard, authors such as Lau (2000:429), Kitchen and Daly (2002:48), Mersham et al. (1995:5) and Tosti and Jackson (2000:1) recapitulate the belief of through the theorisation that service organisations are dynamic systems that function best when their components are designed to work in conjunction with one another in a smooth and efficient manner. Due to the fact that these components work in conjunction with one another, it can be deduced that any change introduced to an organisation must be aligned to fit the existing system, or must modify the system to accept the change. Moreover, the concept of change is high on the operational and strategic agendas of 21st Century organisations. This is due to the fact that many current trends have impacted on, or will impact on, organisational performance. A significant number of the interview respondents, such as de Jager (2003) and Prins (2003) concur with theoretical research laid out by Daly et al. (2003:154), Kaplan and Norton (1996:75), Kitchen and Daly (2002:46) as well as Wells and Spinks (1994:24), whereby the most pertinent of these trends include: globalisation, which is driven by the information revolution, which essentially corresponds to research findings conducted by Anon. (1999:15) and Hendrikse (1999:118); deregulation, ‘glocalisation’ (thinking global, acting local), mergers, revolutionary advances in technology, total quality management, environmental changes, customer centricity, as well as empowering consumers and employees. This empowering of customers and employees, according to Absa Bank Economic Research Department (1997:5), occurs within Absa Bank due to the fact that Absa Bank ensures that it not only meets its own organisational needs, but also the needs of its customers, which links back to a basic premise of organisational communication identified by Grof (2001:194). Based on the research findings by Absa Bank Economic Research Department (1997:5) and Hendrikse (1999:118) garnered from the documentation and de Jager (2003) and Prins (2003) within the e-mail interviews, the most dominant of these trends identified that impact upon Absa Bank are environmental changes and customer centricity. As such, the following presents discussions on environmental changes and customer centricity:
a) Environmental Changes

With regards to the issue of environmental changes, the vast majority of respondents posed with the task to “Briefly describe the environmental factors impacting upon Absa Bank” concur with the findings presented by Absa Bank Economic Research Department (1997:5) and Hendrikse (1999:118) within the documentation study through the suggestions that Absa Bank is impacted by forces in the environment such as internationalisation (the direct result of customer demands for international financial services and the increasing need for banks to generate non-interest income from international sources), disintermediation (customers bypass the banks in lending, deposit taking, advice and payments, areas where banks traditionally intermediate), decline in profitability (due to the South African socio-political environment), and increasing customer sophistication (financial institutions must understand the needs of the client and offer the client the right mix, with regards to products, delivery, cost and risk). In this regard, Prins (2003) purports that “these issues are forcing Absa Bank to constantly review its purpose and reason for existence and are all indicative of a new, dynamic, ever-evolving business environment, and to thus implement innovations which are intended to make Absa Bank more competitive.” Moreover, expanding upon the findings by Prins (2003) on the issue of Absa Bank’s review of its business strategies due to the changes in the environment in which it operates, de Jager (2003) indicates that the economic, socio-political and technological changes have forced Absa Bank to reposition itself strategically. Bruwer (2003) expands upon De Jager’s (2003) statement through the indication that these changes can be achieved through the identification of key strategic imperatives, namely: increasing market share through focus and service quality; changing the social composition of the workforce; and broadening access to banking services through information technology and electronic banking systems (Hendrikse, 1999:112).

As such, in answering the question “How are the problems of existence, attributed to the environment, overcome?” all of the respondents to the interviews indicated that Absa Bank overcomes the problems of existence attributed to the environment in which it operates, through continuous reengineering and improvement of the current business model.

b) Customer Centricity

Research conducted by Daly et al. (2003:154) highlights customer centricity as a trend which has an impact on organisational communication and ultimately on organisational performance. With regards to the context of Absa Bank, Prins (2003) postulates that operating within an increasingly dynamic and competitive industry results in Absa Bank expanding beyond the traditional banking environment and seeking to provide a vast range of
lifestyle-orientated products and services to consumers. This indicates an alignment between the research findings and theoretical findings, as Blumenthal (2001:10) indicates that a successful organisation is one that adopts a strategy that is closely linked to what is happening in the marketplace, is flexible enough to adapt to changes in that market, and is process driven. Furthermore, de Jager (2003) indicates that Absa Bank is constantly in an exchange process with its environment, thus its strategy should constantly be updated to assist the organisation in coping with these changes. Moreover, the ability and speed of an organisation like Absa Bank to change determines the ability of the organisation to continue to be operationally successful as it is impacted on by continued pressures from economic, socio-political and technological trends. In this regard de Jager (2003) further indicates that Absa Bank has realised the need to manage, deepen and extend relationships with their customers in order to achieve sustainable growth and profitabiliy. Barron (2003:2) and Toffel (2002:4) conclude that Absa Bank has changed its business model to a customer-centric one due to the outcomes of the technological, economic and socio-political trends, which indicates an affiliation with the theoretical postulations made by Bak et al. (1994:39), Christensen (2002:162), Henderson and McAdam (2003:776) and Kitchen and Daly (2002:48), whereby these outcomes include organisational learning and change management, internal communication, the shift to integrated communication and service quality.

With regards to Absa Bank’s business model, the findings from the documentation study reveal that in the late 1990s Absa Bank segmented its various markets into business and product-focused units. This restructuring enabled Absa Bank to focus on the different market segments and develop greater specialisation within the Absa Bank Group. Moreover, Hendrikse (1999:115) indicates that the continuous reengineering and improvement of the business model which Absa Bank embarks upon is characterised by Absa Bank employees regularly being sent on training and skills development courses so as to deliver high levels of service quality to customers in order to be aligned with the customer-centric business model Absa Bank subscribes to. This links back to the theoretical postulations by authors such as Ketchum (2000:2) and Worrall and Cooper (2001:34), whereby business organisations are continually realising the importance of adopting a new business model and structure to continue to succeed in the rapidly evolving industry in which they operate. Furthermore, Worrall and Cooper (2001:34) argue that individual and organisational survival, as well as organisational competitiveness on a global scale, depends on how quickly and how well managers develop new skills. The level of organisational change provides a reliable measure of the pace of work and skills intensification on the whole, as well as exposing variations in
the extent of work intensification in particular sectors. This is of relevance to the context of Absa Bank due to the fact that Absa Bank underwent a large change throughout the entire organisation which introduced a wide variety of new jobs and new levels of skills intensification throughout the organisation.

Moreover, within the documentation study, Toffel (2002:2) states that “Becoming a customer-centric organisation involves a fundamental shift in philosophy throughout the enterprise. This revolution is the precondition before effective new software can be conceptualised, written, and integrated into existing processes. Before any code is written, the enterprise must commit its internal organisation and its network of stakeholders to a value-driven framework of customer-centricity.” Expanding upon this statement within the context of Absa Bank, Prins (2003) is of the opinion that Toffel’s (2002:2) statements reiterate Absa Bank’s commitment to the adoption of a customer centric business model due to the fact that Absa Bank focused on communicating the changes brought on by the amalgamation internally as it has been established that employees play a crucial role in the successful adoption of strategy change. Moreover, respondents to the interviews postulate that one of the reasons Absa Bank utilises a customer-centric business model is to achieve organisational positioning within the environment, which Moore and Wiefels (2002:3), as part of the documentation study, believe enables the organisation to become optimised for handling low-volume, high-complexity systems. As such, a customer-centric organisation is designed to sell and support complex, capital-intensive product innovations to meet the requirements of an emerging market, specifically in a business-to-business context. The customer-centric business model, as described by Moore and Wiefels (2002:4), is one where the customer is engaged by a consultative sales organisation supported by a business and technical consulting-services capability. These two layers focus on understanding the customer’s business challenge and determining the solution to resolve it; customers can implement the project model successfully by themselves. The remaining layers add a solutions structure in order to organise interactions with customer requirements and a technical structure to manage interactions with legacy systems. In this regard, conclusions drawn from the documentation study reveal that Absa Bank is a services-led organisation. A services-led organisation must be empowered and supported by senior management, which findings from Toffel (2002:3) within the documentation study and Prins (2003) within the e-mail interview indicate that the Absa Bank business model is supported by Absa Bank’s management. Absa Bank’s business model is diagrammatically presented in Figure 6.1.
The figure illustrates the business model which Absa Bank subscribes to and reiterates the statements by Barron (2003:2), Prins (2003) and Toffel (2002:4) regarding Absa Bank’s business model. Moreover, the fact that the customer is portrayed on such a large scale in this dominant position reflects the fact that all the products and services offered are aimed at enhancing the customer experience through the alignment of the service strategy and the various service delivery channels. As such, Workplay Training & Communications (1998:65) are of the opinion that the model indicates that the creation and communication of a well-defined, customer-inspired service strategy enables the maintenance of customer-friendly service delivery systems within Absa Bank. Furthermore, the documentation study revealed that Workplay Training & Communications (1998:65) ascertained that Absa Bank is a successful customer-centric organisation due to the fact that it builds lasting relationships by listening to, understanding, and responding swiftly to changing customer wants, needs and expectations. According to de Jager (2003), this is achieved through the continuous monitoring of customer and employee feedback obtained through employee opinion polls on the intranet and intra-branch focus groups as well as through customer satisfaction interviews. These findings on Absa Bank thus reiterate Moore and Wiefels’ (2002:4)
statements regarding a customer-centric business model in services-led organisations, whereby the customer is seen as the core element of the model and the manner in which the delivery of the organisation’s products and services is undertaken is aimed at enhancing the overall customer experience with the organisation. Additionally, within this model, the importance of the Absa Bank brand, to both the employees and the customers, is revealed due to the fact that the concept of the brand encompasses the key sectors of the model.

The preceding discussion introduced the concepts of internal communication and service quality as key outcomes to the trends of globalisation and customer centricity which have an impact on the organisational communication within Absa Bank. Some of these outcomes include internal communication, change management, and service quality. The following section discusses these outcomes with specific reference to the impact that these outcomes have on Absa Bank.

6.2.3 Outcomes of the Trends

The above-mentioned outcomes relating to the trends impacting upon organisational communication emphasise the inherent importance of communication with regards to sustained organisational functioning. Some of the key outcomes of the identified trends include:

a) Change Management and Internal Communication

The fact that internal communication was initially emphasised within Absa Bank can be attributed to the trends, and outcomes of those trends, impacting on organisational communication. As such, internal communication, according to research conducted by Power and Rienstra (1999:504) and Troutt *et al.* (1995:51), is the process of sharing information with other individuals. In other words it is communication within the organisation. The process involves gathering, processing, disseminating and storing information. Furthermore, Proctor and Doukakis (2003:276) and Quinn and Hargie (2004:146) reiterate the above and indicate that internal communication is one of the core elements of implementing employee development, increasing participation, securing the widespread ownership of corporate goals and implementing total quality management programmes. Newstrom and Davis (1997:49) reflect upon the above views and indicate the importance of communication within an organisation through the belief that communication acts as a vital cog in the functioning of an organisation. Within the documentation study, Workplay Training & Communications (1998:43) concurs with the majority of the respondents interviewed through the indication that the internal stakeholders at Absa Bank play a crucial part in the success of the new brand, and the ultimate profitability of the organisation. It is for this reason that Absa Bank devised a communication plan that has been aimed specifically at Absa Bank’s internal
stakeholders, which corresponds to research conducted by Stanier (2001:30), whereby internal communication has an influence on the service quality the customers receive from the employees. A majority of the findings from the documentation study and the respondents interviewed conclude that the internal employees are Absa Bank’s most important target market, as Prins (2003) indicates that they interface with Absa Bank’s external stakeholders, and they thus have the power, according to de Jager (2003), to make the business-to-customer policy transformation possible. In essence, Colyer (2003:1) concludes that the success of transformation is entrenched in the employees’ ability to align themselves with Absa Bank’s business and communication strategies, as well as to render high service standards to customers.

Prior to the communication process, de Jager (2003) reveals that Absa Bank conducted a communication audit so as identify who they should communicate to, what they should communicate as well as how they should communicate. This statement by de Jager (2003) within the e-mail interview indicates an alignment between the research findings of relevance to Absa Bank and the theoretical research conducted by Lloyd and Varey (2003:197) and Quinn and Hargie (2004:148) pertaining to what the results of a communication audit can be used to inform an organisation about. It can be deduced that this alignment reiterates the fundamental premise of the research conducted by Lloyd and Varey (2003:197) and Quinn and Hargie (2004:148) due to the fact that the authors’ postulate that communication audits enable managers to gather pertinent information on the quality of their organisation’s internal communication system and to propose suggestions for improvement. With regards to the communication audit conducted during the communication process, Prins (2003) indicates that Absa Bank monitored the information flow to identify perceptions, levels of acceptance, spontaneous awareness and media coverage. According to findings obtained from the Absa Intranet (2003a:1), Absa Bank made use of employee opinion polls, employee and customer feedback, focus groups and surveys in the ABACUS (the internal news publication) to monitor the information flow. Results from these efforts were used to gauge both employee and customer perceptions and levels of acceptance relating to the amalgamation. Although employee and customer perception were monitored, a vast number of documents studied and respondents interviewed revealed that the internal aspect, namely internal communication, of organisational communication was emphasised during the time when Absa Bank implemented its new branding and communication campaign. Results acquired from AdFocus (2001:108), de Jager (2003), Prins (2003), Theobald (2003:2) as well as Workplay Training & Communications (1998:62) all indicate the fact that Absa Bank first focused on
communicating the amalgamation to its internal stakeholders, such as the employees, before communicating it to the external stakeholders. This occurred due to the fact that it was felt that employees were perceived to be the key drivers in the communication of the change to the external stakeholders. This finding corresponds to theoretical postulations by Fletcher (1996:161) and Kitchen and Daly (2002:48) pertaining to the belief that employees, and the manner in which they are engaged in the change process, are thought of as the determining factor in whether organisational change occurs successfully or not.

Drawing on the above presented research findings pertaining to the acceptance of change through effective communication, and taking these factors into account within the context of Absa Bank, a link between Barrett’s (2002:219) Strategic Employee Communication Model (see Figure 2.1) and the communication campaign directed at the Absa Bank employees (see Table 6.2) can be made. Such an alignment can be made due to the fact that Barrett’s model (2002:219) illustrates the key components of internal communication by breaking them down into interrelated parts. Essentially, it illustrates how successful internal communication can be in the facilitation of change. As such, within the context of Absa Bank, change was in part facilitated due the manner in which the internal communication campaign was implemented. This campaign is set out in Table 6.2.

Table 6.2: Absa Bank’s Internal Communication Plan (Hendrikse, 1999:73)

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<td>ABSA employees</td>
<td>• Undo confusion&lt;br&gt;• Information sharing&lt;br&gt;• Obtain buy-in&lt;br&gt;• Change image and perception&lt;br&gt;• In-depth knowledge of where Absa is heading and why&lt;br&gt;• Financial implications (return on investment)&lt;br&gt;• Long term financial benefit</td>
<td>• One commercial bank named ABSA Bank&lt;br&gt;• Time frame of change over&lt;br&gt;• Benefit and implications for employees&lt;br&gt;• Benefit and implications for customers&lt;br&gt;• Cost implications for ABSA Group</td>
<td>• Electronic channels: The initial launch was done live on the ABSA Channel (an in-house business channel). The message was also available on memo (Internal electronic mail).&lt;br&gt;• Printed media: communication via ABACUS (Internal</td>
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Table 6.2 presents the “who, why, what and how” that was addressed by Absa Bank when communicating the amalgamation of the four banks into one bank, and correlates to the “What are the internal communication policies at Absa Bank?” question from the interview. The communication campaign was aimed at all Absa Bank employees, the “who” aspect, thus it can be deduced that this is an internal communication campaign. Moreover, findings from AdFocus (2001:108), within the documentation study, and de Jager (2003), within the e-mail interview, reveal that the overall objective for the implementation of this particular communication campaign, the “why”, links to the interview question “How do these policies impact upon the quality of relationships with the organisational stakeholders?” Thus, de Jager (2003) concludes that the objective of the campaign is to mobilise internal employees so as to deliver quality service to customers, which in turn should lead to a change in the external customers’ perspective and image of Absa Bank, with the ultimate goal of financial profitability for Absa Bank. Moreover, within the interview Prins (2003) indicates that this goal was achieved through a series of messages aimed at informing employees of why...
change is viable to Absa Bank as a whole and through specific service quality change campaigns, where the employees were continuously communicated to via articles in the ABACUS and programmes on the Absa Bank television channel regarding the importance of a high service quality to Absa Bank as a whole, aimed at improving customer service.

With regards to the actual communication message to the employees, the “what” aspect, the findings from the documentation study indicate that the main thrust of the message was to emphasise the benefits attributed to the amalgamation for the employees as well as what management expects from employees. As such, it was a redefinition and clarification of the roles employees will be playing. Moreover, the success of the strategy implementation lies with employees, because they determine the success of the campaign through their level of service delivery to customers. With regards to the level of service delivery to customer, Hendrikse (1999:15), within the documentation study, concludes that “The success of the communication campaign will influence the perceptions and attitudes of the staff, which in turn influences the quality of service delivery.” As such, the above presented findings from the documentation study and the respondents interviewed reiterate Baird’s (1996:124) fundamental theoretical foundation that every communication plan has a starting and finishing point. When a communication plan concludes, communication strategists need to evaluate if the communication plan actually achieved its objectives and if the communication plan was a success or failure. Moreover, if the communication plan were deemed a success, it would stand to reason that the behaviour and service quality of the employees would be impacted upon. The communication channels, the “how” aspect, chosen to get the message across ranges from electronic media such as internal organisational television broadcasts and internal e-mail messages, to print media such as articles in the internal publication, personalised letters as well as the dissemination of information packs, and face-to-face communication with employees during focus groups and private communication briefings. The fact that these communication channels were chosen within Absa Bank reiterates the fundamental premise of Rensburg’s (1996:146) research that many organisations have several communication channels, such as publications, group discussions, workshops, functions, each one designed to meet the informational needs of particular employee groups. Thus, an advantage of internal communication is the ability to deliver specific and detailed information to narrowly defined target publics. Moreover, the findings indicate an alignment with the research laid out by the Public Affairs Group, Inc. (1999:6) regarding fact that the implementation of these communication tools is considered to intensify focus on employees.
to support internal communications and to continue to increase as employees are considered to be supporters of the business case and sales agents of the organisation.

In summation, it can be deduced that the underlying principle of the internal communication campaign within Absa Bank has been to inform, to educate and to obtain total acceptance of the amalgamation from employees, as the prevailing culture and climate at Absa Bank is reflected in the quality of their service delivery. This underlying principle of the Absa Bank internal communication campaign is in alignment with the basic aims of some of the roles of internal communication identified by Brunetto and Farr-Wharton (2004:579) and Proctor and Doukakis (2003:274), due to the fact that an activity such as obtaining and transferring information within Absa Bank occurs. Moreover, the discussion on Absa Bank’s internal communication campaign can be linked back the basic premise of internal communication as a crucial variable relating to organisational success, which is illustrated in Power and Reinstra’s (1999:511) Organisational Communication Model (see Figure 2.2). Such a link can be made due to the fact that within this model successful communication to employees is viewed as a driver of change. The above discussion indicates that this view is reiterated through the theoretical postulations discussed and the documentation study and interview results gathered.

b) Service Quality

Theoretical research conducted by Berry et al. (1988:23) reveals that service quality can be improved through a systematic process that enhances the employees’ ability and willingness to provide service by creating an organisation that supports service in all areas. In order to achieve this, as the preceding discussion on internal communication reveals, one of the key factors will have to be effective organisational communication. In this regard, Fletcher (1999:150) postulates that the implementation of a service quality strategy is a multidimensional process reaching beyond the principles being implemented. As such, the organisation has to first prepare for change, then identify and prioritise the required alterations. Within the context of Absa Bank, Prins (2003) indicates that one of the means that this preparation for change took place was through the implementation of the internal communication campaign discussed in the previous section. Moreover, organisations need to develop internal and external skills such as effective communication and leadership, so as to uphold the new service quality improvement strategy by building an effective team, which Absa Bank did through the communication campaigns implemented and the various training courses the employees participated in. Lastly, organisations need to control cost in order to contribute to the profitability of the organisation. With regards to the implementation of
service excellence within Absa Bank, Hendrikse (1999:60) is of the opinion that Absa describes its service excellence as “the process to deliver a better product or service, in a manner that is speedier and more efficient than the competitors”. The service delivery within any organisation, specifically within Absa Bank, is a reflection of the state of the internal success of whether the employees perceive that they actually contribute to the success of the organisation. Their perception of image, culture and organisational strategy determines how they deal with customers. As such, Hendrikse (1999:62) further indicates that one of the successful ways in which Absa Bank measures the projection of its internal culture and image is in the way its employees provide service to their customers.

The findings from the documentation study and the respondents interviewed concur with the fact that Absa Bank can only survive if it can guarantee quality in its goods and services (Prins, 2003). In this regard, theoretical research conducted by Berry et al. (1988:23) reveals that short-term profit at the expense of quality will only lead to short-term organisational life. Taking these factors into account, Barron (2002:1) indicates that Absa Bank’s actual service levels dictate the degree to which it retains or loses a customer. Throughout the documentation study it is revealed that the level of service at Absa is dependent on its success in meeting the customers’ requirements, wants, needs and expectations. Taking this into account, Bruwer (2003:1), Prins (2003) and Theobald (2003:2) purport that Absa Bank’s level of service is perceived to be high by its customers. Moreover, in rating themselves, an opinion poll on Absa Bank’s Intranet (2003b:1) revealed that Absa Bank employees rate themselves highly in the service delivery category. De Jager (2003) attributes these findings to the fact that Absa Bank continually strives to gauge and meet what its employees’ needs, wants and expectations are and to instil work pride in its employees through the facilitation of a supportive working environment for its employees in order to encourage them to take pride in their work and in turn provide an increased level of service quality to the customers.

The above presented findings by de Jager (2003) reiterates the basic premise of Lau’s (2000:430) research due to the fact that the link between employee satisfaction, service quality, and customer satisfaction is discussed. This alignment between the theoretical postulations made by Lau (2000:430) and the statements made by de Jager (2003) in the interview indicates a link between the concept of customer centricity and service quality.

Expanding upon the key concept of the customer being a central focus to Absa Bank and the provision of various channels which enable the continuous delivery of quality service to customers presented in the preceding discussion, Figure 6.2 further emphasises the
importance of customer care and quality service to Absa Bank with the specific aim of building lasting customer relationships between Absa Bank employees and all of Absa Bank’s stakeholders.

Figure 6.2: Building Lasting Relationships (Workplay Training & Communications, 1998:65)

![Building Lasting Relationships Diagram](image)

The model illustrates the implication of the concepts of customer care and quality service at the core of the model, whereby interrelationships between customer satisfaction, customer retention and customer profit form. Due to the fact that de Jager (2003) indicates that these interrelationships exist within Absa Bank, a correlation can be drawn between this model and the Service-Profit Chain Model (see Figure 2.5) by Heskett et al. (1994:165). With regards to the Service-Profit Chain Model, Lau (2000:430) purports that the key tenets of the model by Heskett et al. (1994:165) include the concepts of internal service value being related to employee satisfaction, which in turn is related to employee productivity; employee productivity is related to external service quality, which in turn is related to customer satisfaction; and customer satisfaction is related to customer retention, which is ultimately related to organisational revenue growth and profit. Due to the fact that these concepts are evident, an alignment can further be made between the two models, whereby the above presented model encompasses the key tenets of customer retention, customer satisfaction and customer profit identified by Lau (2000:430) in Service-Profit Chain Model, however focus within the above presented model on Absa Bank is only on the aspects of external service quality, customer satisfaction, customer retention and organisational revenue growth and profit. This inclusion of some of the aspects of the Service-Profit Chain Model into Absa
Bank’s model on Building Lasting Relationships indicates that there is an alignment between the theoretical postulations and results garnered from the documentation study.

Moreover, within the documentation study Workplay Training & Communications (1998:65) reveal that customer service and customer care yields satisfied customers, whilst lasting relationships are characterised by a customer-centric brand focus, resulting in salient customers. These factors attribute to the fact that Absa Bank’s culture is customer-centric, thus further illustrating the fact that it is focused on serving the customer. Due to the fact that Absa Bank is focused on service, customers are at the centre of Absa Bank’s thoughts and actions. Therefore, whilst devising an employee training guide for Absa Bank, Workplay Training & Communications (1998:73) developed an acronym from the word service for Absa Bank, where:

- **S** = Self-esteem (employees who are confident and believe in what they do);
- **E** = Exceed Expectations (do 1% more than what is expected);
- **R** = Recover (good skills and attitude to turn any bad situation into a good one);
- **V** = Value (quality of service given to the client’s level of satisfaction and not to Absa’s);
- **I** = Improve (an ability to continually enhance what Absa employees do and know);
- **C** = Care (really care for people and show it); and
- **E** = Empower (ability to make a good decision and put it into action).

Expanding upon the above research findings by Bruwer (2003), Theobald (2003:2) and Workplay Training & Communications (1998:65) and aligning with the theoretical findings by Fletcher (1999:163) and Lau (2000:430) regarding the premise that employees will portray their feelings regarding an organisation through the manner in which they deliver service to customers, de Jager (2003) and Prins (2003) conclude within the e-mail interviews that employees will mirror Absa Bank’s internal mental state in their service delivery to customers, which will then impact on customer service, customer salience and Absa Bank’s bottom-line. Moreover, Absa Bank identified the quality of service as an important catalyst for future organisational success. In this regard, the Absa Bank Quality Model (see Figure 6.3) expands upon Figure 6.2 through the illustration of a holistic overview of the internal and external service quality activities engages in.
From Figure 6.3 it can be deduced that Absa Bank’s Quality Model is comprised of various key aspects such as leadership, which Hendrikse (1999:75) purports is how the behaviour and actions of the executive team inspire, support and promote an organisational culture of performance within Absa Bank. Barron (2002:1) indicates that the policy and strategy aspect of the model encompasses how Absa Bank formulates, reviews and turns policy and strategy into plans and actions. Customer and market focus are described by Prins (2003) as being the manner in which Absa Bank determines customer and market requirements and expectations, enhances relationships with customers and determines their satisfaction. This statement by Prins (2003) regarding the determination of customer requirements links back to the preceding discussion on the research results obtained from Bruwer (2003), Prins (2003) and Theobald (2003:2) regarding the attainment of Absa Bank’s service levels due to the inherent focus on the concept of customer satisfaction being linked to customer retention and organisational profitability. This focus on service quality and customer retention is reiterated in an article in the January 2005 edition of ABACUS where Anon. (2005a:4) documents that Absa Bank’s commitment to the implementation of the Enhancing the Customer Experience (ECE) programme is achieved through various people management processes. These processes include recruiting employees who embody the perfect Absa Bank service representatives, the manner in which new employees are socialised into the Absa Bank
culture, the way in which Absa Bank’s performance cycle is managed through its people and how achievements are rewarded, as well as manner in which the enhancement of knowledge from informal self-study to benchmarked workshops and an array of learning spheres are supported. In striving to create such a high performance organisation, Hendrikse (1995:76) indicates that resources and information management is implemented within Absa Bank. Essentially, this is the manner in which Absa Bank manages and utilises resources and information effectively and efficiently so as to identify, manage, review and improve its business processes. This corresponds to the internal factors, such as management philosophy, and external factors, such as changes in the marketplace and changing customer expectations, which Daly et al. (2003:154) identified as having an impact upon the manner in which an organisation can change, thus further highlighting the alignment between the theoretical postulations and the research findings gathered.

However although the above suggests an alignment between the theoretical postulations and the research findings, the research findings presented are not in agreement with the theoretical suggestions made by Tosti and Jackson (2000:2) regarding the concepts of business strategy and organisational values. In this regard, Tosti and Jackson (2000:2) purport that traditionally organisations have been prone to emphasise the goals, objectives and activities of the organisation by investing a vast amount of effort into defining the strategic operations of the organisation. As such, few organisations actually make a consistent effort to ensure that values and strategy are compatible and that employee work behaviour represents the organisational values. However, within the context of Absa Bank the above mentioned model and corresponding findings indicate that Absa Bank realises the fundamental importance of aligning organisational values and strategies with employee practices and customer expectations so that employee work behaviour actually represents Absa Bank’s values. Thus, the fact that Absa Bank realised this importance indicates a reiteration of the basic premise of the research conducted by Collins and Porras (1996:65) and Daly et al. (2003:154) regarding the fact that successful organisations have core values and a core purpose that remain constant while their business strategies continuously adapt to the changing business environment.

Absa Bank’s service delivery is the result of a combination of the processes outlined in Figure 6.3. These processes become more complex when Absa Bank is regarded within the context of the broader environment, as the technological, socio-political and environmental factors impact on Absa Bank’s organisational functioning, due to the fact that Absa Bank is a system operating within a larger system, which can also be related to the definitions of
system presented by Angelopulo (1996:41), Hoogervorst et al. (2004:296) and Skyttner (1996:16), whereby a system is characterised as a set of interacting units or elements that form an integrated whole intended to perform a function. As such a system is the collection of men, machines and material required to accomplish a specific purpose, where these elements are all tied together by communication links. Taking the above definitions of a system into consideration, this model and the theoretical postulations outlined can be correlated due to the fact that they both take business processes and strategy into account. Moreover, they both emphasise the fact that the organisation does not operate in isolation and they thus recognise the important influence the system in which they operate has on the various business components. Thus, Absa Bank is impacted upon by the environment in which they function. This impact, according to Fletcher (1999:161) is made up of what Absa Bank achieves in satisfying the needs and expectations of the community (local, national and international) as a whole. As such creating a link to the customer satisfaction aspect of the model, such as what Absa Bank actually achieves with regards to the satisfaction of its external customers. Hendrikse (1999:76) believes that the relationship Absa Bank has with these external customers allows Absa Bank to rate supplier and partnership performance, which is what Absa Bank can achieve in relation to the management of the supplier and partnering processes. Finally, Prins (2003) is of the opinion that business results are characterised by what Absa Bank achieves with regards to its planned business objectives, as well as in satisfying the needs and expectations of all stakeholders with a financial or other interest in Absa Bank.

Moreover, with regards to the identified aspects of the above presented model, a contrast can be made between the Definitive Model of the Corporate Identity Management Process (see Figure 3.6) and Absa Bank’s Quality Model (see figure 6.3), where certain similarities and points of departure are identified between the models. The similarities between the models include:

- Both models have a strategic objective.
- Both models recognise the importance of external factors impacting on organisations.
- Both models are results orientated.
- Organisational and employee performance is important to both models.
- Both models work towards employee and customer satisfaction.

Even though the models encompass similar aspects, they also have key points of contrast. Although the aspect of policy and strategy is evident within the Absa Bank Quality Model,
the model still lacks the clear identification of strategic imperatives that is evident in the Definitive Model of the Corporate Identity Management Process. Moreover, the Absa Bank Quality Model does not clearly link the policy and strategy with the organisation’s vision and its strategic objectives. However, business oriented aspects are discussed in the leadership, processes, and policy and strategy aspects of the Absa Bank Quality Model. Whereas the Definitive Model of the Corporate Identity Management Process takes cognisance of the interrelationship in culture between strategy and service quality, the Absa Bank Quality Model does not. This interrelationship in culture between strategy and service quality would be a key inclusion within the Absa Bank Quality Model as it indicates the fact that the culture of an organisation, and the degree to which its employees are socialised into that culture, could have an impact of the level of service quality the customer receives. For example, if the organisation’s culture emphasises open dialogue and encourages feedback and participation but the business strategy doesn’t allow for employee programmes to train employees to adopt this culture, the misalignment between the two could manifest itself in the type of service the employees give to customers. Although the aspect of culture is not addressed in the Absa Bank Quality Model, the emphasis on service quality within both the Absa Bank Quality Model and the Definitive Model of the Corporate Identity Management Process is perceived as an integral aspect that influences all policy and all communications, operations and systems. In this regard, the Absa Bank Quality Model focuses on service quality as an outcome but not as an actual process leading up to it. In order to gain the best service quality results, research conducted by Lau (2000:245) reveals that an organisation needs to view service quality as a process which runs through the elements of employee satisfaction, customer salience and business strategy at all, and not a result which happens in isolation, which is how it appears in the Absa Bank Quality Model.

In summation, the documentation studied and the respondents interviewed all concur that Absa Bank recognised the changes attributed to the environment in which it operates and repositioned itself to meet the challenges by adopting a single brand strategy in 1998. Moreover, the above presented research findings reveal that Absa Bank’s management team faced the challenge of implementing the new communication strategy by creating structures, processes and systems that support the new communication strategy. The basic premise was that an effective alignment of these structures, processes and systems with Absa Bank’s Human Resources Department should manifest in a new culture and climate where beliefs, values and attitudes are aligned with the requirements of Absa Bank’s strategic intent. The Service-Profit Chain Model and the Definitive Model of the Corporate Identity Management Process correlate to the strategic implementation
of Absa Bank’s service strategy due to the fact that Absa Bank’s employees have a thorough understanding that critical organisational processes and their interrelationships are a prerequisite to create internal alignment, which in turn determines successful strategy implementation. Internal alignment is the matching and integrating of different sub-systems and processes. Communication, according to Hendrikse (1999:64), becomes the mechanism to align and integrate different sub-systems to ensure the necessary matches and to mobilise employees around the organisational objectives to be achieved.

The next section will analyse the research aim pertaining to the determination of the role of corporate identity as a tool for internal organisational alignment amongst banking service organisations in South Africa who have undergone an amalgamation by identifying the marketing functions implemented so as to fully achieve the conceptualisation of the Absa Bank brand. Moreover, discussions on the initiatives taken to align the internal customers with the Absa Bank brand as a whole, as well as the manner in which Absa Bank implements its business and branding strategies will also take place. In order to further corroborate the findings obtained, a correlation between the theoretical evidence pertaining to corporate identity from Chapter Three and the results garnered will be made.

6.3 CORPORATE IDENTITY

The following presents a summary of the key aspects pertaining to corporate identity. It serves as an introduction to the discussion on the second research aim relating to the determination of the role of corporate identity as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation by discussing the concepts of corporate branding, corporate identity and internal branding.

Table 6.3: Summary of Key Findings Pertaining to Corporate Identity

<table>
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<tr>
<th>Section B: Corporate Identity</th>
<th>Sub-section</th>
<th>Bruwer</th>
<th>De Jager</th>
<th>Prins</th>
<th>Documentation Study</th>
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<tr>
<td>The key foundations of corporate branding and corporate</td>
<td>Holistic experience which encompasses a logo, slogan and</td>
<td>It is made up of a brand which is characterised by a logo which aims to</td>
<td>Quality customer service as a core driver of the Absa Bank brand distinctiveness in</td>
<td>The organisation’s brand, which is characterised by a logo, can provide the primary points of</td>
<td></td>
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<tr>
<td>Absa Bank’s branding strategy</td>
<td>The amalgamation of the four banking brands into a unified single Absa Bank brand.</td>
<td>Adoption of a single-brand strategy</td>
<td>Absa Bank’s internal brand and the external brand are viewed as being part and parcel, one and the same thing.</td>
<td>Merger between the brands of Allied Bank, Volkskas Bank and United Bank, TrustBank and Bankfin (Bankorp). The amalgamation of the four brand names into the Absa Bank brand utilising a single-brand instead of multi-brand strategy.</td>
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<td>Absa Bank’s internal branding techniques</td>
<td>Introduction of a phased approach to the launch of the brand to employees through a series of brand</td>
<td>The establishment of a Brand Wall, a series of workshops and training sessions for the</td>
<td>Internal marketing and communication campaigns were launched which emphasised the importance that</td>
<td>Internal marketing and communication campaigns were launched through roadshows, employee training sessions and infomercials</td>
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roadshows, special events and corporate parties.

employees and brand infomercials on the Absa TV Channel.

the employees were informed, through roadshows, employee training sessions and infomercials transmitted via the Absa TV Channel, of Absa Bank’s brand and communication strategy and the role they should fulfil within it.

transmitted via the Absa TV Channel. All employees from all were given employee packs with a letter from the CEO, a CD titled “Alive and Kicking”, a special edition of the internal newsletter, ABACUS, and the Absa brand book, as well as attended the “I am the Absa Brand” brand workshops.

6.3.1 The Key Foundations of Corporate Identity

When discussing the concept of corporate identity within the field of corporate branding, a review of branding as a whole needs to first occur due to the fact that the key aspects pertaining to branding as a whole forms the foundation upon which corporate branding and corporate identity are based.

In this regard, authors such as Gossen and Gresham (2002:1), Kotler (1991:442), Rooney (1995:45) and van der Westhuizen (1998a:6) agree that the term brand can be linked to an icon, logo or word, or it can be related to corporate worth and reputation, which is intended to identify the goods and services of one seller and to be distinctive from those of competitors. Key elements of these descriptions are the idea that a brand can be an icon, logo or word, the inclusion of organisational elements such as corporate worth and reputation, as well as the concept of product distinctiveness from competitor’s products. As such, according to a press statement released by Bruwer (2002:1): “Today a brand is no longer simply a logo or an icon. It is a holistic experience. When talking about a total brand experience, it should encompass the company’s products, service, name, distribution, sponsorships, pricing, history, employees, advertising, corporate identity, reputation, investor and public relations.” Essentially, the
A statement indicates that Absa Bank realises the inherent importance of adopting a branding strategy which is holistic and encompasses all of the key elements of an organisation. Moreover, it indicates an alignment with the above presented theoretical research due to the fact that it encompasses the fundamental premise of Gossen and Gresham (2002:1), Kotler (1991:442), Rooney (1995:45) and van der Westhuizen’s (1998a:6) research regarding the fact that the branding experience should be holistic and encompass all of the organisation’s functions. Drawing on the key elements of the descriptions identified above, Bruwer (2003) and de Jager (2003) indicate that within the context of Absa Bank, Absa Bank’s brand is characterised by a logo which aims to communicate the principles of service and organisational distinctiveness to all of its stakeholders. This documented aim of Absa Bank’s logo indicates an alignment with Wood’s (2000:662) theoretical postulations regarding the fact that an organisation’s brand, which is characterised by a logo, can provide the primary points of distinctiveness between competitive offers, thus a brand can be perceived to be critical to the success of an organisation. With regards to the actual logo developed for Absa Bank, Irwin (2002:1) indicates that Absa Bank conceptualised a corresponding new logo that was youthful and modern looking. According to ABSA (2003b:1), the Absa Bank logo adopted in 1998 was an artistic adaptation of a capital ‘A’ and represented the idea of a new beginning, which is known as the Greek symbol Alpha. The ‘A’ or alpha is taken as a logo because Absa Bank started with an amalgamation. Figure 6.4 represents the graphic logo development of Absa Bank, where the dot in the Alpha symbol represents the core values of the entire Group.

Figure 6.4: The Absa Bank Graphic Logo Device Development (ABSA, 2003b:1)

The logo was a new design that helped promote a younger energy. Within the documentation study, Hendrikse (1999:23) purports that ‘ABSA’ was considered a good choice for a brand name as it is short and simple, easy to spell, read and pronounce, and could be pronounced in all languages, thus indicating that as a logo it had universal appeal. The name was without
undesirable imagery and couldn’t be out-dated. It was a fire engine red, which according to Irwin (2002:1), was “a nod to the two most well known brand names in South Africa: Coca-Cola and Toyota”. Virtually overnight all the signage was changed and over 3.6 million letters were sent to customers informing them of the changes.

Expanding upon the above discussion on Absa Bank’s logo communicating distinctiveness, Prins (2003) reveals that Absa Bank decided to utilise the fact that Absa Bank provides quality customer service as a core driver of the Absa Bank brand distinctiveness in order to ensure that Absa Bank made its products and services distinctive from other banking service organisations. This decision for quality customer service to be a core driver of brand distinctiveness coincides with the fundamental premise of Stanier’s (2001:30) research regarding the fact that a high level of customer service has the ability to be viewed as a core driver of the organisation’s brand distinctiveness. Moreover, Stanier’s (2001:30) research reveals that in order to improve customer service, alleviate high staff turnover and encourage employee pride in the brand, organisation-wide change and commitment is required, which de Jager (2003) indicates occurred throughout Absa Bank through the implementation of internal communication campaigns, which has been addressed in-depth in the previous section on Internal Organisational Communication. The fact that within the context of Absa Bank there is a significant connection with the theoretical perspectives, indicates that Absa Bank as a contemporary organisation realised the strategic importance that its brand could have on its profitability, which links to the core foundation of research conducted by Martinez and de Chernatony (2004:39) regarding the fact that strong brands are more likely to be sustainable in the market due to the fact that they create competitive advantages. Moreover, this competitive advantage is created through the use of brands as a starting point in the formulation of an organisation’s strategy, thus a brand orientation is created. Therefore, contemporary organisations are realising the strategic importance of brands to their profitability.

The above discussion on branding reveals the underlying foundation pertaining to branding, whereby although the product and the communication surrounding it are of importance, it is how the customers perceive the employees to be upholding the brand’s promise which will have an impact on the brand’s success. This foundation highlights the fact that Absa Bank decided to base its brand on the organisation and not on the products and services which it provides. Taking the above factors of branding into consideration, it can be deduced that Absa Bank employed corporate branding techniques as opposed to those of product branding. This decision to brand the organisation, known as corporate branding, can be attributed to various changes in the business environment. These changes, according to theoretical suggestions made by Hatch and
Schultz (2003:1041) and Macrae and Uncles (1997:65), include globalisation, technological advancements and reduced employee loyalty, which have been discussed in-depth in the previous section. According to Melewar and Saunders (2000:539), these changes indicate that an organisation’s identity and personality become the decisive factors in a customer’s choice between products. Within the context of Absa Bank, findings garnered from Absa Bank Economic Research Department (1997:5) and de Jager (2003) indicate that Absa Bank’s customers were increasingly interested in the organisation behind the products and services, which indicates a significant correlation between the key theoretical underpinnings on the shift from product branding to corporate branding laid out by de Chernatony (2001:2), Sampson (2000:1) and Simões and Dibb (2001:218) and the findings presented above from Economic Research Department (1997:5) and de Jager (2003) within the documentation study and the interviews.

Drawing on the preceding review of the shift from product branding to corporate branding, authors like the Conference Board (2002:3), Interbrand (2001:2), Murphy (1997:364) and van Riel (2001:12) are in agreement that corporate branding is described as a planned and implemented process of creating and maintaining a favourable reputation of the organisation with its various stakeholders, including employees and customers, by sending signals to the stakeholders using the corporate brand and through its product and service offering. There are three key elements associated with this description, namely the fact that corporate branding is a planned and implemented business process; creating and maintaining a favourable reputation; and the fact that various signals are sent to different organisational stakeholder groups. Taking these elements into account, it can be deduced from the majority of the respondents to the interviews that Absa Bank subscribes to the following elements of corporate branding. Prins (2003) indicates that Absa Bank implemented its corporate brand in a planned process with the aim of creating a favourable reputation for the organisation. In essence, de Jager (2003) expands upon Prins’ (2003) revelations through the statement: “Absa approached its corporate branding endeavour in a planned and systematic manner as it would approach any other business process. The corporate brand was communicated to the various stakeholder groups through a series of communication campaigns which aimed at creating a favourable reputation for Absa.” These statements reveal that the three above identified elements of corporate branding can be linked to Absa Bank’s corporate brand as the three elements identified in the theoretical suggestions made by Conference Board (2002:3), Murphy (1997:364) and van Riel (2001:12) are discussed by de Jager (2003:2) and Pins (2003:2) within the context of Absa Bank.
Expanding upon the theoretical postulations regarding corporate branding set out above, research conducted by Alessandri (2001:173) and van Riel and Balmer (1997:341) concludes that corporate identity is regarded as an element of corporate branding, whereby corporate identity is perceived to be an endorsement of the brand and corporate values and is evident in every aspect of the brand experience. As such, the continued use and exposure of this corporate identity in all forms of communication aids in the public’s knowledge about the organisation. In essence, Balmer and Dinnie (1999:183) and Melewar and Saunders (2000:538) purport that the corporate identity of an organisation is thought to affect the public’s perception of the organisation, which Harris and de Chernatony (2001:447) indicate is known as corporate reputation, and relates to the disciplines of corporate communication, marketing and public relations. Thus establishing the fact that corporate identity can be applied to both internal and external organisational traits. With regards to the corporate reputation and internal and external communication aspects discussed by van Riel and Balmer (1997:342), Stuart’s Model of the Corporate Identity Process (see Figure 3.4) includes employees and registers the fact that employees’ view of corporate identity is an important part in its management. Moreover, the organisation’s business processes, making up the corporate strategy, of corporate mission, culture, philosophy and core values are emphasised within the marketing communication function and take the employees views of corporate identity into account when communicating information to the organisation’s stakeholders. In this regard within the context of Absa Bank, Bruwer (2003) is of the opinion that the communication pertaining to Absa Bank’s brand was aimed at internal and external audiences and that brand management techniques were employed indicates an alignment with Stuart’s Model of the Corporate Identity Process (see Figure 3.4) due to the fact that Absa Bank’s corporate identity aimed to continuously expose the public to the Absa Bank’s brand, which is a key aspect of Stuart’s Model of the Corporate Identity Process.

Based on this above mentioned characteristic of corporate identity and the fact that Harris and de Chernatony (2001:443) postulate that brand personality is an element of corporate branding, both de Jager (2003) and Prins (2003) concur that the overriding intention of Absa Bank’s new strategy was to project a brand personality that is considered to be proactive and approachable so as to be easily accepted by Absa Bank’s internal and external stakeholders. This focus on Absa Bank’s internal and external stakeholders forms an alignment between the case study of Absa Bank and the theoretical suggestions by van Riel (1997:289) regarding the fact that the nature of specific corporate identity characteristics defined will affect organisational performance in a positive way if the characteristics are appealing to both the internal and external organisational stakeholders. As such, the stronger the employees identify with their organisation, the more
accepting they are of organisational promises and decisions. This identified affiliation between the research findings and the theoretical opinions indicates that Absa Bank implemented corporate identity business strategies which are in line with those identified by authors such as Alessandri (2001:173), Balmer and Dinnie (1999:183), Harris and de Chernatony (2001:443), Melewar and Saunders (2000:538) and van Riel and Balmer (1997:341) as being implemented by numerous successful contemporary organisations. Moreover, the fact that Absa Bank paid attention to the thoughts of its employees during the corporate identity process reiterates Absa Bank’s implementation of a coherent corporate identity strategy.

The above discussion on corporate branding and corporate identity serves as an introduction to the actual branding strategy implemented by Absa Bank. The following section provides a discussion on Absa Bank’s branding strategy after the amalgamation of the banks and reviews the decision to launch a single brand instead of a multi-brand strategy.

6.3.2 Absa Bank’s Branding Strategy

Within the context of Absa Bank, a significant number of the respondents interviewed reveal that South Africa’s biggest brand, as described by Spark (2002:2), was formed in 1991 through a merger of a number of insurance companies and smaller banks. Moreover, within the documentation study Kemp (2001:1) reports that Absa Bank was formed when Allied Bank, Volkskas Bank and United Bank merged in 1991, and were joined by TrustBank and Bankfin (Bankorp) in 1992 to form the Amalgamated Banks of South Africa (ABSA). The amalgamation of its four brand names into the Absa Bank brand gave the group more focus and a lower cost structure. For the first seven years, the four commercial banks in the Absa Group traded under their original names, namely those of Allied Bank, TrustBank, United Bank and Volkskas Bank (ABSA, 2003a:1). However, due to the fact that the customers and employees got used to, and accepted the existence of Absa Bank per se, it was decided to merge the four banks into one commercial bank, that of Absa Bank. On 26 October 1998, Absa Bank was officially launched under a new Absa Bank logo. Once these brands were amalgamated under one umbrella, an overwhelming number of articles from the documentation study are in agreement that Absa Bank’s new brand strategy was first communicated to its internal stakeholders (employees) before it was communicated to the various identified external stakeholder groups. With regards to an initial result of this amalgamation, Ryan (2000:1) recalls within the documentation study that initially Absa Bank started off on a low base and disappointing results, and was known for the low morale of its employees and its poor marketplace image in corporate banking. In 1991 Absa Bank suffered from virtually zero top-of-mind recognition among South Africans, until
1998 when it unified and invested in a brand campaign to attract attention both externally and internally (Irwin, 2002:3). Absa Bank decided to try the route of brand management so as to go from 0 to 95% brand recognition in roughly four years.

Within the documentation study, Spark (2002:1) reveals that Absa Bank appointed Santie Botha as Absa Bank’s Group Executive Director. Botha viewed brands as being like people, whereby they have personalities, have the ability to form relationships, and are formed as the result of interaction between people. Due to this view of brands having personalities, Botha succeeded in highlighting the personality of the Absa Bank brand by taking the Absa Bank brand relationship from one which held customers at an arms length to that of a mentor and a friend. Thus indicating that the findings from the documentation study are in alignment with the respondents interviewed due to the fact that the human side of the Absa Bank brand is reinforced through its brand personality. This further suggests a link between the research findings and the theoretical postulations made by Harris and de Chernatony (2001:443) and McEnally and de Chernatony (1999:4) regarding the significant role that a brand personality can play in the successful implementation of corporate branding and corporate identity strategies. When posed with the question “Why was the branding initiative decided upon at Absa Bank?”, the majority of respondents of the interview revealed that in 1998 Absa Bank embarked upon a strategy to reinvent itself as a bank for all of South Africa, utilising the slogan “Marketing is the Business, and the Business is Marketing.” According to an article published on 18 May 2001 by AdFocus (2001:109), only 5% of Absa Bank’s customers were against any change and that they would switch to another bank. In this regard, Irwin (2002:1) shows that “initial research indicated that over 90% of customers who belonged to the banks that were to fall under the Absa Bank banner would remain with the group”. Capitalising on this favourable result, the brand managers at Absa Bank focused on the provision of personalised client service and stressed to their employees that this service was to extend to every level of the bank. Due to the fact that a bank sells client service, Bruwer (2003) reveals that Absa Bank’s goal was to provide good service and to promote the Absa Bank brand through its people, which links back to the fact that Absa Bank engaged in corporate branding and not product branding initiatives and indicates an alignment with the theoretical research on brand management conducted by Bickerton (2000:3), Grimaldi (2003:2) as well as Knox and Bickerton (2003:1000) due to the fact that the function of brand management is to create distinctiveness and preference for a product or service in the customer’s mind. Moreover, it becomes the organisational framework that systematically manages the customer-centric process, which reveals an association with the theoretical postulations and the
research findings expressed in the previous section regarding Absa Bank’s customer-centric
business model.

Expanding upon the above discussion by Irwin (2002:1), Spark (2002:1) and Kemp (2001:1)
regarding the amalgamation of the four banking brands into one brand and Bruwer’s (2003)
discussion on the Absa Bank brand personality, AdFocus (2001:109) further indicates that after
the merger of the four banks the fundamental decision was whether to build a single brand or to
continue to support the four major brands. There were four clear cultures, two predominantly
Afrikaans banks, one with a rural stronghold, and two English building societies. The initial
decision was to implement a multi-brand strategy. Up until May 1998, Hendrikse (1999:3)
indicates that Absa adopted a multi-brand strategy, which meant there was distinction in terms of:

a) Income levels – where Allied Bank focused on the lower end of the mark;
b) Service delivery – which is more personalised service at TrustBank;
c) Product range – such as special rates for senior citizens at Allied Bank; and
d) Customer base – for example TrustBank’s strategy focused on building relationships in the
   medium to large business and the higher income sectors.

However, due to the fact that there was an overlap amongst the brands, whereby they were all
competing with each other and undercutting on price and these were four brands with the same
type of products, the same distribution and infrastructure, and the same type of people, Botha
decided to re-examine the multi-brand strategy. Moreover, macro factors such as the changing
South African socio-political environment where the lower income segment and the ‘un-banked’
segment are changing to economic active target segments, increasing technological
developments have made it easier for external stakeholders to utilise the Internet and ATMs for
financial payment solutions, economic conditions and an increasing customer sophistication due
to globalisation and increased competition offering customers a wider choice of quality products
and services have also played a part in the reason for Absa Bank to reconsider its multi-brand
strategy. In this regard Hendrikse (1999:12) determined that globalisation and technological
advances are major forces that have created an increasing competitive environment. In
conclusion, the macro factors have played a significant role in reshaping the image of the
financial services sector in the marketplace. These factors impacted the decision regarding which
type of branding strategy should be adopted, thus with regards to the issue of a single or multi-
brand strategy, five options, ranging from mixes of multi-brand strategy, to either an Absa Bank
brand, a new single brand, or two single brands, were presented to Absa Bank’s management.
Due to the fact that Absa Bank had six million customers and wanted to embark on customer relationship marketing, the marketing recommendation was for one brand (AdFocus, 2001:109). In answering the question “What was the process implemented to develop the brand position?” Prins (2003) states: “The process implemented to develop the brand position for Absa was one where strategy and business cases were developed. It was then presented to Exco and Absa’s board for approval. A marketing communication strategy and brief were developed and four agencies were approached to pitch for the Absa business; where one agency was assigned to the mammoth task and all the hard work started.” Furthermore, the roster of advertising agencies had been cut from 18 to six, however Botha had pre-empted the single brand decision and appointed a single agency, which was Y & R Gitam. This appointment of the agency foretold the one-brand strategy, thus sending the share price soaring.

In summation, the above indicates that the significant number of findings from the documentation study concur with those of the interviews, whereby Carlisle (2003:1) reports that it was decided to create one brand and to develop a single corporate identity and an Absa Bank culture. As such, in answering the question “Why was the branding initiative decided upon at Absa Bank?” de Jager (2003) concludes that the branding initiative was decided upon so as to consolidate four different brands and provide improved client service and product delivery and to create new opportunities for the bank and our clients. Moreover, Hendrikse (1999:22) postulates that the drivers behind Absa Bank’s strategy change, from a multi-brand strategy to a single brand strategy, firstly included a decline in branch profitability, which is due to an increase in unprofitable customers utilising the banking halls, which increases overhead costs and profitable customers using alternative payment solutions. Secondly, increasing non-bank competition, such as credit cards at retailers forced the financial service providers to review their rates and offerings. Finally, the changing banking regulatory environment impacts upon the relationship between banks, their customers and the authorities; the increasing range of delivery channels, as well as expanding international competition with foreign controlled banks and representative offices of foreign banks in South Africa. In essence, the single-brand strategy enabled the creation of a single culture and the ability of the organisation to successfully focus on all of Absa Bank’s customers. Moreover, cost efficiencies were improved, internal competition was eliminated, and tailored offerings could be made under one umbrella. It is for this reason that Absa Bank had to create a culture out of four cultures and establish one Absa Bank “family”.

Due to the adoption of the single-brand strategy, Prins (2003) reveals that Absa Bank’s internal brand and the external brand are viewed as being part and parcel, one and the same thing. Although it took some time to align these two brands, the benefit thereof is seen through the
many awards Absa Bank has won over the last few years. Theoretically, Moore and Wiefels (2002:1) reveal that the ability of an organisation to sustain its competitive advantage is a function of its position and status in its product category, as well as the status of that category relative to other organisations. The stronger the organisation is in access to customers, barriers to competitive entry, market share, switching costs, and brand position, the more movement there is among customers and the better the chance of sustaining its lead. A customer-centric business model, like the one adopted by Absa Bank, facilitates an organisation’s depth and breadth of customer knowledge and intimacy, thus enabling the organisation to anticipate needs and problems. Toffel (2002:2) indicates that a customer-centric strategy enables an organisation to proactively accommodate changes in the marketplace and in customer behaviour. Therefore, as a direct result, it can fortify its competitive advantage and market performance. Hendrikse (1999:115) is of the opinion that Absa Bank’s transformation led to the organisational and communication strategies being changed and customer service identified as a variable that has the potential to give Absa Bank a competitive advantage. Ryan (2003b:1) indicates that the accolades Absa Bank received since its reconceptualisation of its brand suggests that public perceptions about Absa Bank were changing after the amalgamation of the four brands. Winning the various awards added stature to Absa Bank, its ability to attract and retain employees is enhanced, shareholder value gains added prestige, and greater investor interest is stimulated. The following are just some of the awards achieved by Absa Bank in recent years.

In July 1999, the brand and its logo were selected to be one of the case studies at the prestigious 11th International Corporate Identity Conference in Montreal, Canada. After two years of being known as Absa Bank, it was ranked in independent surveys in 2000 as the 10th Most Popular Brand in South Africa, and the second Most Popular Banking Brand. Moreover, it is also regarded as the second Most Sensitive (humane) Brand in South Africa (ABSA Annual Report, 2002:2). The corporate social involvement programmes have earned Absa Bank the distinction of being South Africa’s Most Caring Corporation by the South African Corporate Care Check (Irwin, 2002:4). In 2001, Absa Bank was voted Bank of the Year/South Africa by Britain’s *The Banker* magazine. Due to the innovations in Absa Bank’s business operations, Bosman (2002:2) indicates that 2002 saw fruition of Absa Bank’s branding initiatives and innovation of business operations through the list of accolades achieved. These include:

a) Markinor Sunday Times – Top Brand survey voted Absa Bank as the most loved Financial Services Brand in 2002. In the same survey Absa Bank was voted 7th amongst the Top 10 most admired companies in South Africa. The purpose of the survey is to give an overall perspective of the relationship South Africans have with local brands. The measures utilised
in the survey are based on spontaneous awareness, levels of trust, confidence, and salience. According to Bruwer (2002:1) the “level of awareness of Absa increased dramatically from 28% in 1999 to 40% in 2002.” Dana Cooper, Group Executive: Absa Group Marketing, believes that being a loved and admired brand is a direct result of the dedication, salience and commitment of the employees and customers of Absa Bank.


c) The international publication *Competitive World* ranked Absa Bank IT as the Best Employer in the World for IT Professionals in 2002. Absa Bank was the only bank listed amongst the Top Five American companies acknowledged.

d) Absa Bank has a proven record by displaying leadership in the contact centre field, having competed against 45 call centres in South Africa in various industries. Absa Telephone Banking service team won the 2002 Call Centre Network/Ask Africa Call Service Excellence Award. All of South Africa’s major financial services call centres participate in this competition.

e) Absa Corporate & Merchant Bank won “Most Progressive Company Award 2002” at the Association of Black Securities and Investment Professionals (ABSIP) (MacLiam, 2002).

f) In 2002 Nielson Net recognised absa.co.za as one of the Top Five sites in South Africa.

g) Research results by Gartner International in 2002 rate Absa Bank’s mainframe as one of the most cost efficient in the world.

h) In 2002 Absa Bank reached the 2000.000 mark with the issuing of Visa Electron debit cards.

Moreover, the results of the documentation study and the majority of the respondents interviewed further indicate that the advantages of a single brand strategy at Absa Bank include:

a) The implementation of a clear external customer focus through a well conceptualised segmentation model focusing on retail, commercial and corporate markets;

b) Focused marketing and sales activities;

c) The creation of a uniform corporate identity by building an approachable, modern and positive image amongst internal and external stakeholders, whereby de Jager (2003) indicates that the image that Absa Bank portrays is one of being approachable and progressive;

d) Opinion leaders and financial influencers;

e) Target product offering by seeking out groups with similar needs and financial behaviour and packaging a specific core product with augmented features that fit the lifestyle of the group as well as
f) The implementation of a cost effective approach by streamlining structures and processes, increasing internal stakeholders’ productivity through the implementation of training sessions and outsourcing services to third parties when needed.

Within the documentation study, Bosman (2002:4) further suggests that the single brand strategy enables a more cohesive segmentation of the market, as segmentation is crucial to the success of Absa Bank. Moreover, Ryan (2000:3) reports that when Absa Bank set about building the single brand, the goal was a long-term game plan and required the development of a single IT system capable of merging the four existing data bases without unleashing chaos among customers, and a gradual winning over of customers to the single brand concept. As such respondents from the interviews and findings from the documentation concur that the merger heralded the need to reintroduce the Absa Bank brand to current and potential customers.

Conclusions from the documentation study reveal that during 1999 and 2000, Absa Bank planned to consolidate and grow its brand. During the launch, Absa Bank monitored the brand’s acceptance levels to establish whether critical issues should be readdressed (Hendrikse, 1999:14). AdFocus (2001:109) documents that an R80 million communications programme was launched to sell the single brand concept to employees, customers and the public. This, according to Carlisle (2003:2), was to become South Africa’s biggest marketing campaign, with advertising campaigns proclaiming “Soon we will be one” and then finally “Now we are one” (AdFocus, 2001:109). According to Workplay Training & Communications (1998:37) and Irwin (2002:1), Absa Bank’s marketing team decided that if Absa Bank were a person, it would be characterised as being intelligent, innovative, progressive, caring, approachable, and human. With these qualities as a guide, Absa Bank’s motto became “Today, Tomorrow, Together”, a slogan that attempts to promote the solidity of the brand together with the employees’ commitment to their customers. Bruwer (2002:1) states that the primary focus of this pay-off line is on building lasting relationships with Absa Bank’s stakeholders. In order to build these lasting relationships between 1998 and 2002, Ryan (2000:2) concludes that the customer focus began with a statement of recognition that Absa Bank’s strength was as a domestic, retail bank. This has been followed by a re-engineering of all operations within the bank so as to achieve the segmentation necessary to deliver the specific service required by each segment. When confronted by the question “What was the duration of the branding project?” de Jager (2003) and Prins (2003) are in agreement that the duration of the branding project took six months from a single brand corporate identity perspective; however the overall back office process started between 1992 and 1998, when the different back office systems of the two banks and two building societies were combined into one system.
Absa Bank implemented a single brand strategy via a communication campaign that targeted the internal and external stakeholders. In order to identify the external stakeholders, groups that predominately lead and influenced financial opinions in the marketplace were identified. Absa Bank first launched the single brand strategy to internal stakeholders in May 1998. The details pertaining to the launch to the internal employees are discussed in-depth in the following section. The communication to external stakeholders followed thereafter up to November 1998. Absa Bank identified its external stakeholders as the media, national and international customers, the financial community, the larger community and the government, and then conceptualised a communication plan that specifically relates to each identified target market. These communication plans were conceptualised at the launch of Absa Bank’s single brand strategy. Absa Bank identified the media as an important target public as the media is considered the window for the rest of the general public. Absa Bank’s objective with the communication to the media has been to influence and obtain their understanding, due to the fact that the media has the ability to influence public perception about Absa Bank and its initiatives. The main communication objective of Absa Bank’s customer (national and international) communication plan has been to create an awareness of its repositioning and an understanding and in-depth knowledge of the reasons why the four banks amalgamated. Moreover, the communication objective has also been to change the beliefs, perceptions and attitudes of existing and potential customers, so as to view Absa Bank in a positive light and to adapt their buying behaviour in favour of Absa Bank.

According Irwin (2002:1), Absa Bank achieved these objectives when Botha and her communications and marketing team set about on a marketing campaign, which was designed to convince potential, and existing inherited customers that staying with Absa Bank equated to staying with an organisation that was not only rock solid, but was also committed to service excellence. Due to the fact that the primary focus was not on winning new customers, but keeping existing customers happy, the communication campaigns were non-stop. According to research conducted by Workplay Training & Communications (1998:31), the Absa Bank brand was perceived by customers as valuable through the factors identified as being beneficial to the success of a brand, such as a range of choices, where the Absa Bank brand gives customers a range of choices to meet their needs; time saver, as time is saved when dealing with Absa Bank; a demonstration of quality, where the Absa Bank brand builds quality and reassurance in the customer’s mind, which grows confidence and satisfaction in the brand through interaction with Absa Bank employees; a feeling of status or association, for example customers buy the Absa Bank brand because of the way it makes them feel (secure, valued, status); as well as a ranking
of importance, where customers rank Absa Bank’s products and service in a high bracket at an affordable price.

Through the branding initiatives and its various corporate social involvement (CSI) affiliations, which includes, amongst others, AIDS awareness, job creation and education, CAF Southern Africa (2003:1) indicates that Absa Bank has afforded itself top-of-mind awareness by keeping itself in the public eye and has enabled it to position itself as a top supporter of burgeoning South African talent, thereby adding weight to its claim of being a bank that actively assists people of all racial backgrounds in South Africa to make their dreams come true. These initiatives followed an aggressive television campaign that ran in the prime time viewing hours of South African television. Mini-infomercials gave real time updates of what happened at Absa Bank in the last 24 hours; thus, enabling Absa Bank to say “This is what we did for customers today” (Irwin, 2002:2). Through these endeavours, Bruwer (2002:1) postulates that the Absa Bank brand has been lifted to a new height, as the campaigns have focused on strengthening lasting relationships with all stakeholders. In 2002, the “This is Absa” campaign was launched and has been viewed as being instrumental in building the new Absa Bank (Bruwer, 2002:1). This particular campaign emphasises a celebration of individuality and community spirit, presents an approachable, youthful, progressive organisation and is guided by the maxim “Come today, come tomorrow, let’s face it together” (Bruwer, 2002:1).

To conclude, AdFocus (2001:109) and Bruwer (2002:1) expand upon the above documented findings and report that through the targeted marketing campaigns adopted by Absa Bank, it has positioned itself as a progressive and approachable mega-brand. The Absa Bank brand has been created with specific guidelines that align the branding strategy to the business strategy. The Absa Brand Strategy, as stated by Workplay Training & Communications (1998:58), is that “ABSA IS A MEGA BRAND” (capitalisation their own). The new look of the advertising has made it distinctive it from its competitors by giving the mega-brand a personal identity, which reiterates the fundamental premise of Bak et al. (1994:38) and McEnally and de Chernatony’s (1999:4) research regarding the fact that by giving an organisation’s brand a unique personality, the organisation is able to make itself distinctive from its competitors thus enhancing its competitive advantage over its competitors. Moreover, findings by Hendrikse (1999:29) and Workplay Training & Communications (1998:36) within the documentation study further expand upon the research laid out by AdFocus (2001:109) and Bruwer (2002:1) regarding Absa Bank as a mega-brand due to the fact that Absa Bank offers a number of products, which range from savings, cheque and credit card accounts, to car and household financing, and even investment options in unit trusts. Each of these products form part of the Absa Bank brand and
are demonstrated through the Absa Bank employees. A strong brand, according to AdFocus (2001:109) and Spark (2002:2), is the key to survival in an undifferentiated market. As such, being perceived as a strong brand is important to Absa Bank due to the fact that Absa Bank competes in a market where other banking service organisations offer the same products and services, thus Absa Bank will be able to make itself distinctive in an undifferentiated market through its brand and its employees which encompass its brand values.

Furthermore, as respondents to the interviews, de Jager (2003) and Prins (2003) echo the sentiments set out by a significant number of authors in the documentation study by stating that Absa Bank aimed to continue to build, protect and nurture the Absa Bank brand, and further indicates that Absa Bank’s corporate vision, which is to be a customer focused financial services group in specific market segments, became a reality through employee training and innovative marketing that challenged the public to acknowledge the positive ways that Absa Bank has effected their lives (Anon., 2005b:4). This reveals the alignment of both the internal and external Absa Bank brands so as to enable the successful realisation of the corporate vision, organisational goals, objectives and activities which are impacted upon by the brand position because they are part of one strategy. The fact that Absa Bank’s business strategies were aligned to its brand can be associated with the theoretical postulations set out by Argenti (1996:76) and the elements of corporate identity (see Figure 3.3) diagrammatically illustrated by Einwiller and Will (2001:3). Within this diagram the interaction between the organisation’s business strategies, its vision and purpose, its organisational culture, as well as its communication and branding strategies is clearly set out. This correlation between the practical example within the context of Absa Bank and the theoretical suggestions by Argenti (1996:76) and Einwiller and Will (2001:3) is of significance as it reveals that Absa Bank’s branding policies are in alignment with those implemented by other successful organisations.

The preceding section investigated the adoption of a single-brand strategy and the communication thereof to Absa Bank’s external stakeholders. Moreover, the preceding section discussed the single brand initiative undertaken by Absa Bank, with regards to the external brand image Absa Bank portrays to external stakeholders, as well as the external communication plans Absa Bank implemented to communicate news of the single brand concept to its identified external stakeholders. The following section determines the communication of this strategy to Absa Bank’s internal stakeholders and aims to highlight the manner in which Absa Bank engages its employees through its brand.
6.3.3 Engaging Absa Bank’s Employees through Its Brand

The majority of the results from the documentation study reveal that since the amalgamation, there has been a complete change in management culture, which is seen as the first step to solving many of the problems at Absa Bank (Wood, S., 1999:4). Reiterating the fundamental principles documented by Gurr (2001:8) and Stock (2001:1) regarding the importance of incorporating the basic principles of the organisational culture into the leadership techniques implemented, the documentation study reveals that Absa Bank’s senior management, under Bosman’s leadership, have become more transparent and are willing to confront tough questions regarding Absa Bank’s past and its future direction. Grimaldi (2002:1) concurs and is of the opinion that finding the right talent to manage the project will enable an organisation, like Absa Bank, to adopt a back-to-basics attitude to brand positioning. In other words, the adoption of “a (re-) focused brand positioning strategy” (Grimaldi, 2002:1). In order to achieve such a position, a CEO champions the process and a project leader facilitates its implementation. This project leader should be a marketing professional with cross-functional, cross-activity leadership experience. Within the context of Absa Bank, Wood, S. (1999:3) reveals that Absa Bank achieved its brand positioning strategy due to the continuous strategic communication efforts by Nallie Bosman, Absa Bank’s CEO, and Santie Botha, the project leader described by Grimaldi (2002:1). Once this was done, the creation of focus, emotion and distinctiveness of Absa Bank’s brand was achieved through the conceptualisation of a single brand strategy. In essence, the hiring by Absa Bank of a new communications team impacted on the success of implementing the brand strategy internally. Moreover, the appointment of Absa Bank’s brand management team is a practical example of Harris and de Chernatony’s (2001:442) theoretical postulations regarding how an organisation is able to build a corporate brand through internal mechanisms.

The respondents to the interviews reveal that employees play an important role in the brand building process and Absa Bank’s top management enhanced the brand’s potential by achieving a greater congruence among members of the brand team and between the team and other employees. This representation of the structure of the relationships between internal brand resources and brand performance at Absa Bank reiterates the fundamental postulations of Harris and de Chernatony’s (2001:450) The Relationships between Internal Brand Resources and Brand Performance model (see Figure 3.2), whereby Absa Bank’s brand team communicated the shared values of both Absa Bank’s employees and Absa Bank’s top management so as to achieve a congruence between these groups. This congruence of perceptions led to Absa Bank implementing consumer-based brand performance measures, such as in-branch customer opinion polls and interviews regarding aspects such as Absa Bank’s employees and how the employees
lived up to the brand promises, and ultimately to the implementation of business-based brand performance measures, such as service level interviews and a monitoring of an increase in employee and customer salience. Moreover, the theoretical assertions by Harris and de Chernatony (2001:442) and the opinions expressed by the respondents in the interviews are in alignment with one another regarding the important role that employees play in the corporate brand building process.

The above findings further indicate that the basic foundation of Absa Bank’s internal communication strategy lies in the hands of the internal Absa Bank employees, as they are perceived as “the front line contact with the customers” (Hendrikse, 1999:14), which is in alignment with the research findings on the importance of internal communication and employees to successful customer communication suggested by Stanier (2001:28). The attitudes, mindsets and service quality of the employees play a crucial role in the changing of perceptions about Absa Bank. The internal communication campaign is important to mobilise employees and to make them understand the importance of the role they play in the transformation process. Moreover, Hendrikse (1999:67), AdFocus (2001:109) and Wood, S. (1999:4) are in agreement that the impact of the merger on the employees had been underestimated. Employees felt uncertain, they feared losing their jobs and were apprehensive about the cultural change. It is for this reason, as AdFocus (2001:109) reports that in the first year Absa Bank experienced a decline in service levels and incurred additional costs. By 1999, Absa Bank implemented stringent employee cutbacks by reducing its employee complement by 4% to 35,184, and the Group closed down 1201 branches and agencies (Wood, S., 1999:4). The announcement of the single brand strategy impacted on Absa Bank employees in various ways, for example, some lost their jobs, they had to learn new processes and systems, and they were forced to work with people they had previously indirectly competed with (Hendrikse, 1999:67). A new and unknown Absa Bank culture started to develop, as employees had to be socialised into new employee-based peer groups as some branches merged, moved or closed. After the merger, Absa Bank customers ‘lost’ the bank they had dealt with over a period of time and had to decide if they would continue to use Absa as their financial service provider or not.

As a result of the amalgamation, AdFocus (2001:109) indicates that the outcome of Absa Bank’s internal communication strategy was that everything was ‘Absadised’ internally and the core value communicated throughout the bank was that “The customer is in charge”. Based on this core value, de Jager (2003) indicates that Absa Bank’s brand management team held a series of employee training and communication workshops, whereby Irwin (2002:2) suggests that employees were led to believe that their attitude toward customers and the conversations among
themselves, even after hours, have a direct effect on how people actually perceive the bank and the Absa Bank brand. With regards to the strategy implementation process adopted by Absa Bank, theoretical research conducted by Lau (2000:428) reveals that strategy implementation is a process of actually putting the strategy into place and getting the individuals and organisational units at an organisation to really strive to execute their part of the strategic plan successfully. This is the basic foundation behind Absa Bank’s branding strategy impacting upon customer salience. Essentially, research conducted by the Conference Board (2002:3) indicates that the basis for enduring profitable growth is building brand salience; the better the brand is known, the stronger the brand’s promise and persuasive power. In the case of Absa Bank, the brand promise is supported by quality service, value for money and affordable pricing. Moreover, Anon. (2005a:4) indicates that through harnessing the potential of all Absa Bank employees, Absa Bank is able to encourage a service culture and enhance its ability to live up to the Absa Bank brand promise. Hendrikse (1999:28) concludes that the critical question to ask is “What does the brand mean to the staff members and what do they do about it?” At Absa Bank, it was important to get internal stakeholders involved and committed to the new Absa Bank brand, whereby the employees realised that a brand is not an entity on its own, it is an integral part of the values of the organisation and the employees are thus the brand. In essence, a strong brand is based on strong organisational values. By living out organisational values, the employees at Absa Bank provide excellent service, resulting in customer satisfaction and customer salience, which ultimately yields a high return on investment at Absa Bank. In essence, a satisfied customer becomes a salient customer, which leads to more sales, higher profit margins and an organisation that prospers in profitability.

Due to the fact that Absa Bank’s employees are usually a customer’s first point of contact with Absa Bank, it is important that the employees were informed, according to Bruwer (2003:2) through roadshows, employee training sessions and infomercials transmitted via the Absa TV Channel, of Absa Bank’s brand and communication strategy and the role they should fulfil within it. Moreover, Hendrikse (1999:30) indicates that the decision to change Absa Bank’s organisational strategy occurred at the top of the organisation, and if those strategies were not communicated as effectively to Absa Bank’s employees as they were, the employees would as a result have felt unsure about the new strategic decision, thus impacting on the quality of service they deliver. Linking back to the Hallowell’s (1997:1) Employee-Customer-Profit Chain Model (see Figure 2.5), an overwhelming number of documents from the documentation study reveals that Absa Bank’s employees have a powerful effect on customer salience as they build relationships with customers, and in turn, customers build a bond of trust and expectations with
employees, when those employees leave, the bond is broken. According to Workplay Training & Communications (1998:60), all the employees within Absa Bank are considered to be real or potential brand ambassador who are essentially representatives of the brand and who can leave strong impressions of the brand wherever they go. With regards to the employees acting as brand ambassadors and leaving strong impressions of the brand, Workplay Training & Communications (1998:60) further purport that Absa Bank’s employees are conveying something about the brand’s identity every time they communicate with outsiders and with each other in any way that relates to both the internal and external brand. This cognisance of the portrayal of the brand’s internal and external identities indicates that an alignment between internal and external stakeholder objectives took place so as to ensure consistent communication messages from Absa Bank to its internal and external stakeholders. In addition, Grimaldi (2002:2) indicates, “internal and external alignment helps implement a 360-degree branding process, which will reinforce the brand message at each contact point with the customer.” According to Bruwer (2003) and Prins (2003), such a holistic branding process was achieved through both the external and internal communication strategies which were implemented.

In order to achieve core value pertaining to the customer being in charge, Irwin (2002:2) documents that Absa Bank instilled the concept that “Our Product is Our People” throughout the organisation, which applies to both Absa Bank’s internal and external customers. Bruwer (2002:2) indicates that this concept was communicated to Absa Bank’s external stakeholders through a series of television, print and radio adverts and to Absa Bank’s internal stakeholders through a series of articles in the ABACUS (Absa Bank’s internal publication) and television programmes on the Absa TV Channel. Moreover, because employees are key stakeholders, Absa Bank determined that the success of the brand actually lay in the hearts and minds of its 32 000 plus employees. Bruwer (2002:1) further indicates that due to the fact the new, vibrant red Absa brand aimed at sparking passion and pride amongst the employees, the challenge was to effectively utilise this enthusiasm. This was achieved when Absa Bank’s marketing and branding team engaged the demoralised employees, who were working in a new environment and still shocked by the news-making corporate merger, by putting them through a series of branding orientation sessions, whereby the employees were introduced to the core values of the new brand by setting up the Brand Wall, which was a series of posters and web pages dedicated to the various facets of the new brand (Irwin, 2002:2). A nationwide road show announced the changes to the employees (AdFocus, 2001:109), and the employees were encouraged to live-the-brand through the branding road shows where the employees were “introduced to the Absa branding mentality, including the internal motto ‘You Are Absa’. Employees from all echelons of the
corporate structure were assigned employee packs with a letter from the CEO, a CD titled ‘Alive and Kicking’, a special edition of the internal newsletter, ABACUS, and the Absa brand book” (Irwin, 2002:2).

Employees attended “I Am the Absa Brand” workshops and training seminars, which taught them to efficiently manage the customer-centric brand culture that Absa Bank has adopted, as well as to show the employees how important understanding branding as a concept is to the delivery of excellent products and service. The “I Am the Brand” programme was launched internally by using a reference manual, video material, exercises, and the Brand Wall (Workplay Training & Communications, 1998:10). Also, employees were treated to a movie at cinemas with their spouses where they were urged to meet senior management figures, thus further the living-the-brand experience through the introduction of the employees’ families to the Absa family. According to the “I Am the Brand” training programme (Workplay Training & Communications, 1998:6), it is not Absa Bank’s financial services that set the group apart from any other financial institution, it is its people which are perceived to be the biggest differentiator of the Absa Bank brand. As such, it is the Absa Bank employees that demonstrate the brand through the delivery of quality services, hence the fact that it is important the employees understand and live the Absa Bank brand. A brand, as evident from the literature reviewed from the preceding Chapters, has a physical and an emotional side, where the physical side is the tangible logo and brand name and the emotional side encompasses the people of the organisation that actually live the brand. According to Hendrikse (1999:21), living-the-brand at Absa Bank relates to the manner in which service is delivered and further relates to the service culture within the organisation, this is because one of the key tenets of the Absa Bank brand is to emphasise proactive relationships between employees so as to aid in delivering high service quality to its external stakeholders. Thus, expanding upon the fundamental premise that it is of strategic advantage to an organisation to obtain employee acceptance of an organisation’s communication strategies before communicating with the external stakeholders presented by Stanier (2001:28) and Irwin (2002:2), Hendrikse (1999:14) concedes that it is important to mobilise the internal stakeholders first before the communication strategy targets the external publics because the manner in which the employees interact with the customers and uphold the Absa Bank brand will have an impact on the customers’ perceptions of the Absa Bank brand.

As part of the “I Am the Brand” strategy, the employees went through four stages in the process, namely:
1. Customer Contact Point Countdown – exposure to the “I Am the Brand” programme;
2. Consolidation – consolidate the Customer Contact Point action plan;
3. Launch – when the Customer Contact Point will launch; and
4. Rollout – improvement plan is measured through the Brand Audit and Customer Satisfaction
   Monitor which was specifically developed for Absa Bank (Workplay Training &
   Communications, 1998:10).

Moreover, Absa Bank also introduced an internal television channel, which was transmitted to
all the branches. The results of this campaign indicate that within a year Absa Bank had managed
to reverse the feelings of uncertainty among its workforce and make Absa Bank brand
campaigners out of them. Bruwer (2002:1) concludes that the internalisation of the Absa brand
programme has led to the employees taking ownership of the brand and embracing the
philosophy “I am Absa, I am the Brand!” Individuals working for Absa Bank were encouraged
to live the brand and to demonstrate it through the Absa Bank values, which include being
progressive, representing the total spectrum of financial services and building lasting
relationships with all Absa Bank stakeholders (Workplay Training & Communications,
1998:37). The second phase of the internal campaign, “Absa. And Proud of It”, was launched
early in 2002. Prins (2003) concludes that the results of this campaign indicate that employee
turnaround is at an all time low and de Jager (2003) indicates that annual employee research
found that Absa Bank has become an employer of choice, which is also reflected in the earlier
discussion regarding the awards Absa Bank has won. As such, research on the success and
impact of Absa Bank’s single brand communication strategy on service quality conducted by
Hendrikse (1999:78) concludes that communication of the single brand strategy to Absa Bank
employees was also achieved via personal and telephone interviews with employees,
personalised letters to each Absa Bank employees; the establishment of a Communication Centre
to assist employees to obtain additional information; as well as private discussions with branch
managers on a personal level to address uncertainties.

success can be attributed to the fact that its employees are passionate about promoting the brand,
they believe in long-term relationships, pride themselves on being approachable and have
developed a culture where each employee takes responsibility for their own development. The
challenge for these employees is to maintain these standards and keep improving on them. The
findings from the documentation study indicate that Absa Bank as a whole aligned its people,
systems, processes and culture with its strategic direction, so as to ensure sustainable competitive
advantage through improved employee satisfaction and retention, enhanced quality of service and improved organisational profitability. Furthermore, a finding from the interview provides a brief description of the actual internal branding practices implemented is provided by Prins (2003) in the following statement: “An entire project was put together for the initial launch phase with Internal Communications playing a pivotal role in explaining to staff what is happening when and what to expect in the coming months.” Absa Bank still follows the same process with all internal marketing aspects where internal communications play an important role in the success of any initiative. With regards to the tasks to “Discuss the type of integrated communication practices previously used by Absa Bank and those now used” as well as to “Discuss the type of integrated communication practices now used by Absa Bank”, respondents to the interviews indicate that the integrated communication practices now implemented, as compared to those previously used, are viewed by Absa Bank’s senior management and Absa Bank’s communication team as being more sophisticated, more measurable and more focused on the overall strategic goals. Communication is more open, transparent and more ‘real time’ (Prins, 2003). These specific communication practices are utilised so as to ensure that Absa Bank lives up to the Absa Bank core values. Furthermore, the impact of the single brand campaign on organisational function shows how brand management has become one of Absa Bank’s 12 core capabilities, and is “perceived and treated with the utmost respect – after all, our people are our brand and everything we do and say creates a brand perception” (Prins, 2003).

The preceding sections afforded an overview of Absa Bank’s external and internal communication campaigns directed at its various stakeholders. The success of any change process is dependent on a thoroughly planned communication strategy with measurable results. A clear understanding of the strategy is necessary to build support by internal publics before behaviour will change. Based on the above discussions pertaining to the role of corporate identity within the context of Absa Bank, the succeeding section presents a discussion on the final research aim relating to the determination of the role of organisational culture as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation. Moreover, an analysis of the manner in which Absa achieves and sustains its competitive advantage, as well as the rewards and achievements accrued by Absa Bank since the amalgamation of its brand is undertaken. The theoretical conclusions relating to organisational culture and internal organisational alignment form the foundation for the verification of the research findings associated with the final research aim. Moreover, the implications of the findings will be reviewed, as well as recommendations for future research.
6.4 ORGANISATIONAL CULTURE

The following presents a summary of the key aspects pertaining to organisational culture. It serves as the basis to the discussion on the third research aim relating to the determination of the role of organisational culture as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation by discussing the concepts of organisational culture and organisational alignment.

Table 6.4: Summary of Key Findings Pertaining to Organisational Culture

<table>
<thead>
<tr>
<th>Sub-section</th>
<th>Bruwer</th>
<th>De Jager</th>
<th>Prins</th>
<th>Documentation Study</th>
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<tbody>
<tr>
<td>Absa Bank’s Organisational culture defined</td>
<td>The organisational culture at is comprised of a set of unique characteristics which aim to communicate the core values of Absa Bank whilst emphasising the fact that due to its amalgamation Absa Bank is a banking service organisation which caters to each sector of the South African public.</td>
<td>Absa Bank’s brand and culture are defined through the elements of the organisation and its brand; as such it has a customer-centric brand culture.</td>
<td>There are visible and less visible aspects of the culture, the culture is a shared phenomenon, and new members learn the culture, which is the process of cultural socialisation. Absa Bank’s brand and culture are defined through the elements of the organisation and its brand.</td>
<td>The organisational culture is regarded as appropriate, adaptive and attentive to the needs of all the stakeholder groups whilst communicating the core principle of the organisation, which is customer-centric brand focus. Such an organisational culture can be a source of competitive advantage for the organisation.</td>
</tr>
<tr>
<td>Brand and</td>
<td>The matching</td>
<td>Communicating</td>
<td>The Absa Bank</td>
<td>Absa Bank has</td>
</tr>
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| Culture Alignment | process between the core communicated values of the Absa Bank brand, where the customer is seen as being in charge, and the focus on a customer-centric brand culture. | the brand principles so that they correspond to the identified organisational culture characteristics. | culture is one in which the majority of Absa Bank’s employees have a strong customer-centric brand focus and this is translated into everyday attitudes and behaviours. | managed to develop a culture that is sales performance driven whilst putting the customers’ interests first. The basic premise of this culture is the actual strength of the relationships established with new and existing customers. Trust, communication, commitment and understanding form the core of the brand campaign thus there is an alignment between the brand promise and the principles of the culture. |

**6.4.1 Organisational Culture Defined**

Theoretical definitions presented by Maull *et al.* (2001:305), Schein (1991:9) and Wilson, A. (2001:356) reveal an all-encompassing definition of organisational culture, whereby it is “the visible and less visible norms, values and behaviour that are shared by a group of employees which shape the group’s sense of what is acceptable and valid. These are generally slow to change and new group members learn them through both an informal and formal socialisation process.” Important concepts from this definition are that there are visible and less visible aspects of cultures, culture is a shared phenomenon, and the third element relates to the manner in which new members learn the culture, which is the process of cultural socialisation. Moreover, Andriopoulos (2001:835) expands upon the above definition and discussion through the indication that the view of culture which reiterates the importance of shared values and beliefs.
gives identity to employees and enhances employee commitment as well as social system stability.

Although the above discussion presents a definition of organisational culture which highlights the role of culture in the employees’ socialisation process, Dipboye et al. (1994:213) document a definition of organisational culture which stresses the fact that organisational culture can actually provide a means of distinctiveness to organisations. As such, organisational culture is described as “a shared pattern of thought and action that distinguishes the organisation or group from other organisations or groups” (Dipboye et al., 1994:213). In essence, by taking all of the above presented definitions and discussions into account, it can be deduced that organisational culture can be referred to as a set of values, beliefs and behaviour patterns which form part of the core identity of the organisation and which helps in the shaping of employees’ behaviours.

Drawing on the above theoretical discussions pertaining to organisational culture the following section provides an in-depth discussion on the various facets which amount to Absa Bank’s organisational culture.

6.4.2 Absa Bank’s Organisational Culture

Within the context of Absa Bank, a significant number of research findings garnered from the documentation study and the interview respondents indicate that Absa Bank’s culture correlates to the afore-mentioned theoretical elements pertaining to the concept organisational culture. For example, Prins (2003) reveals that employees are encouraged to participate in Absa Bank-initiative corporate social involvement (CSI) campaigns, they are encouraged to feel at home at work and are socialised into the culture through various employee functions and activity programmes. This is particularly pertinent as a correlation can be made to Tosti and Jackson’s (2000:1) Strategic and Cultural Aspects of Organisational Components Model (see Figure 4.1) due to the fact that the business strategies are interlinked with the culture of the organisation, thus having an influence on the overall performance and results of the organisation. Furthermore, responding to the question “Briefly describe Absa Bank’s organisational culture”, both de Jager (2003) and Prins (2003) concur with the ABSA Annual Report (2002:5) and the ABSA Spirit Book (1998:2), as part of the documentation study, through the indication that Absa Bank’s brand and culture are defined through the elements of the organisation and its brand. These essentially stand for Absa Bank’s vision, which the ABSA Annual Report (2002:5) defines as “to be a customer-focused financial services group in targeted market segments”, mission and purpose, which the Absa Spirit Book (1998:4) identified as “to be partners in growing South Africa’s prosperity by being the leading financial services group serving all our stakeholders”,

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Absa Bank’s values, as well as Absa Bank’s service standards. Moreover, the ABSA Spirit Book (1998:4) defines Absa Bank’s values as being to:

a) Value our people and treat them with fairness;
b) Demonstrate integrity in all our actions;
c) Strive to exceed the needs of our customers;
d) Take responsibility for the quality of our work; and
e) Display leadership in all that we do.

These identified values directly support its mission. These statements regarding Absa Bank’s values, vision and mission reiterate the underlying premise of research conducted by Kelly (2000:96) concerning the increasing attention which has been paid to the role that organisational culture plays in the alignment between individuals and their organisations due to the fact that the values, vision and mission statements take cognisance of the importance of the employees. Moreover, these statements correlate to the research conducted by Harris and de Chernatony (2001:440) regarding the acceptance of the organisational culture is a method of improving this alignment between organisational and individual values. Thus, in order for this to happen, the organisational culture needs to be regarded as appropriate, adaptive and attentive to the needs of all the stakeholder groups. Such an organisational culture can be a source of competitive advantage for the organisation. As such, a link can be made due to the fact that Absa Bank’s organisational values emphasise the importance of taking cognisance of both its employees and its customers, which enhanced the employees’ willingness to accept Absa Bank’s organisational culture.

The above statement regarding Absa Bank’s mission and the description of its organisational culture indicates a link with the theoretical suggestions made by Blumenthal (2001:10) and Stanier (2001:31) concerning the alignment between internal organisational functioning and the external image an organisation projects to the various stakeholders. In essence, the overall organisational culture of Absa Bank, according to de Jager (2003), was formulated by taking Absa Bank’s various business strategies into account, and the business strategies, in turn, were developed and implemented in a manner which upheld the core principles of Absa Bank’s culture. Moreover, findings garnered from Bruwer (2003) show an alignment with key foundations of the research conducted by Dipboye et al. (1994:213), Newstrom and Davis (1997:103) and Wilson, A. (2001:356) regarding the fact that each organisational culture is unique to that organisation and an organisational culture’s ability to provide distinctiveness. This alignment is made due to the fact that Bruwer (2003) indicates that the organisational culture at
Absa Bank is comprised of a set of unique characteristics which aim to communicate the core values of Absa Bank whilst emphasising the fact that due to its amalgamation Absa Bank is a banking service organisation which caters to each sector of the South African public.

The findings from the documentation study and the respondents interviewed indicate that Absa Bank’s communication campaign complied with the basic principles and values of the organisation. Furthermore, the new single brand initiative had the intent to establish a clear communication mission subscribing to the values that prescribed the required communication and employee behaviour. Absa Bank’s strategic repositioning required a communication plan that aligned all internal behaviour to concur with the newly defined corporate objectives. Moreover, Absa Bank’s structures and processes made it possible to implement the strategic objectives and intent so that Absa Bank was able to deliver on its promise to be customer-orientated. As mentioned previously, Absa Bank achieved this by adopting a customer-centric business model and a restructuring of some of its organisational practices. The communication message to Absa Bank’s internal stakeholders communicated the introduction of the new organisation, the new organisational culture which Absa Bank wanted to adopt, the rationale behind the change, the benefits and implications of the change for the employees as well as how this change will effect their work environment. The above discussion reiterates the fundamental premise of the research conducted by O’Keeffe (2002:132), which concludes that the environment in which the organisation operates will have an influence on the culture of the organisation and the manner in which the employees align their behaviour with that culture. Moreover, theoretical suggestions by Newstrom and Davis (1997:102) concur with this conclusion through the indication that organisational culture is intangible as it represents the key elements of the work environment in which employees perform their jobs.

In order to portray an organisational image which emphasised the concept of customer-centricity to its internal and external stakeholders, a significant number of findings from the documentation study and the respondents interviewed concur that for Absa Bank winning the hearts and minds of its internal customers was only the first challenge. Winning over the public was the second. As such, findings by de Jager (2003) expand upon the above presented findings by Bruwer (2003) regarding Absa Bank’s initiatives to win the support of both its employees and its external stakeholders. This was done through the implementation of various CSI campaigns, whereby the purpose of communicating these CSI campaigns to Absa Bank’s internal and external stakeholders was to disseminate the good news of what Absa Bank actively does in the community as its contribution towards uplifting and improving the lives of underprivileged South Africans in the areas of empowerment, HIV/AIDS, job creation, health, and education.
CSI campaigns initiated by Absa Bank, according to documented research by CAF Southern Africa (2003:2), have been successful due to:

a) A history of staff participation in CSI projects at Absa Bank.
b) Support and buy-in from senior management.
c) The availability of mass communication channels in Absa Bank.
d) Regular communication with staff at each stage of the programmes.
e) Support and commitment from the Absa Bank Foundation team, which is a team of employees who spearhead any CSI affiliations Absa Bank participates in.
f) Acknowledgement that a marketing/PR budget was crucial to the success of the project.
g) Staff could sign up to the projects electronically using the internal memo system, thus making the sign up easy and convenient.
h) With funds going into one account, the deductions are easy for the financial department. HIV/AIDS is a major concern in South Africa and has a personal an impact on most of the employees within Absa Bank, thus employee contributions to this fund enable employees to contribute to the upliftment of their communities.

Furthermore, within the documentation study, both Bruwer (2002:1) and Irwin (2002:3) note that Absa Bank realised the positive impact that investing in community projects has on its organisational culture and corporate brand; hence, it took the initiative to create scholarships for underprivileged people and to sponsor sports events, business-related competitions and TV programmes. Occasionally, casual days are promoted to encourage workers to buy stickers to enable them to shed their corporate wardrobe for casual outfits for the benefit of the South African Association for the Physically Disabled. A partnership forged between Absa Bank and England’s Prince’s Trust led to the formation of The Nation’s Trust, which is designed to encourage entrepreneurship at grass roots level. Apart from the sports scholarships and development aid offered to young African athletes, Absa Bank also puts support into South African arts with its Atelier Awards, helping to fund struggling young artists. The above-mentioned examples indicate the fact that Absa Bank’s culture, corporate vision, mission and values are instilled in all employees through continuous internal branding campaigns and organisational communication endeavours.

With regards to the theoretical link between organisational communication and organisational culture, Blumenthal (2001:10) and Stanier (2001:31) postulate that internal branding is a mechanism that encourages employees to have pride in their organisations, identify with the organisational culture, and translate the organisational values, vision, mission and objectives into
a reality. Therefore impacting on the quality of service the customers receive and the overall perception the customers have of the organisation, which is basically comprised of an alignment between internal organisational functioning and the external image the organisation projects to the various stakeholders. Implementing a new strategy indicates a conversion of the existing culture within the organisation to a new set of behaviour rules.

The above discussion on Absa Bank’s organisational culture serves as an introduction for the following analysis on the manner in which the Absa Bank brand is managed so as to support the customer-centric brand culture which characterises Absa Bank.

6.4.3 Managing the Absa Bank Brand so as to Supports a Customer-Centric Brand Culture

Findings from Matthewson (2001:1) and Nadler-Nir (2001:1), within the documentation study, illustrate the fact that the establishment of an electronic culture at Absa Bank is important to its sustained organisational functioning in an era that is characterised by e-technology and e-commerce. The establishment of such a culture will require extensive education of all Absa Bank employees and a restructuring of certain business practices, such as using e-mail to circulate the minutes of board meetings instead of by paper, and replacing “old, user-unfriendly systems, ensuring where possible that technology shouldn’t be an obstacle to employees adopting e-friendly practices” (Eedes, 2001:2). Absa Bank’s free Internet initiative was built on its brand and spearheaded the e-business strategy. However, Nadler-Nir (2001:1) purports that this free Internet strategy faced many problems. Eedes (2001:3) wonders what would happen to Absa Bank’s brand image if the initiative fails? This question is answered in the following section on Absa Bank’s external branding initiative. In an article in Business Day, Joffe (2003:1) reveals that the cancellation of Absa Bank’s free Internet access initiative cost Absa R57 million.

According to research conducted by Wood, S. (1999:4), as part of the documentation study, for Absa Bank delivering better customer service is considered to be the biggest obstacle to its future success. With regards to the strategic goals Absa Bank will work toward, the objectives that need to be accomplished to implement those strategies, and the activities that need to be performed to meet those goals and objectives, found at the left-hand (strategic) path of organisations as systems (illustrated in Figure 4.1), Absa Bank aimed to “offer the right product at the right price through the right channel” (Wood, S., 1999:4), thus creating lasting relationships with its publics (both internal and external). However, in 1999 Absa Bank was still attracting criticism regarding issues such as the perception of poor service and dissatisfied customers. Moreover, the ABSA Annual Report (2002:5) reveals that Absa Bank employs a multi-channel delivery approach which aimed “to deliver services either physically or digitally, as preferred by the customer. This
entails establishing an integrated multi-channel infrastructure, developing and implementing delivery solutions that shift the needs of the various market segments as well as providing a multi-choice delivery solution for the customer.” Some of these delivery channels include electronic banking, calls centres and the establishment of a single data warehouse after the merger.

Expanding upon the documentation study findings presented above, Ryan (2003b:1) is of the opinion that Absa Bank has managed to develop a culture that is sales performance driven whilst putting the customers’ interests first. The basic premise of this culture is the actual strength of the relationships established with new and existing customers. Trust, communication, commitment and understanding form the core of the success of the relationships, and leads to referrals, better client retention and easier recovery of clients that are lost (Ryan, 2003b:2). This strategy adds to Absa Bank’s competitive advantage (Ryan, 2003d:1), and forms the underlying foundation of Absa Bank’s relationship banking strategy (Ryan, 2003a:1). Relationship banking aims to evaluate client interests above those of Absa Bank’s, and builds salience and improves Absa Bank’s share of the customer’s wallet (Ryan, 2003a:2). It is a reversal of the traditional banking model. Ryan (2003a:4) reports, “since the launch of the relationship banking model, client retention ratios have averaged 97.6%, which is excellent by banking standards and slightly short of the 98% target.”

To conclude, Absa Bank’s service standards are “friendly and helpful, quick and accurate, as well as honest and reliable” (Workplay Training & Communications, 1998:38). In essence, if Absa Bank focuses its service standards in all its dealings with customers, de Jager (2003) is of the opinion that from an Absa Bank perspective, Absa Bank will be able to deliver “truly legendary service”. Moreover, Absa Bank will be in a position to provide superior products and services that satisfy its customers’ needs and will deliver them in a manner that exceeds customers’ expectations (Workplay Training & Communications, 1998:56). As established previously, the Absa Bank culture is one in which the majority of Absa Bank’s employees have a strong customer-centric brand focus and this is translated into everyday attitudes and behaviours. Managing a customer-centric brand culture is thus perceived as “a process of cultivating and encouraging all employees to adopt the attitudes and beliefs that will result in loyal customers and building lasting relationships” (Workplay Training & Communications, 1998:72).

The following strategies for being customer-centric are identified by Workplay Training & Communications (1998:80) as having the ability to explore and grow a customer-centric Absa Bank brand culture. Due to the fact that these strategies were managed effectively, Absa Bank
was able to develop into a profitable and enjoyable environment. It is apparent from Absa Bank’s objectives how to enhance the development of lasting relationships so as to develop a customer-centric brand focus. This process is one of identifying a purpose (vision), defining a mission, understanding the values of the organisation, setting service standards, as well as clarifying behaviours and actions that reinforce the vision, mission, values and standards. As evident from the previous section, Absa Bank has implemented this strategy for being customer-centric due to the fact that it defined a vision statement, mission statement and core organisational values which took cognisance of the inherent importance which both its employees and customers play in the overriding success of the Bank.

As such, customer-centric brand focus consists of “creating a philosophy, which enables people to act in the best interest of the customer at all times” (Workplay Training & Communications, 1998:81). Absa Bank’s service standards encapsulate its philosophy towards customers and indicate that all employees are responsible for quality service. Practically, these standards were broken down into measurable targets which enabled Absa Bank’s employees to live the philosophy set out by the customer-centric brand focus. Therefore, the next phase in developing a culture of customer-centricity was to set service standards, which were then incorporated into Absa Bank’s Performance Management process. Moreover, the standards by which Absa Bank monitors the quality of service being delivered is expressed in terms of outputs, which include things the employees must do in order to reach the desired level of service, or critical success factors, because they represent the elements that are necessary for Absa Bank’s objectives to be met (Workplay Training & Communications, 1998:85). In essence, this will enable employees to understand what is expected of them and their relationship with customers. This premise relates to both the Organisational Performance Model (see Figure 2.5) and the Organisation as a System Model (see Figure 4.1). Whilst setting service standards, it is imperative to refer to Absa Bank’s objectives and service indicators to determine the gap between where Absa is now and where it wants to be. This gap was managed and eventually closed by consistently reaching the targeted outputs.

Workplay Training & Communications (1998:91) state that the second aspect of the process is to reach an agreement as to how the gaps can be closed and which outputs are the greatest priority. The common outputs identified by all Absa Bank employees form the basis for a contract, known as a Service Level Agreement, between the organisation, its employees and its customers. A system of rewards was been built into the agreement, which is done to motivate employees to achieve the set targets. Rewards for achieving desired outputs often enable managers to gain greater commitment from their employees; this is due to the fact that employees are usually not
committed to management practices that are imposed on them unless they can perceive a clear benefit for themselves. Employee involvement will give the employees a sense of ownership, which often enables them to commit to the targets. This sentiment concurs with the findings from the literature reviewed throughout the theoretical chapters of this study, where employees are more likely to internalise and participate in practices they have helped conceptualise. Therefore, making them more likely to support and implement the management practices. A third strategy for effectively implementing the Service Level Agreement, according to Workplay Training & Communications (1998:92), is to link it to performance appraisals. If employees are aware that Absa Bank’s targets will directly impact on their appraisals, they will be more motivated to reach them, as poor appraisal affects their careers. Once Absa Bank has implemented the strategies and applied the tools that create a service culture, the challenge of managing this process requires Absa Bank to assess the business factors that support service excellence.

6.5 CONCLUSION

The core principle of this one-shot case study was to answer the question pertaining to what the role of internal branding is as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation. As such, the employees and customers of Absa Bank are the primary target publics as they are directly involved in the service delivery aspect pertaining to organisational functioning. In order to adequately answer the documented research problem, three corresponding research aims were conceptualised. Each of these aims correlate to a theoretical chapter and are reflected in the overall research problem. As such, the concepts of pertinence to the research problem are internal organisational communication, corporate identity and organisational culture.

The first research aim related to the determination of the role of internal organisational communication as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation by discussing concepts such as organisational communication, the trends impacting on organisational communication as well as the specific outcomes these trends have on the functioning of Absa Bank. As such, it was found that within the context of Absa Bank, communication aligns internal organisational processes, systems and stakeholders to support the overall organisational strategy (de Jager, 2003). As such, internal communication focuses on the internal stakeholders within the organisation. Essentially, research conducted by Henderson and McAdam (2003:776) expands upon Newstrom and Davis’ (1997:49) postulations regarding the belief that organisational
structure has an influence on the efficiency of internal communication processes, whilst external communication, on the other hand, is utilised to establish strong ties with members of the relevant environment by providing these external stakeholders with relevant information. Thus, Christensen (2002:162) and Proctor and Doukakis (2003:275) purport that there is an interaction between internal and external communication during times of change, whereby organisational change is triggered by factors external to the organisation. Barrett (2002:217) is of the opinion that the focal point of communication should be the internal employee, which will enhance the process of cultural change that will result in new behaviour. When the internal culture has changed, an organisation can target the relevant stakeholder groups to ensure they are informed about the changes and how they affect the specific groups. Hendrikse (1999:118) postulates that change is the end result of the integration of systems, strategies, operations and organisational communication. Moreover, the drivers effecting strategy change are often increased customer sophistication, increased competition, globalisation, and technological developments. Service quality and employee and customer retention are only possible if the organisation executes strict control on service delivery via an integrated approach to service quality and communication. Moreover, it was found that the same was true within the context of Absa Bank due to the fact that findings gathered from the Absa Bank Economic Research Department (1197:5), Bruwer (2003), de Jager (2003) and Hendrikse (1999:118) all reiterate the premise that organisational communication and change are mostly prompted by factors external to the bank. In this regard, organisations should strive to facilitate change from the inside of the organisation outwards.

The identified theoretical statements, pertaining to the first research aim, by Millar and Rose (1994:15), Dolphin and Fan (2000:100) and Wood (1997:11) concerning the changes impacting on various organisations due to the changing nature of today’s global economy, indicate that organisational communication provides a competitive advantage for the organisation by helping the organisation convey its most significant points of distinctiveness and contributing to positioning the organisation in the marketplace, thus it is a key competitive and creative weapon for the organisation. Thus, within the context of Absa Bank, findings by Bruwer (2003), de Jager (2003) as well as Prins (2003) indicate an agreement between the above theoretical statements and the research findings due to the fact that Absa Bank has implemented a holistic internal organisational communication campaign which conveys Absa Bank’s service positioning strategy and points of distinctiveness from other banking service organisations. As such, Kemp (2001:1) is of the opinion that the internal organisational communication strategies implemented by Absa Bank are a source of competitive advantage for the organisation because the focus on employee commitment and acceptance is upheld, which reiterates the fundamental premise of
research conducted by Dolphin and Fan (2000:101), Eagle and Kitchen (2000:2), Kitchen and Daly (2002:51) and Skinner (1998a:361) regarding the idea that employees management and internal organisational communication are viewed as the cornerstones to competitive advantage for organisations.

As such, from the findings obtained regarding the first research aim it is pertinent to include the recommendation for Absa Bank to implement the concept of integrated organisational communication (IOC) into their organisation. This is due to the fact that IOC focuses specifically on the various communication strategies taking place within the organisation, such as internal communication and internal marketing and branding, as well as the external organisational communication to the relevant external organisational stakeholders. As such, it is possible to describe IOC as a “cross-functional, strategic, meaning-generation process of interaction, which plans, executes and monitors organisational messages designed to motivate or influence behaviour and to communicate with the organisation’s internal and external audiences to the mutual benefits of both and to its improved competitive advantage”. The literature reviewed deduces that employees should be trained, valued and empowered, as they convert customers into loyal customers that contribute positively to the organisation’s profitability. Integrated communication practices, specifically internal communication and an alignment between internal and external branding, are catalysts that facilitate change in people’s attitudes and understanding, which ultimately results in behaviour change. The above discussion indicates that there is an alignment with the theoretical postulations due to the fact that the documented theoretical statements pertaining to this research aim have been proven within the context of Absa Bank.

The second research aim relates to the determination of the role of corporate identity as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation by identifying the marketing functions implemented so as to fully achieve the conceptualisation of the Absa Bank brand, the initiatives taken to align the internal customers with the Absa Bank brand as a whole, as well as the manner in which Absa Bank implements its business and branding strategies. As such, Blumenthal (2001:3) postulates that branding is a continuous process, which implies that as employees and management change, so do the organisation’s customers. The branding initiatives need to be readdressed so as to communicate with the changing markets. Within the context of Absa Bank, it can be deduced that Prins (2003) concurs with Blumenthal’s (2001:3) opinions regarding the changing nature of brands and the organisation, due to the fact that the branding strategy implemented by Absa Bank acknowledged the merger of the four banking brands into one brand and thus
conceptualised and implemented marketing strategies which communicated these changes to all of Absa Bank’s stakeholders.

Moreover, according to research conducted by Einwiller and Will (2001:3), corporate brands have real, measurable power. Therefore, in the hands of a trained leader, a corporate brand has the ability to inspire the organisation as a whole to achieve the core organisational values that the brand reflects. The Conference Board (2002:3) purport that a corporate brand is the foundation of leadership and distinctiveness, providing strategic direction, clarity of purpose and inspiration. The foundations laid out by both Einwiller and Will (2001:3) and the Conference Board (2002:3) are conceptualised within the context of Absa Bank due to the fact that Spark (2002:1) and Wood, S. (1999:3) concur that Absa Bank’s management figures were seen as actively supporting the brand promise, which emphasised the core organisational values, through their communications and were perceived to be living the brand through their daily interactions with all stakeholders. The corporate brand distinguishes one organisation from another and makes up a large part of an organisation’s strategic competitive advantage. If a corporate brand has been effectively managed, it has the potential to convey the essence, character and purpose of the organisation. The corporate branding process has an effect on all forms of organisational communication. The corporate brand is the intentional declaration of who the organisation is, what it believes in and why customers will benefit by choosing that organisation’s products and services. In essence, corporate branding is the promise the organisation keeps to the customers, both internal and external.

In this regard, the theoretical statements by van Riel (1997:289) and Alessandri (2001:173) pertaining to the second research aim indicate that corporate identity is perceived to be an endorsement of the brand and corporate values and is evident in every aspect of the brand experience, as such the stronger the employees’ identify with their organisations, the more supportive and accepting they are of organisational promises and the more they make decisions that are consistent with organisational objectives. This is evident within the context of Absa Bank, as research findings from Bruwer (2002:1) and Prins (2003) indicate an agreement between the above theoretical statements due to the fact that Absa Bank employees accepted the new Absa Bank brand because of the continuous communication campaigns, training sessions and brand roadshows which were held surrounding the fact that the corporate brand was aligned with the strategic organisational values. Moreover, organisations should be proactive and not afraid to change if they want to survive. The organisational service strategy is ultimately influenced by the components that surround it, and in turn impacts upon those organisational elements. Due to the branding (single brand) initiative, Absa Bank was confronted with the need
to adjust its service strategy so as to be appropriately aligned internally and externally (de Jager, 2003). Moreover, Prins (2003) indicates that Absa Bank’s organisational leverage is closely aligned to the internal service strategy, as the employees work together in teams with customer service, marketing, group communication, and people management, which is the alignment of Marketing and Human Resources functions so as to impact upon the quality of relationships with Absa Bank’s internal and external stakeholders. It is the opinion of de Jager (2003) and Prins (2003) that internal organisational alignment is extremely important to the successful functioning of Absa Bank. As such, the branding initiative can be partially attributed to Absa Bank achieving and sustaining a competitive advantage and internal branding is viewed as a successful tool for promoting internal organisational alignment. Building the organisation’s brand is a part of the organisational positioning strategy within the environment. Brands enhance buyer confidence, help people to make decisions, differentiate the organisations, grow profitability and build enduring relationships. Due to the fact that many organisations offer similar products and services, enhanced quality of service is regarded as a differentiating factor to keep customers satisfied and loyal to the organisation. Therefore, it is important that the internal employees are motivated and trained to live the brand and reflect its core values. The above discussion indicates that there is an alignment with the theoretical postulations due to the fact that the documented theoretical statements pertaining to this research aim have been proven within the context of Absa Bank. As such, from the findings obtained regarding the second research aim it is pertinent to include the recommendation for Absa Bank to implement a procedure which takes cognisance of all of elements of the corporate identity management process, such as Stuart’s Towards a Definitive Model of the Corporate Identity Management Process (see Figure 3.6). This would be of value to Absa Bank due to the fact that it examines the impact of the external environment on the organisation as well as the importance of organisational culture within the organisational strategic framework.

The third research aim discussed the determination of the role of organisational culture as a tool for internal organisational alignment amongst banking service organisations in South Africa that have undergone an amalgamation. The clarification of individual and corporate visions, missions, values and needs was a crucial step that Absa Bank took toward organisational improvement, which resulted in benefits attributed to the single brand strategy, namely: a new organisational culture, new values, and one cohesive goal and organisational vision (Prins, 2003). An organisational culture that is considered a reflection of the external brand values is perceived as a source of employee pride, commitment and satisfaction. As such, the theoretical statements by Jobber (1995:2) and Kitchen and Daly (2002:50) pertaining to the third research
aim indicate that the authors’ postulate that internal branding is considered a key implementation tool, which aids communication and helps organisational members to adopt the organisation’s culture, as this tool informs and involves all employees in new initiatives and strategies. This is evident within the context of Absa Bank, as research findings from de Jager (2003) and Prins (2003) indicate an agreement between the above theoretical statements as both de Jager (2003) and Prins (2003) concur that this is the case with the Absa Bank brand and culture due to the fact that Absa Bank’s organisational culture impacts upon the ability of the organisation to learn and adapt to change. This organisational learning has an influence on the strategic and cultural aspects of organisational components, as well as on organisational reputation. Stakeholder value is impacted upon by organisational reputation, and has an influence on the performance results of the organisation. The preceding discussion indicates that there is an alignment with the theoretical postulations due to the fact that the documented theoretical statements pertaining to this research aim have been proven within the context of Absa Bank. Based on the findings obtained regarding the third research aim it is pertinent to include the recommendation for Absa Bank to implement strategic measurement methodologies, such as the Balanced Scorecard, on a regular basis to establish a strategic, measurable employee feedback mechanism which documents the how employees perceive the organisational culture in terms of the core organisational business strategies implemented. This feedback will provide Absa Bank with measurable results which can be translated into new strategies to continuously align the organisational culture with the organisational strategic objectives reformulated due to continuous changes in the business environment.

This one-shot intrinsic case study on Absa Bank indicates that the integrated communication practices implemented, such as employee communication, internal branding and external branding, have had an influence on the organisational culture of Absa Bank, which is described by a respondent to the e-mail interview as being “open, honest, progressive yet approachable” (Prins, 2003). This is due to the fact that the manner in which employees internalise the communication practices, and respond to that communication, influenced the employees’ behaviour towards the organisation, which in turn drove the actual enhancement and expression of the corporate brand. Effective communication is viewed as a key to organisational success. The communication campaign at Absa Bank had the primary focus to inform, and where possible, to pursue and obtain employee acceptance and implementation of the new branding and service delivery strategies. The communication campaigns, both internal and external, that followed the initial single brand launch had the overall objective to obtain acceptance from employees. From the above it can thus be deduced that the research problem has been achieved,
whereby internal branding is one of the mechanisms that has an influence on an organisation’s internal alignment of employees. Internal branding can successfully be used, in conjunction with organisational strategies and external marketing campaigns, as a tool for promoting, achieving and enhancing internal organisational alignment. The concepts of organisational culture, internal communication campaigns, employee satisfaction, and internal service quality, are key concepts to the achievement of alignment between internal organisational functioning, internal brand perception and the external image the organisation projects.

The following recommendations may be useful when formulating further research and theories into the concepts of integrated organisational communication, internal branding, employee communications, organisational culture, and internal organisational alignment:

- Due to the impending acquisition of Absa Bank by Barclay’s Bank, a British Bank, it is recommended that a study be conducted to gauge the impact of such a merger on the Absa Bank brand from a South African perspective. It is recommended that the research focus on the how the external publics perceive this merger to impact on the Absa Bank brand due to the fact that marketing surrounding Absa Bank has previously had the aim to position Absa Bank as a uniquely South African bank. Within this study attention should be to the question if a merger between the two banks would imply a change in corporate identity for Absa Bank.

- It is further recommended to conduct a study surrounding the impact of the merger between the two banks on Absa Bank’s employees’ perception of the new corporate brand and organisational culture if the proposed merger between Absa Bank and Barclay’s Bank occurs.

- The resignation of Santie Botha, who is credited with the creation of the Absa Bank brand, from her position as one of Absa Bank’s executive directors has had no immediate effect on the Absa Bank share price (Joffe, 2003:1). However, there may well be long-term repercussions, since the effect of employee retention and satisfaction on an organisation is subtler. The fact that there may not have been an immediately measurable impact on the organisation does not mean that the retention of dynamic, motivated employees is not important to the organisation’s success. The danger is that top management will not have the insight to understand this and may therefore conclude that their organisations do not need to pay attention to these principles. That will lead to some very undesirable long-term effects on the profitability of the organisation. However, the case study indicates that Absa Bank does comply with the principles of employee satisfaction and the importance of internal organisational communication and it recommended to research the overall long-term impact
of Botha’s resignation on Absa Bank’s share price and perceived organisational perception by internal and external stakeholders. Thus as a recommendation for further research a study can be conducted to determine the impact of the loss of top executives to an organisation’s competitive advantage, other employee retention levels and the organisation’s overall profitability.

- A further recommendation for research is to examine the current corporate structure to determine the impact on organisational communication if a hierarchical structure still exists even though the research indicates that Absa Bank strives to be comprised of teams of brand ambassadors who communicate openly throughout the organisation.

- It is recommended that organisations have to introduce and implement a corporate identity strategy that combines the four corporate identity components, behaviour, personality, communications, and symbolism, in an effort to successfully account for the organisation’s enhanced internal organisational alignment initiatives through the use of internal branding and integrated organisational communication.
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Dear Absa Bank Group Division of Communication Department member,

RESEARCH PROJECT – THE ROLE OF INTERNAL BRANDING AS A TOOL FOR INTERNAL ORGANISATIONAL ALIGNMENT

I am currently working on my Masters Degree in Corporate Communication (M.A.) at the Rand Afrikaans University (RAU). As part of my studies I will conduct a research interview on the role that internal branding plays as a tool for internal organisational alignment within Absa Bank. You have been selected as a respondent to provide an opinion on the matter.

The purpose of the research is to determine role that internal branding plays as a tool for internal organisational alignment within banking services organisations in South Africa that have undergone an amalgamation. This standing will be determined with the aid of a series of questions which have been developed so as to ascertain your opinions on the role of the internal branding strategy which Absa Bank implemented after the amalgamation of Allied Bank, Volkskas Bank, United Bank and TrustBank. The questions have been divided into three section based on the foundations of the research. The results from the telephonic interviews and the e-mail surveys will establish the specific role that internal branding played as a tool for internal organisational alignment within Absa Bank. The following comprises of several open-ended questions relating to this topic and your honest opinion is of utmost importance.

All information provided will be treated as confidential and will only be used within this research dissertation.

Thank you for your cooperation.

Yours sincerely,

Ms Julia Scheffer
Prepared Interview Questions

Section A: Internal Organisational Communication

1. Briefly describe the environmental factors impacting upon Absa Bank.

2. Are there problems of existence that can be attributed to the environment in which Absa Bank operates?

3. How are these problems overcome?

4. Discuss the type of integrated communication practices previously used by Absa Bank.

5. Discuss the type of integrated communication practices now used by Absa Bank.

6. Why are those specific communication practices used?

7. What are the internal communication policies at Absa Bank?

8. What are the external communication policies at Absa Bank?
9. How do these policies impact upon the quality of relationships with the organisational stakeholders?

10. How is the organisational leverage translated into the internal service strategy?

Section B: Corporate Identity

11. Why was the branding initiative decided upon at Absa Bank?

12. What was the duration of the branding project?

13. What is the specific business model process adopted by Absa Bank to achieve organisational positioning within the environment?

14. What was the process implemented to develop the brand position?

15. How are the following impacted upon by the brand position:
   a) Organisational goals?
   b) Objectives?
   c) Activities?
16. Describe the actual internal branding (internal communication) practices implemented at Absa Bank.

17. How was the internal brand aligned with the external brand?

18. How has the branding initiative impacted upon organisational functioning, with regards to:
   a) Organisational learning?
   b) Reputation?
   c) Stakeholder value?
   d) Employee satisfaction?
   e) Organisational profit?

19. Are there any benefits attributed to the branding initiative?

20. Due to the branding initiative, was there a need to adjust service strategy so as to be appropriately aligned:
   a) Internally?
   b) Externally?
21. Can the branding initiative be attributed to Absa Bank:
   a) Achieving a competitive advantage?

   b) Sustaining a competitive advantage?

Section C: Organisational Culture

22. Is the culture of the organisation reflected in the organisational brand?

23. Briefly describe Absa Bank’s organisational culture.

24. How important is internal organisational alignment to the successful functioning of Absa Bank?

25. Due to the branding initiative, how is the level of organisational learning measured?

26. How is the level of organisational learning monitored?

27. From your experience, do you believe internal branding is a successful tool for promoting internal organisational alignment?